

Requested by Senator THOMSEN

**PROPOSED AMENDMENTS TO
SENATE BILL 468**

1 On page 1 of the printed bill, line 2, after “cooperative;” insert “creating
2 new provisions; amending ORS 62.355;”.

3 On page 2, after line 13, insert:

4 **“SECTION 4.** ORS 62.355 is amended to read:

5 “62.355. (1) Contracts for any of the following purposes, whether con-
6 tained in the bylaws or separately written, are valid when made between a
7 cooperative and any member in which [*such*] **the** member agrees to:

8 “(a) Sell, market or deliver to or through the cooperative or any facilities
9 [*furnished by it,*] **the cooperative provides** all or any specified part of pro-
10 ducts produced or to be produced either by the member or under the control
11 of the member.

12 “(b) Authorize the cooperative or any facilities [*furnished by it*] **the co-**
13 **operative provides** to act for the member in any manner with respect to all
14 or any specified part of such products.

15 “(c) Buy or procure from or through the cooperative or any facilities
16 [*furnished by it,*] **the cooperative provides** all or any specified part of goods
17 or services to be bought or procured by the member.

18 “(d) Authorize the cooperative or any facilities [*furnished by it*] **the co-**
19 **operative provides** to act for the member in any manner in the procurement
20 of goods or the procurement or performance of services.

21 “(2) The contract [*referred to*] **described** in subsection (1) of this section

1 may fix and require liquidated damages to be paid by the member to the co-
2 operative [*in the event of breach of the contract by*] **if the member breaches**
3 **the contract**. Liquidated damages may be a percentage of the value or a
4 specific amount per unit of the products, goods or services involved by the
5 breach, or a specific sum.

6 “(3) Two or more cooperatives may contract and act in association, cor-
7 porate or otherwise, to perform collectively any of [*their*] **the cooperatives’**
8 powers or purposes authorized by this chapter.

9 “(4)(a) **Notwithstanding ORS 62.365, a member may bring an action**
10 **to rescind a contract with a cooperative without penalty if the member**
11 **relied in good faith on information that the cooperative, or a director**
12 **or officer of the cooperative, provided about the financial condition**
13 **of the cooperative and the member later discovers that the cooper-**
14 **ative, or a director or officer of the cooperative, intentionally or**
15 **negligently:**

16 “(A) **Concealed material portions of the information;**

17 “(B) **Provided inaccurate, misleading or false information; or**

18 “(C) **Otherwise acted to deceive the member as to the financial**
19 **condition of the cooperative.**

20 “(b) **A member’s execution of a contract described in this section**
21 **creates a rebuttable presumption that the member relied in good faith**
22 **on information the cooperative, or a director or officer of the cooper-**
23 **ative, provided about the financial condition of the cooperative. Only**
24 **clear and convincing evidence may rebut the presumption.”.**

25 In line 14, delete “4” and insert “5”.

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