

SENATE CS FOR CS FOR HOUSE BILL NO. 17(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/5/95

Referred: Rules

Sponsor(s): REPRESENTATIVE GREEN

A BILL

FOR AN ACT ENTITLED

1 "An Act expanding the services that may be offered by an electric cooperative
2 to include sewer and water and gas services when authorized by the Alaska
3 Public Utilities Commission, and to include direct satellite television services;
4 relating to officers of a telephone or electric cooperative; relating to amendment
5 of the articles of incorporation of a telephone or electric cooperative; and
6 providing for an effective date."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 * **Section 1.** LEGISLATIVE INTENT. (a) It is the intent of the legislature that an electric
9 cooperative is authorized to expand the types of utility services it offers that are subject to
10 regulation by the Alaska Public Utilities Commission only when the commission finds that
11 it is in the public interest that those services be provided and that the electric cooperative
12 applying to provide the service is fit, willing, and able to do so.

13 (b) It is further the intent of the legislature that electric cooperatives not enter into

1 competition with an existing provider under AS 10.25.020(6).

2 * **Sec. 2.** AS 10.25.020 is amended to read:

3 Sec. 10.25.020. POWERS OF ELECTRIC COOPERATIVE. An electric
4 cooperative may

5 (1) generate, manufacture, purchase, acquire, accumulate, and transmit
6 electric energy, and distribute, sell, supply, and dispose of electric energy to its
7 members, to governmental agencies and political subdivisions, and to other persons not
8 exceeding 10 percent of the number of its members; however, a cooperative that
9 acquires existing electric facilities may continue service to persons, not in excess of
10 40 percent of the number of its members, who are already receiving service from these
11 facilities without requiring them to become members, and these persons may become
12 members upon the terms as may be prescribed in the bylaws;

13 (2) assist persons to whom electric energy is or will be supplied by the
14 cooperative in wiring their premises and in acquiring and installing electrical and
15 plumbing appliances, equipment, fixtures, and apparatus by financing them, and in
16 connection with these services wire or have wired the premises, and buy, acquire,
17 lease, sell, distribute, install, and repair electric and plumbing appliances, equipment,
18 fixtures, and apparatus;

19 (3) assist persons to whom electric energy is or will be supplied by the
20 cooperative in constructing, equipping, maintaining, and operating electric cold storage
21 or processing plants by financing them or otherwise;

22 (4) operate a waste heat distribution system;

23 (5) operate a heating distribution system that was in existence on June 9,
24 1988;

25 **(6) provide sewer, water, or gas utility service if the cooperative has**
26 **received a certificate of convenience and necessity under AS 42.05.221 - 42.05.281**
27 **from the Alaska Public Utilities Commission for each type of service provided;**

28 **(7) provide direct satellite television programming services; in this**
29 **paragraph, "direct satellite television programming services" means a video**
30 **broadcast signal that is received directly from a satellite by an end user.**

31 * **Sec. 3.** AS 10.25.200 is amended to read:

1 Sec. 10.25.200. OFFICERS. The officers of a cooperative are those officers
2 authorized by the bylaws [A PRESIDENT, A VICE PRESIDENT, A SECRETARY
3 AND A TREASURER]. The officers shall be elected annually by the board of
4 directors from among its members. If authorized by the bylaws, the election may
5 be conducted by written ballot. When a person holding an office ceases to be a
6 director, that person ceases to hold office. [THE OFFICES OF SECRETARY AND
7 OF TREASURER MAY BE HELD BY THE SAME PERSON.] The board of
8 directors may [ELECT OR] appoint those [SUCH] other [OFFICERS,] agents [,] or
9 employees that [AS] it considers necessary or advisable and shall prescribe their
10 powers and duties. An officer may be removed from office and a successor elected
11 in the manner prescribed in the bylaws.

12 * **Sec. 4.** AS 10.25.210 is amended to read:

13 Sec. 10.25.210. AMENDMENT OF ARTICLES OF INCORPORATION. A
14 cooperative may amend its articles of incorporation as follows, except that it may
15 change the location of its principal office in the manner set out in AS 10.25.230:

16 (1) the proposed amendment shall be presented to [A MEETING OF]
17 the members [,] or district delegates at a meeting or by written notice; if the
18 proposed amendment is presented at a meeting, [AND] the notice of the meeting
19 must set out or have attached to it the proposed amendment;

20 (2) if the proposed amendment, with any changes, is approved by the
21 affirmative vote of not less than two-thirds of those members [,] or district delegates
22 voting on it, the presiding officer of the board of directors [PRESIDENT OR VICE
23 PRESIDENT] shall execute and acknowledge articles of amendment on behalf of the
24 cooperative and the officer designated by the board [SECRETARY] shall affix and
25 attest to the seal of the cooperative; if the cooperative accepts ballots both at a
26 meeting and by mail, a member may vote by mail or at the meeting.

27 * **Sec. 5.** AS 10.25.220(b) is amended to read:

28 (b) The presiding officer [PRESIDENT OR VICE PRESIDENT] executing
29 the articles of amendment shall make and annex to them an affidavit stating that the
30 provisions of this section regarding the amendment were complied with.

31 * **Sec. 6.** AS 10.25.230 is amended to read:

1 Sec. 10.25.230. CHANGE OF LOCATION OF PRINCIPAL OFFICE. A
2 cooperative may, upon authorization of its board of directors or its members, change
3 the location of its principal office by filing a certificate reciting the change of principal
4 office, executed and acknowledged by its presiding officer [PRESIDENT OR VICE
5 PRESIDENT] under its seal, attested by the officer designated by the board [ITS
6 SECRETARY], in the office of the commissioner.

7 * **Sec. 7.** AS 10.25.240(a) is amended to read:

8 (a) Except as provided in (b) of this section, one or more cooperatives, each
9 designated in this section as "merging cooperative," may merge into another
10 cooperative, designated in this section as "surviving cooperative," by complying with
11 the following requirements:

12 (1) the proposition for the merger of the merging cooperatives into the
13 surviving cooperative and proposed articles of merger shall be submitted to the
14 members of each merging cooperative and of the surviving cooperative; the notice
15 shall have attached to it a copy of the proposed articles of merger;

16 (2) if the proposed merger and the proposed articles of merger, with
17 any amendments, are approved by the affirmative vote of not less than two-thirds of
18 those members of each cooperative voting on them, articles of merger in the form
19 approved shall be executed and acknowledged on behalf of each cooperative by its
20 presiding officer [PRESIDENT OR VICE PRESIDENT] and its seal shall be affixed
21 by the officer designated by the board [ITS SECRETARY].

22 * **Sec. 8.** AS 10.25.250(c) is amended to read:

23 (c) The presiding officer [PRESIDENT OR VICE PRESIDENT] of each
24 cooperative shall make and annex to the articles an affidavit stating that the provisions
25 of this section regarding the articles were complied with by the cooperative.

26 * **Sec. 9.** AS 10.25.260 is amended to read:

27 Sec. 10.25.260. CONSOLIDATION. Two or more cooperatives, designated
28 in this section as "consolidating cooperative," may consolidate into a new cooperative,
29 designated in this section as the "new cooperative," by complying with the following
30 requirements:

31 (1) the proposition for the consolidation into the new cooperative and

1 proposed articles of consolidation shall be submitted to the members of each
2 consolidating cooperative; the notice shall have attached to it a copy of the proposed
3 articles of consolidation;

4 (2) if the proposed consolidation and the proposed articles of
5 consolidation, with any amendments, are approved by the affirmative vote of not less
6 than two-thirds of those members of each consolidating cooperative voting on them,
7 articles of consolidation in the form approved shall be executed and acknowledged on
8 behalf of each consolidating cooperative by its **presiding officer** [PRESIDENT OR
9 VICE PRESIDENT] and its seal shall be affixed and attested by **the officer**
10 **designated by the board** [ITS SECRETARY].

11 * **Sec. 10.** AS 10.25.270(c) is amended to read:

12 (c) The **presiding officer** [PRESIDENT OR VICE PRESIDENT] of each
13 consolidating cooperative executing the articles of consolidation shall make and annex
14 to the articles an affidavit stating that the provisions of this section regarding the
15 articles were complied with by the cooperative.

16 * **Sec. 11.** AS 10.25.290(c) is amended to read:

17 (c) If the proposition for the conversion of the corporation into a cooperative
18 and the proposed articles of conversion, with any amendments, are approved by the
19 affirmative vote of not less than two-thirds of those members of the corporation voting
20 on them or, if the corporation is a stock corporation, by the affirmative vote of the
21 holders of not less than two-thirds of those shares of the capital stock of the
22 corporation represented at the meeting and voting on them, or, in the case of a
23 corporation having no members and no shares of its capital stock outstanding, by the
24 affirmative vote of not less than two-thirds of its incorporators, articles of conversion
25 in the form approved shall be executed and acknowledged on behalf of the corporation
26 by its **presiding officer** [PRESIDENT OR VICE PRESIDENT] and its seal shall be
27 affixed and attested by **the officer designated by the board** [ITS SECRETARY].

28 * **Sec. 12.** AS 10.25.300(c) is amended to read:

29 (c) The **presiding officer** [PRESIDENT OR VICE PRESIDENT] executing
30 the articles of conversion shall make and annex to it an affidavit stating that the
31 provisions of this section were complied with regarding the articles. The articles of

1 conversion are the articles of incorporation of the cooperative.

2 * **Sec. 13.** AS 10.25.320(d) is amended to read:

3 (d) Upon approval, a certificate of election to dissolve, hereafter designated the
4 "certificate," executed and acknowledged on behalf of the cooperative by its **presiding**
5 **officer** [PRESIDENT OR VICE PRESIDENT] under its seal, attested by **the officer**
6 **designated by the board** [ITS SECRETARY], shall be submitted to the commissioner
7 for filing together with an affidavit by the officer executing the certificate stating that
8 the statements in the certificate are true. The certificate must state the name of the
9 cooperative, the address of its principal office, and that the members of the cooperative
10 have voted to dissolve the cooperative.

11 * **Sec. 14.** AS 10.25.350 is amended to read:

12 Sec. 10.25.350. TERMINATION OF COOPERATIVE AFFAIRS. The board
13 of directors shall wind up and settle the affairs of the cooperative, collect sums owing
14 to it, liquidate its property and assets, pay and discharge its debts, obligations, and
15 liabilities, other than those to patrons arising by reason of their patronage, and do all
16 other things required to wind up its business. After paying or discharging or
17 adequately providing for the payment or discharge of all its debts, obligations, and
18 liabilities, other than those to patrons arising by reason of their patronage, the directors
19 shall distribute remaining sums, first, to patrons for the pro rata return of all amounts
20 standing to their credit by reason of their patronage [,] and, second, to members for
21 the pro rata repayment of membership fees. Sums then remaining shall be distributed
22 among its members and former members in proportion to their patronage, except to the
23 extent participation in the distribution has been legally waived. The board of directors
24 shall thereupon authorize the execution of articles of dissolution. The **presiding**
25 **officer** [PRESIDENT OR VICE PRESIDENT] shall execute and acknowledge articles
26 of dissolution on behalf of the cooperative and the **officer designated by the board**
27 [SECRETARY] shall affix and attest to the seal.

28 * **Sec. 15.** AS 10.25.360(b) is amended to read:

29 (b) The **presiding officer** [PRESIDENT OR VICE PRESIDENT] executing
30 the articles of dissolution shall make and annex to the articles an affidavit stating that
31 the statements contained in the articles are true.

1 * **Sec. 16.** AS 10.25.480 is amended to read:

2 Sec. 10.25.480. EXECUTION AND FILING OF STATEMENT. The
3 statement of change of office or agent shall be executed by the cooperative by its
4 presiding officer [PRESIDENT OR VICE PRESIDENT], verified by the person
5 executing the statement, and directed to the commissioner. If the commissioner finds
6 that the statement conforms to this chapter, the commissioner shall file it in the
7 commissioner's office. Upon the filing, the change of address of the registered office,
8 and the appointment of the registered agent, or both, as the case may be, is effective.

9 * **Sec. 17.** AS 10.25.640 is amended by adding a new paragraph to read:

10 (6) "presiding officer" means the presiding officer of the board of
11 directors of the cooperative.

12 * **Sec. 18.** This Act takes effect immediately under AS 01.10.070(c).