

17-4623. Refunds to members. Revenues of a cooperative for any fiscal year in excess of the amount thereof necessary:

- (a) To defray the expenses of the operation and maintenance of the facilities of the cooperative during such fiscal year;
- (b) to pay interest and principal obligations of the cooperative coming due in such fiscal year;
- (c) to finance, or to provide a reserve for the financing of, the construction or acquisition by the cooperative of additional facilities to the extent determined by the board of trustees;
- (d) to provide a reasonable reserve for working capital;
- (e) to provide a reserve for the payment of indebtedness of the cooperative in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year shall, unless otherwise determined by a vote of the members, be distributed by the cooperative to its members and to other persons to whom the cooperative supplies electric energy or other services, as patronage refunds prorated in accordance with the patronage of the cooperative by the respective members and such other persons, paid for during such fiscal year: Provided, however, That such distribution shall not be made to any such other person until he has become a member of the cooperative.

If such other person does not become a member of the cooperative within one year after the amount of his distributive share or accumulated distributive shares equal the membership fee required by the bylaws of the cooperative, or if no membership fee is required, within two years after the declaration of any such patronage refund, he shall cease to be entitled to such share or shares. Nothing herein contained shall be construed to prohibit the payment by a cooperative of all or any part of its indebtedness prior to the date when the same shall become due.

History: L. 1941, ch. 185, § 23; June 30.