

CHAPTER 902

S.B. No. 1311

AN ACT

relating to the powers of certain cooperative associations.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subchapter B, Chapter 301, Health and Safety Code, is amended by adding Section 301.047 to read as follows:

*Sec. 301.047. CONSTRUCTION OF SUBCHAPTER. (a) This subchapter does not prevent a cooperative association from:*

*(1) creating recourse or nonrecourse debt in the form of bonds, debentures, notes, or any other form of obligation;*

*(2) encumbering, mortgaging, pledging, or granting a security interest in any property of the cooperative association;*

*(3) refunding existing debt or obligations by any means available under this subchapter, or*

*(4) otherwise exercising all express or implied powers granted by Section 301.033(b), 301.037, 301.038, 301.039, or 301.044, or granted by state corporation laws.*

*(b) This section only clarifies the powers of cooperative associations and does not expand their powers.*

SECTION 2. Section 301.047, Health and Safety Code, as added by this Act, applies to acts of a cooperative association covered by that section that are performed before, on, or after the effective date of this Act.

**SECTION 3.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on May 12, 1993: Yeas 31, Nays 0; passed the House on May 26, 1993: Yeas 144, Nays 0, two present not voting.

Approved June 19, 1993.

Effective June 19, 1993.