

**CS FOR HOUSE BILL NO. 17(L&C) am**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Amended: 3/28/95

Offered: 3/17/95

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) and (7).

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 and water utility services or gas utility service or**  
26 **both if a service is not being provided in the area and if the cooperative has**  
27 **received a certificate of convenience and necessity under AS 42.05.221 - 42.05.281**  
28 **from the Alaska Public Utilities Commission for that service;**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (1) the proposition for the consolidation into the new cooperative and  
2 proposed articles of consolidation shall be submitted to the members of each  
3 consolidating cooperative; the notice shall have attached to it a copy of the proposed  
4 articles of consolidation;

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

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

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

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

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

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

30 (c) The **presiding officer** [PRESIDENT OR VICE PRESIDENT] executing  
31 the articles of conversion shall make and annex to it an affidavit stating that the

1 provisions of this section were complied with regarding the articles. The articles of  
2 conversion are the articles of incorporation of the cooperative.

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

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

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

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

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

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

1 the statements contained in the articles are true.

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

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

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

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

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