

A closer look at the proposed changes to Wisconsin's cooperative laws

If you are a member of a cooperative in Wisconsin, you need to be aware of a bill that could significantly change our state's cooperative organizing laws – and your rights – as a co-op member.

Senate Bill 281/Assembly Bill 353 would permit co-ops to make certain changes to their bylaws that are currently prohibited under state law. These changes would only apply if the co-op votes to adopt them.

If you are a member of **any cooperative in Wisconsin:**

- Up to 20% of your cooperative's board seats could be turned over to non-members, including outside investors.
- You could lose the right to review cooperative records that are more than 3 years old.
- Your co-op would be allowed to give greater than 8% returns to capital investors.

In addition to these changes, if you are a member of the cooperative holding company **Cooperative Resources International (CRI), or its member co-ops Genex or AgSource:**

- Your co-op could choose to base voting power on patronage, rather than the principle of **1 member, 1 vote**. If this change is adopted, *average-sized farms would see their voting power in the co-op significantly diminished compared to the co-op's very largest farm members.*

Advocates of the bill reason that:

- We shouldn't be stuck in the past, and we should allow our co-ops to change with the times.
- Other states have changed their cooperative laws to allow proportional voting in limited instances.
- Federally-chartered farm credit banks have had outside directors for a long time.
- These changes are opt-in, rather than automatic, so they would only apply to a particular co-op if members voted to amend the bylaws.

WFU does support separate provisions of the bill that would allow electric co-ops to invest more in energy efficiency projects. However, we think the overall proposed changes are pretty fundamental departures from cooperative principles, and the case has not been made for their necessity.

What you can do right now:

- Contact your legislators and cooperative board reps and let them know what you think about this issue.
- Testify at the hearing! Contact Nick Levendofsky at nickl@wisconsinfarmersunion.com or (608) 234-3741 to receive notification when the legislative hearings are scheduled.
- Join Wisconsin Farmers Union and/or follow us on Facebook to get updates on this issue.
- Spread the word to fellow co-op members. Contact WFU for copies of this info sheet.



Image source: Willy Street Co-op

This fact sheet is brought to you by:



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