

H B

4 9 7

HB 497

POSITION PAPER
BY
ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION
February 16, 1994

Effect

Although HB 497 requires several pages to accomplish it, the only thing this bill does is to make it optional with the electric or telephone cooperative as to whether the co-op uses the title "president" and "vice-president" or "chairman" and "vice-chairman" for its top two board officers.

As introduced, this bill actually uses the terms "chair" and "vice-chair".

Purpose

The reason for this statutory change is to permit cooperatives, if they choose to do so, to adopt standard business designations for its officers. The standard practice among business corporations is for its top board position (elected) to be its chairman while the chief executive officers (employed) is its president.

Importance

The reason we think this is desirable comes from the fact that the Rural Electrification Administration is decreasing the availability of its loans to the cooperatives. The co-ops have to seek other sources of capital, including the issuance of bonds. Chugach Electric Association went through the process of issuing its own bonds in 1991, and they found that the confusion caused by their not using standard business titles made this process more difficult and time consuming.

Position

The Alaska Rural Electric Cooperative Association supports HB 497 as an aid in getting financing when it is needed at the lowest possible cost. However, we think the bill should be amended to use the terms "chairman" and "vice-chairman". We realize that "chair" is now regarded as politically correct, but to most of corporate America, including Wall Street, "chair" is simply a piece of furniture. For this bill to accomplish its intended purpose, it needs to be amended to use the traditional titles "chairman" and "vice-chairman". We understand these titles to be gender neutral.

Alaska State Legislature

WHILE IN SESSION
CAPITOL BUILDING
JUNEAU, ALASKA 99801-1182
(907) 465-4931
(907) 465-4318 FAX

INTERIM ADDRESS
718 WEST 4TH AVENUE
ANCHORAGE, ALASKA 99501
(907) 258-8198
(907) 258-8171 FAX

DISTRICT 10



CHAIR, OIL & GAS COMMITTEE
VICE CHAIR, LABOR & COMMERCE
COMMITTEE
JUDICIARY COMMITTEE
RESOURCES COMMITTEE
INTERNATIONAL TRADE & TOURISM
COMMITTEE

ECONOMIC TASK FORCE

Representative Joe Green

Sponsor Statement

HB 497 "An act relating to electric and telephone cooperatives"

HB 497 simply allows utility cooperatives to entitle their officers "president" or "chairman".

Problem: As restricted by current statute, the presiding officer of a utility board of directors must assume the title "president". Usually the president assumes the responsibility of day-to-day operations while a chairman or chairwoman presides over the board.

I have sponsored this bill at the request of the electrical cooperative that serves my district. At that utility, the day-to-day manager is called the general manager. The problem is, banks and other institutions with whom this person must deal pay little attention or respect to someone with the title of general manager.

Solution: This bill would allow, but not require, utilities to call the presiding officer of their board a chairman, which is the common title for such a position in today's business world. This would allow the day-to-day manager to be called a president. When the president of the utility calls for an appointment, it is my belief that he or she will be better received than a general manager. This would serve the utility well and the 65,000 cooperative members would benefit.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 497

Revision Date: 3/10/97
Title: "Officers of utility cooperatives"

Department Affected: Commerce and Economic Development
BRU: Boards and Commissions
Component: Occupational licensing

Sponsor: Rep. Green
Requestor: Rep. Green

COMPONENT SERIAL NO. _____

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Wendy Mulder, Office of Commissioner
Division: Department of Commerce and Economic Dev.

Phone: 3/11/94
Date: _____

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 3/11/94

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

NO. _____
BILL VERSION: HB 497
PUBLISH DATE: _____

Revision Date: _____
Title: "An Act relating to electric and telephone cooperatives."
Sponsor: Representative Green
Requestor: Representative Green

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852
Division: Administrative Services Date: 2/24/94

Approved By: Pamela A. Stoops, Executive Director *Pamela A. Stoops*
Agency: Legislative Affairs Agency Date: 2/24/94

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov. , & Impacted Agency(ies).



HOUSE COMMUNITY AND REGIONAL AFFAIRS

DATE: 3/15/94

PLACE: Rm. 124

SUBJECT OF MEETING:
 55HB 497
 HB 467

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
David Hutchens	AK Rural Elec Coop ASS	730 W. Tudor Rd ANCH. 99503			455 561-6103	Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	