

GENERAL ASSEMBLY OF NORTH CAROLINA  
1985 SESSION

CHAPTER 542  
HOUSE BILL 1113

AN ACT TO MODERNIZE THE MUTUAL ASSOCIATION ACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 54-111 is amended in the first sentence by inserting before the phrase "on the mutual plan" the phrase "or for any other lawful purpose,".

Sec. 2. G.S. 54-113 is amended in the third sentence by deleting the word "subscribed" and substituting the word "authorized".

Sec. 3. G.S. 54-117 is amended in the first sentence by inserting after the phrase "corporation law" the phrase "or general non-profit corporation law".

Sec. 4. G.S. 54-118 is amended in the first sentence by deleting the phrase "under prior statutes" and substituting the phrase "under other incorporation statutes".

Sec. 5. G.S. 54-124 is amended by inserting before the phrase "on the mutual plan" the phrase "or conduct any other lawful business,".

Sec. 6. G.S. 54-126 is rewritten to read:

"§ 54-126. **Apportionment of earnings.**—The net earnings or losses shall be apportioned among the members in accordance with the ratio which each member's patronage during the period involved bears to total patronage by all members during the period. 'Patronage' means amount of purchases, sales, business, labor, wages or other similar criteria."

Sec. 7. G.S. 54-127 is amended as follows:

(1) by rewriting the catchline to read "Time of Allocation"; and (2) by deleting the word "distributed" and substituting the word "allocated".

Sec. 8. G.S. 54-139(b) is amended by inserting after the phrase "G.S. 117-28," the phrase "or an organization created under or governed by Subchapter IV of Chapter 54 of the General Statutes,".

Sec. 9. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 1st day of July, 1985.