




Revisiting Georgia's Agriculture Cooperative Law

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GEORGIA'S RURAL CENTER

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A large, light gray, stylized graphic of a water tower is positioned on the left side of the slide. It features a cylindrical tank with a lattice-like structure and a conical roof with a small finial.

2020 Georgia Code Title 2 - Agriculture Chapter 10 - Marketing Facilities, Organizations, and Programs

Reserved Any person, firm, or corporation who sells cottonseed hulls in bales or packages without having the weight thereof plainly stamped or branded on each bale or package shall be guilty of a misdemeanor.

- Article 1 - Georgia Building Authority (Markets)
- Article 2 - Farmers' Markets
- Article 3 - Cooperative Marketing Associations
- Article 4 - Roadside Markets Incentive Program



Are cooperatives essential for business in Georgia?

Is Georgia's law promoting the use of cooperatives?

Hindering?

Does current use tell us something about the law?

A comprehensive law:

- Applicability
- Formation
- Structure
- Governance
- Authorities/prohibitions
- Finance
- Distribution of net revenues

- § 2-10-80. Short Title
- § 2-10-81. Definitions
- § 2-10-82. When Associations Deemed Nonprofit
- § 2-10-83. Persons Who May Form Cooperative Association
- § 2-10-84. Filing of Articles of Incorporation; Contents; Subscription; Verification; Further Proceedings
- § 2-10-85. Amendment of Charter
- § 2-10-86. Adoption of Bylaws; Authorized Provisions
- § 2-10-87. Directors to Manage Association; Number; Election or Appointment; Compensation; Marketing or Purchasing Contracts With Association; Vacancies
- § 2-10-88. Election of Officers
- § 2-10-89. Removal of Officers or Directors
- § 2-10-90. Eligibility as Members or Stockholders
- § 2-10-91. Issuance of Stock or Certificate; Liability of Member; Maximum Amount of Stock Member May Own; Voting; Preferred Stock; Transfer of Stock; Purchase of Own Stock by Association
- § 2-10-92. Regular Meetings; Special Meetings Generally; Notice
- § 2-10-93. Referral of Matters to Entire Membership; Special Meetings
- § 2-10-94. Powers of Associations Generally
- § 2-10-95. Duration of Associations
- § 2-10-96. Use of Preferred Stock to Purchase Property Interest
- § 2-10-97. Transfer of Common Stock
- § 2-10-98. Joining With Other Nonprofit Cooperative Associations
- § 2-10-99. Ownership In, Control Of, or Membership in Other Corporations; Warehouse Receipts
- § 2-10-100. Contracts and Agreements Between Associations
- § 2-10-101. Marketing Contracts Authorized; Provisions; Liquidated Damages; Injunctions and Restraining Orders; Specific Performance
- § 2-10-102. Activities in Connection With Agricultural Products and Furnishing Farm Business Services Generally
- § 2-10-103. Engaging in Business for Nonmembers
- § 2-10-103.1. Power to Acquire Debt or Equity Of, Create or Own, and Control and Manage Business Entities
- § 2-10-104. Annual Reports
- § 2-10-105. License Fee; Tax Exemption
- § 2-10-106. Distribution of Excess Income, Reserves, or Surpluses
- § 2-10-107. Associations Not Deemed Monopolistic or in Restraint of Trade
- § 2-10-108. Applicability of Nonprofit Corporation Laws
- § 2-10-109. Applicability of Other Laws
- § 2-10-110. Procedure by Which Other Corporations and Associations May Come Under Article
- § 2-10-111. Use of Word "Cooperative" in Business Name

Benefits

Current through the 2021 Regular Session of the General Assembly.

[GA - Official Code of Georgia Annotated](#) > [TITLE 2. AGRICULTURE](#) > [CHAPTER 10. MARKETING FACILITIES, ORGANIZATIONS, AND PROGRAMS](#) > [ARTICLE 3. COOPERATIVE MARKETING ASSOCIATIONS](#)

§ 2-10-105. License fee; tax exemption

Each association organized under this article shall pay an annual license fee of \$10.00 but shall be exempt from all franchise or license taxes.

History

Ga. L. 1921, p. 139, § 26; Code 1933, § 65-225.

§ 2-10-107. Associations not deemed monopolistic or in restraint of trade

No association organized under this article shall be deemed to be a combination in restraint of trade, an illegal monopoly, or an attempt to lessen competition or fix prices arbitrarily; nor shall the marketing contracts or agreements between the association and its members or any agreement authorized in this article be considered illegal or in restraint of trade.

History

Ga. L. 1921, p. 139, § 23; Code 1933, § 65-220.

Recommendation

Subject to legislative council review
and
Advice from Commissioner Black

- Consider repeal and/or
- Overhaul to modernize relative to existing business best practice.



- Alternative business structures
 - ✓ Partnerships
 - ✓ Limited Liability Corporation
 - ✓ For Profits

All of which allow for dividend, patronage, or other forms of distribution.
- Other antitrust protection
 - ✓ Capper-Vollstead Act (1922) – provides for antitrust protection for farmers engaged in business as “cooperatives”

Relevant Alternatives