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**TO: Senate Committee on Sporting Heritage, Small Business and Rural Issues**  
**FROM: Daniel Smith, President and CEO of Cooperative Network**  
**DATE: February 2, 2021**  
**RE: Senate Bill 25 – Member Meetings, Bylaws & Emergency Powers of Cooperatives**

Dear Chairman Stafsholt and members of the committee,

Cooperative Network is an association of cooperatives from a dozen different business sectors in Wisconsin and Minnesota. The 742 co-ops in Wisconsin range in size from small, local enterprises such as Union Cab of Madison to large multi-nationals such as Land O' Lakes. Cooperative businesses operate across virtually all industries, ranging for example from Group Health Cooperative to Summit Credit Union. They all have in common the fact that they are governed by a set of 7 cooperative principles, they are member owned, and they are regulated by Wisconsin Statute Chapter 185 which requires an annual in-person meeting.

The annual meeting is a significant event in the year of a cooperative. It is an occasion for important business such as the election of board members as well the time to update resolutions and review financial information. Equally important, it is often a community gathering where neighbors can meet new neighbors or catch up with old acquaintances and cooperators. Therefore, while many cooperatives did change their bylaws at some point to allow their annual meeting to be held in coordination with harvest, or in conjunction with another important fiscal event, I know of no cooperative that had bylaws allowing for a *ZOOM* annual meeting.

As a result, when the pandemic struck, Cooperative Network received a flurry of inquiries about how cooperatives could hold annual meetings that met both state statutes such as the requirements of Wis. Stat. Chapter 185 and emergency orders limiting the number of people allowed to congregate in one location.

In Minnesota, Governor Tim Walz solved this dilemma with Executive Order [20-86](#), which allowed cooperatives to waive in-person meeting requirements, vote remotely for director elections, and forgo annual regular member meetings if virtual meetings were not feasible. Governor Walz stated the Executive Order was in keeping with public health guidance encouraging Minnesotans to avoid large gatherings.

Here in Wisconsin, the Department of Financial Institutions offered guidance indicating that for the duration of the Governor's declared public health emergency, DFI would not enforce in-person meeting requirements. While that was helpful, the cleanest fix would be legislation, similar to that at Wis. Stat. Sec. 180.0207 allowing for emergency bylaws for Business Corporations, and Wis. Stat. Sec. 181.0207 allowing emergency bylaws for NonStock Corporations.

Senate Bill 25 would accomplish this clean fix and we respectfully ask that you pass it.

A handwritten signature in black ink that reads "Daniel A. Smith". The signature is written in a cursive, flowing style.

Daniel Smith