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Date: January 23, 2020

To: Representative John Barker, Chairman, House Federal and State Affairs Committee

From: Shahira Stafford, Kansas Cooperative Council

RE: House Bill 2401 – Providing an exception to the quorum requirements for shareholder meetings for certain corporations.

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to testify neutral to House Bill 2401. The Kansas Cooperative Council (KCC) represents all types of cooperatively structured businesses across the state. The industries covered by cooperatives are vast, including agriculture, utility, healthcare, insurance, housing, childcare, and credit unions.

Co-ops differ from for-profit businesses because they are member-owned, member-controlled, and democratically governed. Democratic member control is a key cooperative principle and an important structural difference between cooperative businesses and their for-profit counterparts.

The KCC is supportive of any statutes that continue to allow businesses to organize cooperatively and meet the needs of their members. The statutes that govern Kansas cooperatives are as vast as the types of business represented, each with their own specific requirements for conducting business. The KCC supports current Kansas law that allows cooperatively structured businesses to maintain democratic control for members; and we do not see any adverse effects from House Bill 2401 to our industry.

Thank you for the opportunity to provide our comments today.