



General Assembly

February Session, 2026

Substitute Bill No. 5431



AN ACT CONCERNING COOPERATIVE CORPORATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 33-183 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2026*):

3 Three or more persons of lawful age [and inhabitants of this state,
4 may, by written articles of association, associate themselves together]
5 may act as incorporators of a cooperative corporation by delivering a
6 certificate of incorporation to the Secretary of the State for filing. A
7 corporation may be formed under this chapter for the purposes of trade
8 or for carrying on any lawful mercantile, mechanical, manufacturing or
9 agricultural business. [within this state, and, when such articles of
10 association have been executed and filed in the office of the Secretary of
11 the State, the franchise tax provided by section 33-187 paid to, and such
12 articles of association approved by, said secretary, such persons shall
13 become a] The corporation [and] shall enjoy all the powers and
14 privileges and be subject to all the duties, restrictions and liabilities of
15 other corporations, except so far as such duties, restrictions and
16 liabilities may be limited or enlarged by this chapter.

17 Sec. 2. Section 33-184 of the general statutes is repealed and the
18 following is substituted in lieu thereof (*Effective October 1, 2026*):

19 The objects for which such [association] corporation is established,

20 and the place within which its business is to be carried on, shall be
21 distinctly set forth in its [articles of association] certificate of
22 incorporation or bylaws, and it shall not do business in any other place
23 or places than those [mentioned in its articles] stated in its certificate of
24 incorporation or bylaws.

25 Sec. 3. Section 33-185 of the general statutes is repealed and the
26 following is substituted in lieu thereof (*Effective October 1, 2026*):

27 [(a) Prior to October 1, 2019, the business of the association shall be
28 managed by not fewer than seven members, who shall be styled a board
29 of managers, shall be chosen annually by the stockholders and shall
30 hold their offices until others are chosen and have qualified in their
31 stead, except that when the bylaws of such association so prescribe, the
32 board of managers may be divided into not more than three classes, each
33 class to hold office for not more than three years, one of which classes
34 shall be elected annually. Such association shall have such other officers
35 appointed as its bylaws prescribe. The terms of the members of the
36 board serving on June 26, 2019, shall expire on September 30, 2019.]

37 [(b) On and after October 1, 2019, the business of the association] The
38 business of the corporation shall be managed by a board of directors
39 consisting of not fewer than three members of the [association]
40 corporation. The board of directors shall be elected annually by the
41 [member shareholders] members and shall hold office for one year and
42 until a successor has been elected, except [, when] that the bylaws of
43 such [association so prescribe, the board of directors may be divided
44 into not more than three classes, one of which classes shall be elected
45 annually, with each class to hold office for not more than six years. Such
46 association may adopt bylaws concerning the appointment of other
47 officers of the association and to implement the provisions of this
48 section] corporation may provide for staggering the terms of directors
49 by dividing the total number of directors into not more than five groups,
50 with each group containing approximately the same percentage of the
51 total, as near as may be. In that event, the terms of directors in the first
52 group expire at the first annual members' meeting after their election,

53 the terms of the second group expire at the second annual members'
54 meeting after their election, the terms of the third group, if any, expire
55 at the third annual members' meeting after their election, the terms of
56 the fourth group, if any, expire at the fourth annual members' meeting
57 after their election and the terms of the fifth group, if any, expire at the
58 fifth annual members' meeting after their election. At each annual
59 members' meeting held thereafter, directors shall be chosen for a term
60 of two years, three years, four years or five years, as the case may be, to
61 succeed those whose terms expire.

62 Sec. 4. Section 33-186 of the general statutes is repealed and the
63 following is substituted in lieu thereof (*Effective October 1, 2026*):

64 [Any two of the persons associated may call the first meeting of such
65 association, at such time and place as they may appoint, by notice in any
66 newspaper published in the county in which such association is to be
67 established, at least fifteen days before the time appointed; but such
68 notice may be waived by a writing signed by all of the persons so
69 associated, specifying the time and place for said meeting, and recorded
70 at length upon the records of the association. Such association may make
71 its own bylaws.] A majority of incorporators shall call an organizational
72 meeting of the corporation at such time and place as they may appoint
73 to (1) elect directors and complete the organization of the corporation,
74 or (2) elect a board of directors who shall complete the organization of
75 the corporation. Any action required or permitted to be taken by
76 incorporators at an organizational meeting under this chapter may be
77 taken without a meeting if the action taken is evidenced by one or more
78 written consents describing the action taken and signed by each
79 incorporator.

80 Sec. 5. Section 33-190 of the general statutes is repealed and the
81 following is substituted in lieu thereof (*Effective October 1, 2026*):

82 (a) No member of any such cooperative [association] corporation
83 shall be entitled to more than one vote upon any subject, at any meeting
84 of [such association] the members. The rights and qualifications of

85 members of the corporation shall be set forth in the bylaws, which
86 qualifications shall include holdings or subscribing for at least one share
87 of capital stock. If the bylaws of the corporation do not provide for
88 members, the shareholders shall be the members. Except as may be
89 provided in the certificate of incorporation with respect to classes or
90 series of stock, all rights of shareholders shall be exercised by the
91 members.

92 (b) Members entitled to vote on a matter may take action on the
93 matter at a meeting only if a quorum of those members exists with
94 respect to that matter. If there are no members entitled to vote as a
95 separate voting group, unless the certificate of incorporation or bylaws
96 provide otherwise, the members entitled to vote on the matter who are
97 present at the meeting, either in person or by proxy, constitute a quorum
98 for action on the matter. If there are members entitled to vote on a matter
99 as a separate voting group, the members entitled to vote as a separate
100 voting group may take action on the matter at a meeting only if a
101 quorum of that voting group exists with respect to that matter. Unless
102 the provisions of this chapter, the certificate of incorporation or the
103 bylaws provide otherwise, the members of a voting group entitled to
104 vote on the matter who are present at the meeting, either in person or
105 by proxy, constitute a quorum of that voting group for action on that
106 matter.

107 (c) Unless otherwise provided in the certificate of incorporation or
108 bylaws, directors are elected by a plurality of the votes cast by the
109 members in the election at a meeting at which a quorum is present.

110 (d) Any action which, under any provision of this chapter or chapter
111 601 may be taken at a meeting of members, may be taken without a
112 meeting if one or more consents in writing, setting forth the action so
113 taken or to be taken, signed by all of the persons who would be entitled
114 to vote upon such action at a meeting, or by their duly authorized
115 attorneys, which action for purposes of this subsection shall be referred
116 to as "unanimous written consent". The secretary shall file such consent
117 or consents, or certify the tabulation of such consents and file such

118 certificate, with the minutes of the meetings of the members. A
119 unanimous written consent shall have the same force and effect as a vote
120 of the members at a meeting duly held and may be stated as such in any
121 certificate or document filed under this chapter or chapter 601.

122 (e) The certificate of incorporation or bylaws may provide that any
123 action that may be taken at any meeting of members may be taken
124 without a meeting if the corporation delivers notice that includes a
125 ballot to every member entitled to vote on the matter. A ballot shall: (1)
126 Be in writing; (2) set forth each proposed action; (3) provide an
127 opportunity to vote for, or withhold a vote for, each candidate for
128 election as a director, if any; and (4) provide an opportunity to vote for
129 or against each other proposed action.

130 (f) Approval by ballot pursuant to this section of action other than
131 election of directors is valid only when the number of votes cast by
132 ballot equals or exceeds the quorum required to be present at a meeting
133 authorizing the action, and the number of approvals equals or exceeds
134 the number of votes that would be required to approve the matter at a
135 meeting at which the total number of votes cast was the same as the
136 number of votes cast by ballot. A ballot signed under this section shall
137 have the same force and effect as a vote of the member who signed it at
138 a meeting duly held and may be stated as such in any certificate or
139 document filed under this chapter or chapter 601.

140 (g) Any solicitation for votes by ballot shall: (1) Indicate the number
141 of responses needed to meet the quorum requirements, (2) state the
142 percentage of approvals necessary to approve each matter other than
143 election of directors, and (3) specify the time by which a ballot must be
144 received by the corporation in order to be counted.

145 (h) Except as otherwise provided in the certificate of incorporation or
146 bylaws, a ballot may not be revoked.

147 (i) If not otherwise fixed under sections 33-665 to 33-727, inclusive,
148 the record date for determining members entitled to take action without
149 a meeting is: (1) The date the first member signs the consent under

150 subsection (d) of this section, or (2) the date the corporation delivers the
151 notice under subsection (e) of this section.

152 Sec. 6. Section 33-191 of the general statutes is repealed and the
153 following is substituted in lieu thereof (Effective October 1, 2026):

154 No certificate of shares shall be issued to any person until the full
155 amount thereof has been paid in cash, and no shareholder shall receive
156 less than the par value of any share when disposing of the same to the
157 [board of directors] corporation. No person shall be allowed to become
158 a shareholder in such [association] corporation except by the consent of
159 the directors.

160 Sec. 7. Section 33-193 of the general statutes is repealed and the
161 following is substituted in lieu thereof (Effective October 1, 2026):

162 There shall be a distribution of the profits or surplus of [an
163 association] the corporation among the [member shareholders]
164 members as is prescribed by the [association's] corporation's bylaws.
165 The board of directors of [an association] a corporation may declare a
166 sum of not more than forty per cent of the net profits or surplus to be
167 appropriated for a contingent or sinking fund, an unallocated reserve
168 fund or a collective account as may be prescribed in the [association's]
169 bylaws.

170 Sec. 8. Sections 33-187, 33-188 and 33-192 of the general statutes are
171 repealed. (Effective October 1, 2026)

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	33-183
Sec. 2	October 1, 2026	33-184
Sec. 3	October 1, 2026	33-185
Sec. 4	October 1, 2026	33-186
Sec. 5	October 1, 2026	33-190
Sec. 6	October 1, 2026	33-191
Sec. 7	October 1, 2026	33-193

Sec. 8	October 1, 2026	Repealer section
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Statement of Legislative Commissioners:

In Section 5, "sections 33-600 to 33-999, inclusive," was changed to "chapter 601" for accuracy.

JUD *Joint Favorable Subst. -LCO*