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**SUBSTITUTE SENATE BILL 6492**

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**State of Washington**

**53rd Legislature**

**1994 Regular Session**

**By** Senate Committee on Agriculture (originally sponsored by Senators M. Rasmussen and Newhouse)

Read first time 02/02/94.

1 AN ACT Relating to agricultural associations; and amending RCW  
2 23.86.007 and 23.86.145.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 23.86.007 and 1989 c 307 s 3 are each amended to read  
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout this chapter.

8 (1) "Association" means any corporation subject to this chapter.

9 (2) "Member" or "members" includes a member or members of an  
10 association subject to this chapter without capital stock and a  
11 shareholder or shareholders of voting common stock in an association  
12 subject to this chapter with capital stock.

13 (3) "Articles of incorporation" means the original or restated  
14 articles of incorporation, articles of consolidation, or articles of  
15 association and all amendments including articles of merger.  
16 Corporations incorporated under this chapter with articles of  
17 association shall not be required to amend the title or references to  
18 the term "articles of association."

1 (4) "Director," "directors," or "board of directors" includes  
2 "trustee," "trustees," or "board of trustees" respectively.  
3 Corporations incorporated under this chapter with references in their  
4 articles of association or bylaws to "trustee," "trustees," or "board  
5 of trustees" shall not be required to amend the references.

6 (5) "Agricultural association" means an association that engages in  
7 any activity in connection with the marketing or selling of the  
8 agricultural products of its members, or with the harvesting,  
9 preserving, drying, processing, canning, packing, storing, handling,  
10 shipping, or utilization thereof, or the manufacturing or marketing of  
11 the byproducts thereof; or in connection with the manufacturing,  
12 selling, or supplying to its members of machinery, equipment, or  
13 supplies, or in the financing of these activities. In the application  
14 of the definition of agricultural association, "agricultural products"  
15 includes horticultural, viticultural, forestry, dairy, livestock,  
16 poultry, bee, and farm products.

17 **Sec. 2.** RCW 23.86.145 and 1991 c 72 s 16 are each amended to read  
18 as follows:

19 (1) Except as provided otherwise under (~~subsection (2) of this~~  
20 ~~section~~) this chapter, the rights and procedures set forth in chapter  
21 23B.13 RCW shall apply to a member who elects to exercise the right of  
22 dissent.

23 (2) The articles of incorporation of an association subject to this  
24 chapter may provide that a dissenting member shall be limited to a  
25 return of less than the fair value of the member's equity interest in  
26 the association, but a dissenting member may not be limited to a return  
27 of less than the consideration paid to or retained by the association  
28 for the equity interest unless the fair value is less than the  
29 consideration paid to or retained by the association.

30 (3) Any member of an agricultural association who exercises the  
31 right to dissent from an association action described in RCW 23.86.135  
32 shall be entitled to payment of the member's equity interest on the  
33 same time schedule that would have applied if membership in the  
34 association had been terminated.

35 (4) Subsection (3) of this section does not apply to agricultural  
36 associations that are involved in an action under subsection (3) of  
37 this section before the effective date of this section: (a) As to the

1 associations that were involved in the particular action; (b) for three  
2 years after the effective date of this section.

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