

SESSION OF 2004

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2530**

As Amended by House Committee on  
Agriculture

**Brief\***

HB 2530 would amend one section of the Cooperative Marketing Act to clarify that any officer of a cooperative organized under the Act could be removed from office by a vote of the members of the board. Authority is given in the bill to allow a board of directors to elect a replacement for any officer who has been removed. The bill also would clarify that any removal of an officer does not mean that the person would be removed as a member of the board of directors.

**Background**

This bill was introduced at the request of a representative of the Kansas Cooperative Council. At the hearing on the bill, a representative of the Cooperative Council indicated that the bill was intended to clarify what has been the common practice among cooperatives. The spokesperson explained that there had been a court ruling that interpreted that law differently than what had been common understanding. It was explained that this bill was to codify the common practice. It also was explained that the bill would not provide for the removal from the board of a member-elected board member. Also appearing in support of the bill were representatives of the Kansas Farm Bureau and the Kansas Agricultural Alliance. There were no opponents to the bill.

The House Committee on Agriculture amended the bill to allow cooperative by-laws to govern what kind of majority it would take in order for an officer of the cooperative to be removed from the office held. The Committee also amended the bill to clarify that any removal from office was not to be construed as removal from the board of directors. Members or voting stockholders of the cooperative could still petition for the removal of any officer or director pursuant to KSA 17-1614.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal note on the original bill indicates no fiscal impact.