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Agricultural Cooperative Formation:

Connecticut



This material is based upon work supported by the National Agricultural Library, Agricultural Research Service, U.S. Department of Agriculture

A National Agricultural Law Center Research Publication

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Section 33-195 – Purpose

Three or more persons engaged in agriculture may form a corporation without capital stock for the purpose of marketing, buying, selling, treating, dealing in, handling or manufacturing agricultural products or by-products; the purchase of and selling or supplying to its members of surplus materials, including federal materials, machinery and demountable housing units, or other machinery, equipment or supplies; and the procuring of insurance for its members. Any such corporation may finance any of its activities, and shall be conducted upon a cooperative basis without profit to the corporation itself. Any corporation organized and legally existing prior to October 1, 1945, by virtue of the provisions of this chapter may, by a vote as required by its charter and bylaws and the laws of the state, amend its certificate of incorporation for the purpose of exercising the powers and provisions of this chapter relating to the purchase and selling or supplying to its members of surplus materials, including federal materials, machinery and demountable housing units, or other machinery, equipment or supplies.

Section 33-199 – Powers

When its certificate of incorporation has been approved and recorded, the corporation shall have all powers conferred upon corporations by section 33-647 and shall have the same power to mortgage or pledge its real and personal estate and to issue promissory notes or other evidences of indebtedness as have corporations having capital stock. Any such corporation may purchase or otherwise acquire, hold, own, sell, transfer or pledge, or guarantee the payment of dividends or interest on, or the retirement or redemption of, shares of the capital stock or bonds of any association or corporation engaged in the warehousing, handling or marketing of any of the products handled by the corporation; establish reserves and invest the funds thereof in such manner as it deems advisable



or as may be provided in the bylaws; and exercise all powers, rights and privileges necessary or incidental to the purposes for which the corporation is formed or to the activities in which it is engaged.

Section 33-636 – Certificate of Incorporation

(a) The certificate of incorporation shall set forth: (1) A corporate name for the corporation that satisfies the requirements of section 33-655; (2) the number of shares the corporation is authorized to issue; (3) the street and mailing address of the corporation's initial registered office and the name of its initial registered agent at that office; and (4) the name and address of each incorporator.

(b) The certificate of incorporation may set forth: (1) The names and addresses of the individuals who are to serve as the initial directors; (2) provisions not inconsistent with law regarding: (A) The purpose or purposes for which the corporation is organized; (B) managing the business and regulating the affairs of the corporation; (C) defining, limiting and regulating the powers of the corporation, its board of directors and shareholders; (D) a par value for authorized shares or classes of shares; or (E) the imposition of personal liability on shareholders for the debts of the corporation to a specified extent and upon specified conditions; (3) any provision that under sections 33-600 to 33-998, inclusive, is required or permitted to be set forth in the bylaws; (4) a provision limiting the personal liability of a director to the corporation or its shareholders for money damages for breach of duty as a director to an amount that is not less than the compensation received by the director for serving the corporation during the year of the violation if such breach did not (A) involve a knowing and culpable violation of law by the director, (B) enable the director or an associate, as defined in section 33-840, to receive an improper personal economic gain, (C) show a lack of good faith and a conscious disregard for the duty of the director to the corporation under circumstances in which the director was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the corporation, or (E) create liability under section 33-757, provided no such provision shall limit or preclude the liability of a director for any act or omission occurring prior to the effective date of such provision; (5) a provision permitting or making obligatory indemnification of a director for liability, as defined in section 33-770, to any person for any action taken, or any failure to take any action, as a director, except liability that (A) involved a knowing and culpable violation of law by the director, (B) enabled the director or an associate, as defined in section 33-840, to receive an improper personal gain, (C) showed a lack of good faith and a conscious disregard for the duty of the director to the corporation under circumstances in which the director was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, (D) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the corporation, or (E) created liability under section 33-757, provided no such provision shall affect the indemnification of or advance of expenses to a director for any liability



stemming from acts or omissions occurring prior to the effective date of such provision; and (6) a provision limiting or eliminating any duty of a director or any other person to offer the corporation the right to have or participate in any, or one or more classes or categories of, business opportunities, before the pursuit or taking of the opportunity by the director or other person; provided that any application of such a provision to an officer or a related person of that officer (A) also requires approval of that application by the board of directors, subsequent to the effective date of the provision, by action of qualified directors taken in compliance with the same procedures as are set forth in section 33-783, and (B) may be limited by the authorizing action of the board. As used in this subsection “related person” has the same meaning as provided in section 33-781.

(c) The certificate of incorporation need not set forth any of the corporate powers enumerated in sections 33-600 to 33-998, inclusive.

(d) Provisions of the certificate of incorporation may be made dependent upon facts objectively ascertainable outside the certificate of incorporation in accordance with subsection (l) of section 33-608.

Section 33-640 – Bylaws

(a) The incorporators or board of directors of a corporation shall adopt initial bylaws for the corporation.

(b) The bylaws of a corporation may contain any provision that is not inconsistent with law or the certificate of incorporation.

(c) The bylaws may contain one or both of the following provisions:

(1) A requirement that if the corporation solicits proxies or consents with respect to an election of directors, the corporation include in its proxy statement and any form of its proxy or consent, to the extent and subject to such procedures or conditions as are provided in the bylaws, one or more individuals nominated by a shareholder in addition to individuals nominated by the board of directors; and

(2) A requirement that the corporation reimburse the expenses incurred by a shareholder in soliciting proxies or consents in connection with an election of directors, to the extent and subject to such procedures or conditions as are provided in the bylaws, provided that no bylaw so adopted shall apply to elections for which any record date precedes its adoption.

(d) Notwithstanding subdivision (2) of subsection (b) of section 33-806, the shareholders in amending, repealing or adopting a bylaw described in subsection (c) of this section may not limit the authority of the board of directors to amend or repeal any condition or procedure set forth in or to add any procedure or condition to such a bylaw in order to provide for a reasonable, practicable and orderly process.



Section 33-185 – Business of Association Managed by Board of Directors

(a) Prior to October 1, 2019, the business of the association shall be managed by not fewer than seven members, who shall be styled a board of managers, shall be chosen annually by the stockholders and shall hold their offices until others are chosen and have qualified in their stead, except that when the bylaws of such association so prescribe, the board of managers may be divided into not more than three classes, each class to hold office for not more than three years, one of which classes shall be elected annually. Such association shall have such other officers appointed as its bylaws prescribe. The terms of the members of the board serving on June 26, 2019, shall expire on September 30, 2019.

(b) On and after October 1, 2019, the business of the association shall be managed by a board of directors consisting of not fewer than three members of the association. The board of directors shall be elected annually by the member shareholders and shall hold office until a successor has been elected, except, when the bylaws of such association so prescribe, the board of directors may be divided into not more than three classes, one of which classes shall be elected annually, with each class to hold office for not more than six years. Such association may adopt bylaws concerning the appointment of other officers of the association and to implement the provisions of this section.

Section 33-205 – Members

Any such corporation may admit as members only persons engaged in the production of agricultural products, including the lessees or tenants of land used for the production of such products, and any lessors or landlords who receive as rent all or any part of such products raised on the leased premises. If a member is other than a natural person, it may be represented by any of its officers, members or representatives, authorized in writing. Any corporation organized under this chapter may admit as members similar corporations organized under this chapter or chapter 595 or the laws of any other state and any such corporation may become a member of any other similar corporation organized under this chapter or chapter 595 or the laws of any other state.

Section 33-187 – Capital Stock; Franchise Tax

The amount of capital stock of any cooperative association organized under the provisions of this chapter shall be fixed by its articles of association at a sum not exceeding fifty million dollars par value, and shall be subject to the same franchise tax as the capital stock of other corporations organized under the general laws, which tax shall be paid to the Secretary of the State. The association may increase or diminish the amount and number of shares of such stock at any meeting of the member shareholders specially called for such purpose, but no shares shall be issued at less than their par value. Not later than five days after the passage of any vote increasing or diminishing such stock, such association



shall cause a certificate setting forth such vote, signed by a majority of the board of directors, to be recorded in the office of the Secretary of the State.

