



| Citation | Wisconsin Statute Chapter 185 Cooperatives | Wisconsin Statute Chapter 193 Wisconsin Cooperative Associations Act |
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| Scope | Any lawful purpose, except banking, insurance and railroads | Any lawful purpose, except utilities |
| Number Required to Organize | Five incorporators | One organizer |
| Capital Structure | Co-op may be organized with or without capital stock. In stock co-ops, articles of incorporation describe amount and classes of capital stock, and the defining rights and limitations of each class. Stock dividends for any class of stock cannot exceed 8% annually. | Co-op may be organized with multiple classes of member interests, with rights, preferences and restrictions for each. |
| Membership | Bylaws define classes of membership and requirements, which may include purchase of membership stock. Both persons and business organizations may be members in accordance with bylaws. | Bylaws define classes of membership interests, rights and requirements. At least 5 individual patrons or one organizational patron must be a member. Nonpatron members permitted with majority vote by patron members. |
| Member Voting | Members have one vote. If members include organizations, the articles may permit voting rights based on organization's size or patronage. A cooperative holding company and its subsidiaries may base member voting rights on member patronage, equity, or a combination of both. | Patron members have one vote, but bylaws may authorize additional votes in specific circumstances. Non-patron members may have voting rights if authorized by patron members. The collective patron member vote may not be reduced to less than 51 percent of the total member vote. |
| Non-member Voting | A holder of non-member stock is entitled to one vote on amendments to articles of incorporation that affect stock, or in cases of mergers, consolidations, or divisions. Articles may allow non-member stockholder voting on dissolution. | Articles or bylaws may authorize a non-member class to vote at a members' meeting. |
| Director Requirements | Cooperative members and representatives of member organizations. Bylaws may prescribe other qualifications. Non-member "outside" directors may be elected to the board and have the same voting rights as member directors, but cannot be more than 20% of the board or number more than two. | A majority of the directors must be members, and must be elected exclusively by patron members, unless otherwise provided in the articles or bylaws. |
| Allocation | Net proceeds paid to patrons and members on the basis of use as provided by the bylaws; may be used to pay dividends on capital stock as authorized by articles, and as reserves. | Profits and loss allocation to patron and non-patron members based on collective values of contributions, unless specified otherwise in bylaws or articles. Patron members must receive a minimum of 51 percent of both profit allocations and distributions, unless patron members, by majority vote, authorize lower percent, but not less than 30 percent. Profits allocated to patron members in excess of equity dividends and capital reserve additions must be distributed to patron members on patronage basis. |
| Bylaws | Adopted and amended by members, unless members adopt a bylaw to permit the board to make and amend specified bylaws. | Adopted and amended by members or board, except as specified in articles or bylaws. Bylaw changes regarding member allocations require patron member approval. |
| Merger and Consolidation | A two-thirds majority vote of members present, and a two-thirds vote of all stockholders who meet statute-specified voting criteria, are required to approve a board-prepared merger plan. In most cases a majority can be sufficient if a co-op has amended or adopted a restatement of its articles. | A majority of a quorum of voting members must approve a board-prepared merger plan. Articles or bylaws may specify other voting requirements. |
| Voluntary Dissolution | Net proceeds of liquidation distributed to all persons entitled by the law, the articles and the bylaws. Unclaimed assets are paid to the state treasury. | Remaining property after discharge of debts, obligations, and liabilities distributed to members and former members as provided in the bylaws. Unclaimed assets can be forfeited to the cooperative for distribution, or are paid to the state treasury. |

*This is a summary only; exceptions may exist in statutory language or through interpretation