

17-1609. Bylaws. Each association incorporated under this act must, within 30 days after its incorporation, adopt for its government and management a code of bylaws, not inconsistent with the powers granted by this act. Each association under its bylaws may also provide for any or all of the following matters:

(a) The time, place and manner of calling and conducting the association meetings. The bylaws may provide that the association may have an office or offices outside of this state and may hold the association's stockholders' and directors' meetings outside of this state.

(b) The number or voting power of stockholders or members constituting a quorum.

(c) The right of members or stockholders to vote by proxy or by mail or by both, and the conditions, manner, form and effect of such votes.

(d) The number of directors constituting a quorum.

(e) The qualifications, compensation, and duties and term of office of directors and officers, time of their election, and the mode and manner of giving notice thereof.

(f) Penalties for violations of the bylaws.

(g) The amount of entrance, organization and membership fees, if any; the manner and method of collection of the same and purposes for which they may be used.

(h) The amount which each member or stockholder shall be required to pay annually or from time to time, if at all, to carry on the business of the association; the charge, if any, to be paid by each member or stockholder for services rendered by the association to such member or stockholder and the time of payment and the manner of collection; and the marketing contract between the association and the association's members or stockholders which every member or stockholder may be required to sign.

(i) The number and qualifications of members or stockholders of the association and the conditions precedent to membership or ownership of common stock; the method, time and manner of permitting members to withdraw or the holders of common stock to transfer their stock; the manner of assignment and transfer of the interest of members and of the shares of common stock; the conditions upon which and time when membership of any member shall cease. The automatic suspension of the rights of a member when such member ceases to be eligible to membership in the association, and the mode, manner and effect of expulsion of a member; the manner of determining the value of a member's interest and provisions for its purchase by the association upon the death of a member, or forfeiture of such member's membership or at the option of the association, by conclusive appraisal by the board of directors.

(j) The amount of annual dividends which may be paid on the common or preferred stock, which shall in no case exceed the greater of 8% or the contract interest rate set forth in subsection (a) of K.S.A. 16-207, and amendments thereto, at the time of issuance, and the manner in which the remainder of the association's profits shall be prorated in the form of patronage allocations to the association's several stockholders or members upon such member's or stockholder's purchases from, or sales to, the association or upon both such purchases and sales.

History: L. 1921, ch. 149, § 9; R.S. 1923, 17-1609; L. 1931, ch. 150, § 4; L. 1992, ch. 227, § 9; July 1.