

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 4361

(SENATE AUTHORS: MORRISON)

DATE
02/29/2024

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OFFICIAL STATUS
Introduction and first reading
Referred to Energy, Utilities, Environment, and Climate

1.1 A bill for an act
1.2 relating to electric cooperatives; improving member access to cooperative
1.3 documents and meetings; requiring electronic voting and voting by mail for
1.4 cooperative board directors; amending Minnesota Statutes 2022, section 308A.327.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 308A.327, is amended to read:

1.7 **308A.327 ELECTRIC COOPERATIVE; ~~BOARD MEETINGS~~ TRANSPARENCY;**
1.8 **ELECTIONS.**

1.9 Subdivision 1. **Open board meetings; remote participation.** (a) A regular or special
1.10 meeting of the board of directors of an electric cooperative ~~that has more than 50,000~~
1.11 ~~members~~ must be open to attendance by all members of the cooperative. The board shall
1.12 give reasonable prior notice of meetings. The board may close a meeting or a portion of a
1.13 meeting, provided the board has made a written determination that a closed meeting is
1.14 necessary for one of the following reasons:

1.15 (1) to discuss personnel matters, compensation issues, labor negotiations, billing and
1.16 credit information, or an issue that may tend to prejudice the reputation of an individual;

1.17 (2) to discuss threatened or pending litigation, issues subject to an attorney-client
1.18 privilege, or other legal information, the knowledge of which may have an adverse effect
1.19 on the cooperative's legal position; or

1.20 (3) to discuss or disclose information that, if discussed in an open meeting, would result
1.21 in impairment of the cooperative's competitive or financial position, interfere with a business
1.22 opportunity, or reveal proprietary information.

2.1 For the purposes of clause (3), a business opportunity means an opportunity for substantial
2.2 financial improvement of the cooperative that, if generally known, would likely jeopardize
2.3 the opportunity itself.

2.4 The board may close a portion of a meeting after announcing during an open meeting
2.5 the item of business to be discussed during the closed portion.

2.6 (b) An electric cooperative must provide the opportunity for all members to attend and
2.7 participate in a special or regular meeting of the board of directors remotely through Internet
2.8 access.

2.9 Subd. 2. Member access to information. An electric cooperative must maintain on the
2.10 electric cooperative's website and allow members to access:

2.11 (1) the following electric cooperative documents:

2.12 (i) articles of incorporation;

2.13 (ii) bylaws;

2.14 (iii) board of directors meeting minutes;

2.15 (iv) annual reports;

2.16 (v) Internal Revenue Service Form 990;

2.17 (vi) audited financial statements; and

2.18 (vii) if the electric cooperative has an ownership interest in a subsidiary, nonconfidential
2.19 and operational information regarding the subsidiary; and

2.20 (2) information regarding:

2.21 (i) dates, times, and locations of the upcoming board of directors meetings;

2.22 (ii) how to contact all members of the board of directors;

2.23 (iii) how to vote in board of directors elections; and

2.24 (iv) the number and percentage of members who voted in the most recent board of
2.25 directors election, including the number of votes that were proxy votes cast on behalf of
2.26 other members.

2.27 Subd. 3. Access to membership list. (a) The electric cooperative must make available
2.28 to any member a list of all electric cooperative members, provided the member complies
2.29 with this subdivision.

2.30 (b) A member's request to access the electric cooperative's membership list must be:

3.1 (1) requested in good faith; and

3.2 (2) directly connected to and used for a purpose relevant to the member's interest as a
3.3 member.

3.4 (c) A member is prohibited from using the membership list for commercial, sale, or
3.5 similar purposes.

3.6 (d) An electric cooperative may require a member requesting access to the membership
3.7 list to sign an affidavit certifying that the membership list must be used for a proper purpose
3.8 and agreeing to pay damages to the electric cooperative if the membership list is used
3.9 improperly.

3.10 (e) For the purposes of this subdivision, "membership list" means the names, street
3.11 addresses, telephone numbers, and email addresses of every member of the electric
3.12 cooperative.

3.13 Subd. 4. **Board of directors nominations.** An electric cooperative must allow a candidate
3.14 to be nominated for election to the board of directors by a petition signed by 40 or more
3.15 members of the electric cooperative.

3.16 Subd. 5. **Board elections; voting.** An electric cooperative must develop a secure system
3.17 that maintains ballot secrecy while allowing members to vote in an election for the board
3.18 of directors by mail and via the Internet.

3.19 Subd. 6. **Capital credits notification.** (a) An electric cooperative must notify each
3.20 member annually, on a bill or otherwise, of the member's capital credit allocation for the
3.21 previous calendar year.

3.22 (b) An electric cooperative must respond to a request by a member to calculate the
3.23 member's cumulative but unretired capital credit allocation amassed since becoming a
3.24 member of the electric cooperative within 45 days of the date the request is received.

3.25 (c) For the purposes of this subdivision, "capital credit allocation" means a member's
3.26 share of the electric cooperative's surplus of revenues over costs during the most recent
3.27 calendar year, allocated to each member based on the member's revenue contributed to the
3.28 electric cooperative during the year.

3.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
3.30 Subdivision 5 applies to electric cooperative board elections held on or after September 1,
3.31 2024.