

HB

17

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/30/95

FURTHER:

DATE TURNED INTO OFFICE: 5-4-95

Finance Committee considered CS FOR HOUSE BILL NO. 17(L&C) am services that may be offered by an electric cooperative; efd.

and recommends:

- be replaced with 5 CS CS HB 17 (FIX)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Thies</i>	✓	<i>David Danday</i>	✓		
<i>Roll E. Hill</i>	✓	<i>Paul J. Hancock</i>	✓		
<i>Bob May</i>	✓				
Co-Chair: <i>John</i>	✓				
Co-Chair: <i>Kirk Halford</i>	✓				

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DC+ED (Banking)	1/24/95	0	
DC+ED (APUC)	3/28/95	0	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 1
Bill Version: CS HB 17(STA)
(H) Publish Date: 2/10/95

Revision Date: _____
Title: Officers of Utility Cooperatives
Sponsor: Representative Green
Requestor: _____

Department Affected: Commerce and Economic Development
BRU: Banking, Securities & Corporations
Component: _____
COMPONENT SERIAL NO. 1233

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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
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CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE (Thousands of Dollars)

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 95) 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: Willis F. Kirkpatrick, Director
Division: Banking, Securities & Corporations

Phone: 465-2521
Date: _____

Approved by Commissioner: William L. Hensley
Agency: Commerce and Economic Development

Date: 1/24/95

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FISCAL NOTE

No. 2
 Bill Version: CSHB 17 (L&C) am
 (H) Publish Date: 3/28/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: March 29, 1995 Department: Commerce and Economic Development
 Title: 'Expanding electric cooperatives' services: other BRU: AK Public Utilities Commission
 purposes... Component: AK Public Utilities Commission
 Sponsor: Green
 Requestor: _____ COMPONENT SERIAL NO. 364

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES			55.1	55.1	55.1	55.1
TRAVEL			1.1	1.1	1.1	1.1
CONTRACTUAL			18.5	18.5	18.5	18.5
SUPPLIES			1.3	1.3	1.3	1.3
EQUIPMENT			0.5	0.5	0.5	0.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	76.5	76.5	76.5	76.5

CAPITAL EXPENDITURES	
CHANGE IN REVENUES	

FUND SOURCE	(Thousands of Dollars)					
002 Federal Receipts						
003 GF Match						
004 General Fund						
005 GF/Program Receipts			76.5	76.5	76.5	76.5
006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	76.5	76.5	76.5	76.5

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME			1	1		
TEMPORARY						

Joyce / Nancy:
 This FN
 was adopted
 on the floor -
 NOT by a
 committee
 FYI

ANALYSIS: (Attach a separate page if necessary)

This fiscal note assumes that no new certificate applications will occur in FY96. In FY97 existing staff could handle the limited number of certificate applications. For FY98 and beyond the number of certificate applications processed by the Commission could increase. This would require a part-time Utility Engineering Analyst II, range 17.

Prepared by: Robert A. Lohr, Executive Director Phone: 275-5222
 Division: Alaska Public Utilities Commission Date: March 29, 1995
 Approved by Commissioner: William L. Henslev Date: March 29, 1995
 Agency: Commerce and Economic Development

WORK DRAFT

WORK DRAFT

WORK DRAFT

SENATE FINANCE
COMMITTEE

Amendment Number: CS-1

Bill Number: HB 17

Sponsor: Sharp Date: 5/2/95

Logged In By: JM

5-4-95 Adopted
Amend. 2
Lines 28-30
Cramer
4/26/95
Called Legal
5:40pm

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

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
29 location that is not part of an area certificated by the Alaska Public Utilities
30 Commission to a cable television company on the effective date of this Act; in this
paragraph; "direct satellite television programming services" means a video

5-4-95
SR Amend (with track)
SR offered instead
A. J. [signature]

1 broadcast signal that is received directly from a satellite by an end user.

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

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

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

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

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

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

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

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

1 provisions of this section regarding the amendment were complied with.

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

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

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

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

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

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

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

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

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

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

1 requirements:

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

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

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

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

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

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

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

31 (c) The presiding officer [PRESIDENT OR VICE PRESIDENT] executing

1 the articles of conversion shall make and annex to it an affidavit stating that the
2 provisions of this section were complied with regarding the articles. The articles of
3 conversion are the articles of incorporation of the cooperative.

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

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

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

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

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

31 (b) The presiding officer [PRESIDENT OR VICE PRESIDENT] executing

1 the articles of dissolution shall make and annex to the articles an affidavit stating that
2 the statements contained in the articles are true.

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

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

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

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

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

Cross-Ref to HB 17

BILL: SB 65

SHORT TITLE: ELECTRIC & TELEPHONE COOPERATIVES

BILL VERSION:

SPONSOR(S): SENATOR(S) TORGERSON

CURRENT STATUS: (S) FIN

STATUS DATE: 02/22/95

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

02/03/95	164	(S)	READ THE FIRST TIME - REFERRAL(S)
02/03/95	165	(S)	L&C, FINANCE
02/22/95	367	(S)	L&C RPT 2DP 2NR
02/22/95	367	(S)	FNS (DCED #1, DCED W/FY 97 IMPACT #2)
02/22/95	367	(S)	REFERRED TO FINANCE

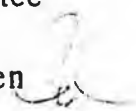
Alaska State Legislature

Representative Joe Green

RECEIVED

APR 12 REC'D

TO: Senator Rick Halford, Co-Chairman
Senator Steve Frank, Co-Chairman
Senate Finance Committee

FR: Representative Joe Green 

RE: CSHB 17

DATE: April 12, 1995

I am writing to request a hearing on CSHB 17 "An Act expanding the services that may be offered by an electric cooperative", which has been referred to your committee.

The bill passed the House by a vote of 37-3.

HB 17 allows electric cooperatives to offer water and sewer, natural gas, and direct satellite television services. The bill also allows for a local option in assigning titles to board officers, and clarifies the law pertaining to cooperative by-law changes.

I have attached a sponsor statement, a bill history, and fiscal notes for your review.

If you have questions about HB17 please call me at 4931.

Thank you for your consideration.

Alaska State Legislature

2018 FEB 15 11:58 AM
ALASKA STATE LEGISLATURE
1000 EAST BROADWAY
ANCHORAGE, ALASKA 99501
PHONE: 907-267-3000
FAX: 907-267-3001
WWW.ALSL.AK.GOV



Representative Joe Green

Democrat

Sponsor Statement

CSHB 17 - Electric Cooperative Services & By-laws

CSHB 17 proposes amendments to Title 10 in three different categories: The range of services that can be offered (sections 1, 2,); By-law changes relating to titles of officers (sections 3-18); and By-law changes relating to elections (section 4).

Category 1 (Bill Sections 1 & 2): For many years electric cooperatives in Alaska, and across the country, have relied on the federal Rural Electrification Administration for low interest loans to build facilities to generate and transmit electricity. Last fall, the federal government reorganized the REA, and combined it with other programs which have traditionally provided loans for other utilities. The new agency is called the Rural Utility Service (RUS).

The new RUS provides loans for water, sewer, electric, and telephone facilities. RUS is encouraging electric cooperatives to provide sewer and water service where it is needed in their electric service areas. **The problem is, Alaska's cooperatives cannot take advantage of these new opportunities without a statutory change.**

CSHB17 expands the list of services that can be offered by an electric cooperative. The new services include water, sewer, natural gas, and direct satellite television. It is expected that this new flexibility will benefit consumers as utilities will be able to consolidate services to achieve better economies, and theoretically lower rates. Consumers, especially in rural areas, would also benefit from a cooperative's ability to develop conventional natural gas accumulations too small for commercial effort and/or develop so-called "coal-bed methane." These otherwise non-commercial gas accumulations offer potential as an environmentally friendly fuel for both heating and electrical generation.

Sponsor Statement

CSHB 17

Page 2

Of course, the services offered, and the rates charged for them are still subject to approval by the Alaska Public Utilities Commission, unless the consumers vote to deregulate the cooperative.

Category 2 (Bill Sections 3-18): CSHB 17 also provides a local option for the assignment of titles for the board officers of each cooperative. Current statute restricts the presiding officer of a utility board of directors to assume the title of "president." Cooperatives like Chugach Electric, who go to investment bankers in New York for their financing, believe it would be an advantage to them to be able to use standard business titles for their officers .

Category 3 (Bill Section 4): CSHB 17 clarifies the statutory language for election procedures. Language in section 4 removes ambiguity over the number of votes necessary to change cooperative by-laws by making it clear that a two-thirds affirmative vote of members voting at the annual meeting, or by mail, is required to amend the articles of incorporation.

THERE BEING NO OBJECTION, IT WAS SO ORDERED.

THE QUESTION BEING: "SHALL CSHB 17(L&C) AM PASS THE HOUSE?" THE ROLL WAS TAKEN WITH THE FOLLOWING RESULT:

CSHB 17(L&C) AM
THIRD READING
FINAL PASSAGE

YEAS: 37 NAYS: 0 EXCUSED: 3 ABSENT: 0

YEAS: AUSTERMAN, BARNES, BRICE, BROWN, BUNDE, B.DAVIS, G.DAVIS, ELTON, FINKELSTEIN, FOSTER, GREEN, GRUSSENDORF, HANLEY, IVAN, JAMES, KELLY, KOHRING, KOTT, KUBINA, MACKIE, MACLEAN, MARTIN, MOSES, MULDER, NAVARRE, NICHOLIA, OGAN, PARNELL, PHILLIPS, PORTER, ROBINSON, ROKEBERG, THERRIAULT, TOOHEY, VEZEY, WILLIAMS, WILLIS

EXCUSED: DAVIES, MASEK, SANDERS

SELECTION=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU		PRINT	BWD	FWD		FIRST	LAST	QUIT

Alaska State Legislature

SENATOR
JOHN TORGERSON
DISTRICT D



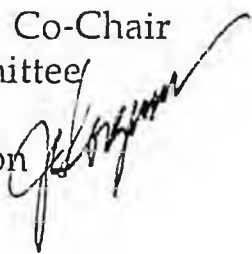
Senate

SESSION ADDRESS
STATE CAPITOL, ROOM 427
JUNEAU, ALASKA 99801-1182
(907) 465-2828
FAX (907) 465-4779

MEMORANDUM

DATE: April 13, 1995

TO: Senator Rick Halford, Co-Chair
Senate Finance Committee

FROM: Senator John Torgerson 

RE: Scheduling of HB 17

I would greatly appreciate your scheduling HB 17 in the Senate Finance Committee. This bill is the companion to my bill, SB 65, which was also referred to Senate Finance, where it is currently waiting a hearing.

HB 17 adequately represents the statutory amendments with which I was concerned, and I support its passage through the Senate.

Thank you for your time and consideration.

SENATE FINANCE
COMMITTEE

9-LS0096W
Cramer
4/26/95

Amendment Number: CS-1
Bill Number: HB 17
Sponsor: Sharp Date: 5/2/95
Logged In By: [Signature]

SENATE CS FOR CS FOR HOUSE BILL NO. 17()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE GREEN

A BILL

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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 to a
29 location that is not part of an area certificated by the Alaska Public Utilities
30 Commission to a cable television company on the effective date of this Act; in this
31 paragraph, "direct satellite television programming services" means a video

1 broadcast signal that is received directly from a satellite by an end user.

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

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

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

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

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

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

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

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

1 provisions of this section regarding the amendment were complied with.

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

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

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

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

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

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

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

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

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

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

1 requirements:

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

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

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

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

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

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

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

31 (c) The presiding officer [PRESIDENT OR VICE PRESIDENT] executing

1 the articles of conversion shall make and annex to it an affidavit stating that the
2 provisions of this section were complied with regarding the articles. The articles of
3 conversion are the articles of incorporation of the cooperative.

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

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

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

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

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

31 (b) The presiding officer [PRESIDENT OR VICE PRESIDENT] executing

1 the articles of dissolution shall make and annex to the articles an affidavit stating that
2 the statements contained in the articles are true.

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

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

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

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

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

Alaska State Legislature

Representative Joe Green

RECEIVED

APR 12 REC'D

TO: Senator Rick Halford, Co-Chairman
Senator Steve Frank, Co-Chairman
Senate Finance Committee

FR: Representative Joe Green

RE: CSHB 17

DATE: April 12, 1995

I am writing to request a hearing on CSHB 17 "An Act expanding the services that may be offered by an electric cooperative", which has been referred to your committee.

The bill passed the House by a vote of 37-3.

HB 17 allows electric cooperatives to offer water and sewer, natural gas, and direct satellite television services. The bill also allows for a local option in assigning titles to board officers, and clarifies the law pertaining to cooperative by-law changes.

I have attached a sponsor statement, a bill history, and fiscal notes for your review.

If you have questions about HB17 please call me at 4931.

Thank you for your consideration.