

**CS FOR HOUSE BILL NO. 17(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 2/10/95

Referred: Labor and Commerce

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 direct satellite television, sewer and water, and gas services when  
3 authorized by the Alaska Public Utilities Commission; relating to officers of a  
4 telephone or electric cooperative; relating to amendment of the articles of  
5 incorporation of a telephone or electric cooperative; and providing for an effective  
6 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 only when the Alaska  
10 Public Utilities Commission finds that it is in the public interest that those services be  
11 provided and that the electric cooperative applying to provide the service is fit, willing, and  
12 able to do so. (b) It is further the intent of the legislature that these certificates of  
13 public convenience and necessity, like other certificates for the same kinds of utility service,

1 be exclusive as to area rather than permitting the electric cooperative to enter into competition  
2 with another provider of the same kind of utility service.

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

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

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

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

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

23 (4) operate a waste heat distribution system;

24 (5) operate a heating distribution system that was in existence on June 9,  
25 1988;

26 **(6) provide one or more of the following utility services if the**  
27 **cooperative has received a certificate of convenience and necessity under**  
28 **AS 42.05.221 - 42.05.281 from the Alaska Public Utilities Commission; the utility**  
29 **services may include direct satellite television, sewer and water, and gas services.**

30 \* **Sec. 3.** AS 10.25.200 is amended to read:

31 Sec. 10.25.200. OFFICERS. The officers of a cooperative are **those officers**

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

11 \* **Sec. 4.** AS 10.25.210 is amended to read:

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

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

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

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

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

30 \* **Sec. 6.** AS 10.25.230 is amended to read:

31 Sec. 10.25.230. CHANGE OF LOCATION OF PRINCIPAL OFFICE. A

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

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

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

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

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

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

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

25 \* **Sec. 9.** AS 10.25.260 is amended to read:

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

30 (1) the proposition for the consolidation into the new cooperative and  
31 proposed articles of consolidation shall be submitted to the members of each

1 consolidating cooperative; the notice shall have attached to it a copy of the proposed  
2 articles of consolidation;

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

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

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

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

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

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

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

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

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

10 \* **Sec. 14.** AS 10.25.350 is amended to read:

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

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

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

31 \* **Sec. 16.** AS 10.25.480 is amended to read:

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

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

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

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