

308A.201 POWERS.

Subdivision 1. **General powers.** In addition to other powers, a cooperative as an agent or otherwise:

(1) may perform every act and thing necessary or proper to the conduct of the cooperative's business or the accomplishment of the purposes of the cooperative;

(2) has other rights, powers, or privileges granted by the laws of this state to other corporations, except those that are inconsistent with the express provisions of this chapter; and

(3) has the powers given in this section.

Subd. 2. **Dealing in its own products.** (a) A cooperative may buy, sell, or deal in its own products, the products of the cooperative's individual members or patrons, the products of another cooperative or association or of its members or patrons.

(b) A cooperative may negotiate the price at which the products the cooperative is selling may be sold.

Subd. 3. **Contracts and agreements.** A cooperative may enter into or become a party to a contract or agreement for the cooperative or for the cooperative's individual members or patrons, or between the cooperative and its members.

Subd. 4. **Transactions of real estate and personal property.** A cooperative may purchase and hold, lease, mortgage, encumber, sell, exchange, and convey as a corporation real estate, buildings, and personal property as the business of the cooperative may require.

Subd. 5. **Construction of buildings and facilities.** A cooperative may erect buildings or other structures or facilities or the cooperative's owned or leased property, or on a right-of-way legally acquired by the cooperative.

Subd. 6. **Issuance of bonds and indebtedness.** A cooperative may issue bonds or other evidence of indebtedness and to borrow money to finance the business of the cooperative.

Subd. 7. **Advances to members or patrons.** A cooperative may make advances to the cooperative's members or patrons on produce delivered by the members or patrons to the cooperative.

Subd. 8. **Acceptance of deposits.** A cooperative may accept deposits of money from other cooperatives or associations from which it is constituted.

Subd. 9. **Lending and borrowing money.** A cooperative may loan or borrow money to or from individual members, cooperatives, or associations from which it is constituted with security that it considers sufficient in dealing with the members, cooperatives, or associations.

Subd. 10. **Acquisition and disposal of stock.** (a) A cooperative may purchase, acquire, hold, or dispose of the stock of another association or corporation, whether incorporated under the laws of this state or another state, and assume all rights, interests, privileges, responsibilities, and obligations arising out of the ownership of the stock.

(b) A cooperative may acquire and hold stock in another corporation organized under the law of this state or another state of the United States, including a corporation organized:

(1) as a federation of associations;

(2) for the purpose of forming a district, state, or national marketing, sales, or service agency; or

(3) for the purpose of acquiring marketing facilities at terminal or other markets in this state or other states.

(c) A cooperative may purchase, own, and hold shares of capital stock, memberships, interests in nonstock capital, evidences of indebtedness of any domestic or foreign corporation when reasonably necessary or incidental to accomplish the purposes stated in the articles.

Subd. 11. **Fiduciary powers.** (a) A cooperative may exercise any and all fiduciary powers in relations with members, cooperatives, or associations from which it is constituted.

(b) A cooperative may take, receive, and hold real and personal property, including the principal and interest of money or other funds and rights in a contract, in trust for any purpose not inconsistent with the purposes of the cooperative in its articles, and may exercise fiduciary powers in relation to taking, receiving, and holding the real and personal property.

Subd. 12. **Electric cooperative powers.** (a) An electric cooperative has the power and authority to:

(1) make loans to its members;

(2) prerefund debt;

(3) obtain funds through negotiated financing or public sale;

(4) borrow money and issue its bonds, debentures, notes, or other evidence of indebtedness;

(5) mortgage, pledge, or otherwise hypothecate its assets as may be necessary;

(6) invest its resources;

(7) deposit money in state and national banks and trust companies authorized to receive deposits; and

(8) exercise all other powers and authorities granted to cooperatives.

(b) A cooperative organized to provide rural electric power may enter agreements and contracts with other electric power cooperatives or with a cooperative constituted of electric power cooperatives to share losses and risk of losses to their transmission and distribution lines, transformers, substations, and related appurtenances from storm, sleet, hail, tornado, cyclone, hurricane, or wind storm. An agreement or contract or a cooperative formed to share losses under this paragraph is not subject to the laws of this state relating to insurance and insurance companies.

Subd. 13. **Utility cooperative condemnation power.** A cooperative that is engaged in the electrical, heat, light, power, or telephone business may exercise the power of eminent domain in the manner provided by state law for the exercise of the power by other corporations engaged in the same business.

Subd. 14. **Creamery cooperative sewage condemnation power.** (a) A creamery cooperative organized in this state has the right, power, and authority to condemn lands by eminent domain for easements for sewers and sites for filtration plants to take care of all sewage and refuse made in the operation of its business. The power and authority shall be exercised as provided in chapter 117.

(b) The establishment, maintenance, and operation of sewers or filtration plants shall be under the supervision of the chair of the board of health as defined in section 145A.02, subdivision 2, of the town or city where the cooperative has its operating plant.

Subd. 15. **Water quality cooperative condemnation power.** A water quality cooperative organized in this state may exercise the power of eminent domain in the manner provided by state law for the exercise of the power by corporations engaged in the provision of electric, light, heat, power, or telephone service.

History: 1989 c 144 art 1 s 17; art 3 s 10-12; 1997 c 216 s 129