

Senate Bill 468

Sponsored by Senator THOMSEN (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits director of agricultural cooperative, with respect to financial condition of agricultural cooperative, from intentionally or negligently concealing material information from member of agricultural cooperative, providing inaccurate or misleading material information to member of agricultural cooperative or otherwise acting to deceive member of agricultural cooperative.

Creates duty for officer of agricultural cooperative to act in good faith and with due care and provides that officer does not act in good faith or with due care if officer, with respect to financial condition of agricultural cooperative, intentionally or negligently conceals material information from member of agricultural cooperative, provides inaccurate or misleading material information to member of agricultural cooperative or otherwise acts to deceive member of agricultural cooperative.

Creates right of action for member of cooperative to seek damages or injunction for director's or officer's violation of respective duties.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a duty to represent the financial condition of an agricultural cooperative; and prescrib-
3 ing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2021 Act are added to and made a part of ORS**
6 **chapter 62.**

7 **SECTION 2. (1) As used in this section, "agricultural cooperative" has the meaning de-**
8 **scribed in ORS 62.720 (5).**

9 **(2) In addition to the duties prescribed for the director of a cooperative under ORS 62.283,**
10 **the director of an agricultural cooperative may not, with respect to the financial condition**
11 **of the agricultural cooperative, intentionally or negligently:**

12 **(a) Conceal material information from a member of the agricultural cooperative;**

13 **(b) Provide inaccurate or misleading material information to a member of the agricul-**
14 **tural cooperative; or**

15 **(c) Otherwise act to deceive a member of the agricultural cooperative.**

16 **(3) A member of an agricultural cooperative may bring an action in a court of this state**
17 **to recover damages the member incurred as a result of a director's violation of the re-**
18 **quirements set forth in this section or a breach of the director's duties under ORS 62.283,**
19 **or to seek an injunction against an action of the director that violated the requirements of**
20 **this section or of the director's duties under ORS 62.283.**

21 **SECTION 3. (1) As used in this section, "agricultural cooperative" has the meaning de-**
22 **scribed in ORS 62.720 (5).**

23 **(2)(a) In addition to the duties prescribed for an officer of a cooperative under ORS**
24 **62.295, the officer of an agricultural cooperative shall discharge the duties of an officer, in-**
25 **cluding duties as a member of a committee, in good faith, with the care an ordinarily prudent**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 person in a like position would exercise under similar circumstances and in a manner the
2 officer reasonably believes to be in the best interests of the agricultural cooperative.

3 (b) An officer does not act in good faith or with due care if, with respect to the financial
4 condition of the agricultural cooperative, the officer intentionally or negligently:

5 (A) Conceals material information from a member of the agricultural cooperative;

6 (B) Provides inaccurate or misleading material information to a member of the agricul-
7 tural cooperative; or

8 (C) Otherwise acts to deceive a member of the agricultural cooperative.

9 (c) A member of an agricultural cooperative may bring an action in a court of this state
10 to recover damages the member incurred as a result of an officer's breach of the duties of
11 good faith and due care described in this section and in ORS 62.295 or to seek an injunction
12 against an action of the officer that breached the officer's duties of good faith and due care
13 under this section or ORS 62.295.

14 SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021
15 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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