

HOUSE BILL NO. 585

INTRODUCED BY BRADLEY, VAUGHN, E. SMITH, KOLSTAD

IN THE HOUSE

FEBRUARY 3, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & LABOR.

FEBRUARY 14, 1987 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

FEBRUARY 16, 1987 PRINTING REPORT.

FEBRUARY 17, 1987 SECOND READING, DO PASS.

FEBRUARY 18, 1987 ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 85; NOES, 1.

TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 19, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & INDUSTRY.

MARCH 9, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 12, 1987 SECOND READING, CONCURRED IN.

MARCH 14, 1987 THIRD READING, CONCURRED IN.
AYES, 50; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 14, 1987 RECEIVED FROM SENATE.

SENT TO ENROLLING.

1 House BILL NO. 515
 2 INTRODUCED BY Bradley Veppner E. Smith Kalstad
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING RESTRICTIONS
 5 ON AREAS THAT MAY BE SERVED BY TELEPHONE COOPERATIVES;
 6 AMENDING SECTIONS 35-18-102, 35-18-105, 35-18-106, AND
 7 35-18-206, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. Section 1. No area restriction --
 11 telephone cooperatives. A telephone cooperative, regardless
 12 of when it was organized pursuant to 35-18-105, is not
 13 restricted by population of area served or other criteria to
 14 any area of service.

15 Section 2. Section 35-18-102, MCA, is amended to read:

16 "35-18-102. Definitions. (1) Corporations organized
 17 under this chapter and corporations which become subject to
 18 this chapter in the manner hereinafter provided are
 19 hereinafter referred to as "cooperatives".

20 (2) In this chapter, unless the context otherwise
 21 requires the following definitions apply:

22 (a) "Cable television system" means a system that
 23 receives and amplifies the signals broadcast by one or more
 24 television stations and redistributes the signals to
 25 subscribing members of the public for a fixed or periodic

1 fee by wire, cable, microwave, or other means, whether such
 2 means are owned or leased.

3 (b) "Broadband" means transmission facilities capable
 4 of handling frequencies greater than those required for high
 5 grade voice communication (higher than 4 kilohertz).

6 (c) "Member" means each incorporator of a cooperative
 7 and each person admitted to and retaining membership therein
 8 and shall include a husband and wife admitted to joint
 9 membership.

10 (d) "Person" includes any natural person, firm,
 11 association, corporation, business trust, partnership,
 12 federal agency, state or political subdivision or agency
 13 thereof, or any body politic.

14 (e) "Rural area", as applied to all corporations
 15 organized under the provisions of 35-18-105(1), means any
 16 area not included within the boundaries of any incorporated
 17 or unincorporated city, town, village, or borough having a
 18 population in excess of 3,500 persons on March 17, 1939, or
 19 subsequent thereto, and every incorporated municipality in
 20 which 95% or more of the premises are served by an electric
 21 cooperative on February 1, 1971; ~~"rural area", as applied to~~
 22 ~~all corporations organized under the provisions of~~
 23 ~~35-18-105(2), means any area not included within the~~
 24 ~~boundaries of any incorporated or unincorporated city or~~
 25 ~~town having a population in excess of 1,500 persons except~~

1 that--an--incorporated--or--unincorporated-city-or-town-with
 2 population-more-than-1,500-persons-is--considered--a--"rural
 3 area"--for--purposes--of--this--chapter--if--the--system--or
 4 facilities-serving-the--persons--in--the--city--or--town--is
 5 acquired--by--a-cooperative-by-agreement-with-the-company-or
 6 entity-serving-the-city-or-town,--or-if-the-city-or-town--was
 7 served--by--the-cooperative-when-it-had-a-population-of-less
 8 than-1,500-persons-and-subsequently-grew--to--a-population
 9 more--than--1,500--persons,--but--for--the--purposes-of-this
 10 chapter-a-"rural-area"--means-an-area-not-included-within-the
 11 boundary-of-any-incorporated-or-unincorporated-city-or--town
 12 having--a-population-in-excess-of-3,500-persons-which-is-not
 13 already-being-served-by-a-system-or-facilities."

14 Section 3. Section 35-18-105, MCA, is amended to read:

15 "35-18-105. Permissible purposes for incorporation.
 16 Cooperative nonprofit membership corporations may be
 17 organized under this chapter for the following purposes:

18 (1) for the purpose of supplying electric energy and
 19 promoting and extending the use thereof in rural areas, as
 20 provided in this chapter;

21 (2) for the purposes of making generally available in
 22 rural--areas adequate telephone service, cable television
 23 service, or broadband facilities through the improvement and
 24 expansion of existing telephone, cable television, or
 25 broadband facilities and the construction and operation of

1 such additional facilities as are required to assure the
 2 availability of such service to the widest practicable
 3 number of rural users thereof."

4 Section 4. Section 35-18-106, MCA, is amended to read:

5 "35-18-106. Powers of cooperatives. A cooperative
 6 shall have power to:

7 (1) sue and be sued in its corporate name;

8 (2) have perpetual existence;

9 (3) adopt a corporate seal and alter the same at
 10 pleasure;

11 (4) become a member in one or more other cooperatives
 12 or corporations or to own stock therein;

13 (5) construct, purchase, take, receive, lease as
 14 lessee, or otherwise acquire and to own, hold, use, equip,
 15 maintain, and operate and sell, assign, transfer, convey,
 16 exchange, lease as lessor, mortgage, pledge, or otherwise
 17 dispose of or encumber electric transmission and
 18 distribution lines or systems, electric generating plants,
 19 electric refrigeration plants, telephone lines, facilities
 20 or systems (but not telegraph or radio broadcasting services
 21 or facilities) as defined by law, lands, buildings,
 22 structures, dams, plants and equipment, and any and all
 23 kinds or classes of real or personal property whatsoever,
 24 which shall be deemed necessary, convenient, or appropriate
 25 to accomplish the purpose for which the cooperative is

1 organized;

2 (6) purchase or otherwise acquire and own, hold, use,
3 and exercise and sell, assign, transfer, convey, mortgage,
4 pledge, hypothecate, or otherwise dispose of or encumber
5 franchises, rights, privileges, licenses, rights-of-way, and
6 easements;

7 (7) borrow money and otherwise contract indebtedness
8 and issue notes, bonds, and other evidences of indebtedness
9 therefor and secure the payment thereof by mortgage, pledge,
10 deed of trust, or any other encumbrance upon any or all of
11 its then owned or after-acquired real or personal property,
12 assets, franchises, revenues, or income;

13 (8) construct, maintain, and operate electric
14 transmission and distribution lines or telephone, cable
15 television, or broadband lines, facilities, or systems
16 along, upon, under, and across all public thoroughfares,
17 including without limitation all roads, highways, streets,
18 alleys, bridges, and causeways and upon, under, and across
19 all publicly owned lands, subject, however, to the same
20 requirements in respect of the use of such thoroughfares and
21 lands as are imposed by the respective authorities having
22 jurisdiction thereof upon corporations constructing or
23 operating electric transmission and distribution lines or
24 systems or telephone lines, facilities, or systems;

25 (9) exercise the power of eminent domain in the manner

1 provided by the laws of this state for the exercise of that
2 power by corporations constructing or operating electric
3 transmission and distribution lines or systems or telephone
4 lines, facilities, or systems;

5 (10) conduct its business and exercise any or all of
6 its powers within or without this state;

7 (11) adopt, amend, and repeal bylaws;

8 (12) in the case of corporations organized under the
9 provisions of 35-18-105(1):

10 (a) generate, manufacture, purchase, acquire,
11 accumulate, and transmit electric energy and distribute,
12 sell, supply, and dispose of electric energy in rural areas
13 to its members, to governmental agencies and political
14 subdivisions, and to other persons not in excess of 10% of
15 the number of its members;

16 (b) make loans to persons to whom electric energy is
17 or will be supplied by the cooperative for the purpose of
18 and otherwise to assist such persons in wiring their
19 premises and installing therein electrical and plumbing
20 fixtures, appliances, apparatus, and equipment of any and
21 all kinds and character and, in connection therewith,
22 purchase, acquire, lease, sell, distribute, install, and
23 repair such electrical and plumbing fixtures, appliances,
24 apparatus, and equipment and accept or otherwise acquire and
25 sell, assign, transfer, endorse, pledge, hypothecate, and

1 otherwise dispose of notes, bonds, and other evidences of
2 indebtedness and any and all types of security therefor;

3 (c) make loans to persons to whom electric energy is
4 or will be supplied by the cooperatives for the purpose of
5 and otherwise to assist such persons in constructing,
6 maintaining, and operating electric refrigeration plants;

7 (13) in the case of corporations organized under the
8 provisions of 35-18-105(2):

9 (a) improve and expand existing telephone lines,
10 facilities, and systems ~~in--rural--areas~~ and construct,
11 acquire, operate, and furnish such additional telephone
12 lines, facilities, and systems as are required to assure the
13 availability of adequate telephone service to the widest
14 practicable number of ~~rural~~ users thereof;

15 (b) make loans to persons to whom telephone service is
16 or will be supplied by the cooperative for the purpose of
17 and otherwise to assist such persons in wiring their
18 premises for telephone service and installing therein
19 telephone fixtures, appliances, apparatus, and equipment of
20 any and all kinds and character and, in connection
21 therewith, purchase, acquire, lease, sell, distribute,
22 install, and repair such telephone fixtures, appliances,
23 apparatus, and equipment and accept or otherwise acquire and
24 sell, assign, transfer, endorse, pledge, hypothecate, and
25 otherwise dispose of notes, bonds, and other evidences of

1 indebtedness and any and all types of security therefor;

2 (14) do and perform any and all other acts and things
3 and have and exercise any and all other powers which may be
4 necessary, convenient, or appropriate to accomplish the
5 purpose for which the cooperative is organized."

6 Section 5. Section 35-18-206, MCA, is amended to read:

7 "35-18-206. Existing corporations -- reorganization
8 under this chapter -- articles of conversion. Any
9 corporation organized under the laws of this state for the
10 purpose, among others, of supplying electric energy in rural
11 areas or telephone service ~~in--rural--areas~~ may become subject
12 to this chapter with the same effect as if originally
13 organized under this chapter by complying with the following
14 requirements:

15 (1) The proposition for the conversion of such
16 corporation into a cooperative under this chapter and
17 proposed articles of conversion to give effect thereto shall
18 be first approved by the board of trustees or the board of
19 directors, as the case may be, of such corporation. The
20 proposed articles of conversion shall recite in the caption
21 that they are executed pursuant to this chapter and shall
22 state:

23 (a) the name of the corporation prior to its
24 conversion into a cooperative under this chapter;

25 (b) the address of the principal office of such

1 corporation;

2 (c) the date of the filing of its articles of
3 incorporation in the office of the secretary of state;

4 (d) the statute or statutes under which such
5 corporation was organized;

6 (e) the name assumed by such corporation;

7 (f) a statement that such corporation elects to become
8 a cooperative, nonprofit, membership corporation subject to
9 this chapter;

10 (g) the manner and basis of converting either
11 memberships in or shares of stock of such corporation into
12 memberships therein after completion of the conversion; and

13 (h) any provisions not inconsistent with this chapter
14 deemed necessary or advisable for the conduct of its
15 business and affairs.

16 (2) The proposition for the conversion of such
17 corporation into a cooperative under this chapter and the
18 proposed articles of conversion approved by the board of
19 trustees or board of directors, as the case may be, of such
20 corporation shall then be submitted to a vote of the members
21 or stockholders, as the case may be, of such corporation at
22 any duly held annual or special meeting thereof, the notice
23 of which shall set forth full particulars concerning the
24 proposed conversion. The proposition for the conversion of
25 such corporation into a cooperative under this chapter and

1 the proposed articles of conversion, with such amendments
2 thereto as the members or stockholders of such corporation
3 shall choose to make therein, shall be deemed to be approved
4 upon the affirmative vote of not less than two-thirds of
5 those members of such corporation voting thereon at such
6 meeting or, if such corporation is a stock corporation, upon
7 the affirmative vote of the holders of not less than
8 two-thirds of the capital stock of such corporation
9 represented at such meeting.

10 (3) Upon such approval by the members or stockholders
11 of such corporation, articles of conversion in the form
12 approved by such members or stockholders of such corporation
13 shall be executed on behalf of such corporation by its
14 president or vice-president and its corporate seal shall be
15 affixed thereto and attested by its secretary or assistant
16 secretary. The president or vice-president executing such
17 articles of conversion on behalf of such corporation shall
18 also make and annex thereto an affidavit stating that the
19 provisions of this section with respect to the approval of
20 its trustees or directors and its members or stockholders of
21 the proposition for the conversion of such corporation into
22 a cooperative under this chapter and such articles of
23 conversion were duly complied with.

24 (4) Such articles of conversion and affidavit shall be
25 submitted to the secretary of state for filing as provided

1 in this chapter.

2 (5) The term "articles of incorporation" as used in
3 this chapter shall be deemed to include the articles of
4 conversion of a converted corporation."

5 NEW SECTION. Section 6. Codification instruction.
6 Section 1 is intended to be codified as an integral part of
7 Title 35, chapter 18, part 1, and the provisions of Title
8 35, chapter 18, part 1, apply to section 1.

9 NEW SECTION. Section 7. Effective date. This act is
10 effective on passage and approval.

-End-

APPROVED BY COMM. ON BUSINESS AND LABOR

1 House BILL NO. 585
2 INTRODUCED BY Bradley Vaughn E. Smith, Kalstad

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING RESTRICTIONS
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6 AMENDING SECTIONS 35-18-102, 35-18-105, 35-18-106, AND
7 35-18-206, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 telephone cooperatives. A telephone cooperative, regardless
12 of when it was organized pursuant to 35-18-105, is not
13 restricted by population of area served or other criteria to
14 any area of service.

15 Section 2. Section 35-18-102, MCA, is amended to read:

16 "35-18-102. Definitions. (1) Corporations organized
17 under this chapter and corporations which become subject to
18 this chapter in the manner hereinafter provided are
19 hereinafter referred to as "cooperatives".

20 (2) In this chapter, unless the context otherwise
21 requires the following definitions apply:

22 (a) "Cable television system" means a system that
23 receives and amplifies the signals broadcast by one or more
24 television stations and redistributes the signals to
25 subscribing members of the public for a fixed or periodic

1 fee by wire, cable, microwave, or other means, whether such
2 means are owned or leased.

3 (b) "Broadband" means transmission facilities capable
4 of handling frequencies greater than those required for high
5 grade voice communication (higher than 4 kilohertz).

6 (c) "Member" means each incorporator of a cooperative
7 and each person admitted to and retaining membership therein
8 and shall include a husband and wife admitted to joint
9 membership.

10 (d) "Person" includes any natural person, firm,
11 association, corporation, business trust, partnership,
12 federal agency, state or political subdivision or agency
13 thereof, or any body politic.

14 (e) "Rural area", as applied to all corporations
15 organized under the provisions of 35-18-105(1), means any
16 area not included within the boundaries of any incorporated
17 or unincorporated city, town, village, or borough having a
18 population in excess of 3,500 persons on March 17, 1939, or
19 subsequent thereto, and every incorporated municipality in
20 which 95% or more of the premises are served by an electric
21 cooperative on February 1, 1971; ~~"rural area" as applied to~~
22 ~~all corporations organized under the provisions of~~
23 ~~35-18-105(2) means any area not included within the~~
24 ~~boundaries of any incorporated or unincorporated city or~~
25 ~~town having a population in excess of 1,500 persons except~~



1 that--an--incorporated--or--unincorporated--city--or--town--with
 2 population--more--than--1,500--persons--is--considered--a--"rural
 3 area"--for--purposes--of--this--chapter--if--the--system--or
 4 facilities--serving--the--persons--in--the--city--or--town--is
 5 acquired--by--a--cooperative--by--agreement--with--the--company--or
 6 entity--serving--the--city--or--town,--or--if--the--city--or--town--was
 7 served--by--the--cooperative--when--it--had--a--population--of--less
 8 than--1,500--persons--and--subsequently--grew--to--a--population
 9 more--than--1,500--persons,--but--for--the--purposes--of--this
 10 chapter--a--"rural--area"--means--an--area--not--included--within--the
 11 boundary--of--any--incorporated--or--unincorporated--city--or--town
 12 having--a--population--in--excess--of--3,500--persons--which--is--not
 13 already--being--served--by--a--system--or--facilities."

14 Section 3. Section 35-18-105, MCA, is amended to read:

15 "35-18-105. Permissible purposes for incorporation.
 16 Cooperative nonprofit membership corporations may be
 17 organized under this chapter for the following purposes:

18 (1) for the purpose of supplying electric energy and
 19 promoting and extending the use thereof in rural areas, as
 20 provided in this chapter;

21 (2) for the purposes of making generally available in
 22 rural--areas adequate telephone service, cable television
 23 service, or broadband facilities through the improvement and
 24 expansion of existing telephone, cable television, or
 25 broadband facilities and the construction and operation of

1 such additional facilities as are required to assure the
 2 availability of such service to the widest practicable
 3 number of rural users thereof."

4 Section 4. Section 35-18-106, MCA, is amended to read:
 5 "35-18-106. Powers of cooperatives. A cooperative
 6 shall have power to:

7 (1) sue and be sued in its corporate name;

8 (2) have perpetual existence;

9 (3) adopt a corporate seal and alter the same at
 10 pleasure;

11 (4) become a member in one or more other cooperatives
 12 or corporations or to own stock therein;

13 (5) construct, purchase, take, receive, lease as
 14 lessee, or otherwise acquire and to own, hold, use, equip,
 15 maintain, and operate and sell, assign, transfer, convey,
 16 exchange, lease as lessor, mortgage, pledge, or otherwise
 17 dispose of or encumber electric transmission and
 18 distribution lines or systems, electric generating plants,
 19 electric refrigeration plants, telephone lines, facilities
 20 or systems (but not telegraph or radio broadcasting services
 21 or facilities) as defined by law, lands, buildings,
 22 structures, dams, plants and equipment, and any and all
 23 kinds or classes of real or personal property whatsoever,
 24 which shall be deemed necessary, convenient, or appropriate
 25 to accomplish the purpose for which the cooperative is

1 otherwise dispose of notes, bonds, and other evidences of
2 indebtedness and any and all types of security therefor;

3 (c) make loans to persons to whom electric energy is
4 or will be supplied by the cooperatives for the purpose of
5 and otherwise to assist such persons in constructing,
6 maintaining, and operating electric refrigeration plants;

7 (13) in the case of corporations organized under the
8 provisions of 35-18-105(2):

9 (a) improve and expand existing telephone lines,
10 facilities, and systems ~~in--rural--areas~~ and construct,
11 acquire, operate, and furnish such additional telephone
12 lines, facilities, and systems as are required to assure the
13 availability of adequate telephone service to the widest
14 practicable number of ~~rural~~ users thereof;

15 (b) make loans to persons to whom telephone service is
16 or will be supplied by the cooperative for the purpose of
17 and otherwise to assist such persons in wiring their
18 premises for telephone service and installing therein
19 telephone fixtures, appliances, apparatus, and equipment of
20 any and all kinds and character and, in connection
21 therewith, purchase, acquire, lease, sell, distribute,
22 install, and repair such telephone fixtures, appliances,
23 apparatus, and equipment and accept or otherwise acquire and
24 sell, assign, transfer, endorse, pledge, hypothecate, and
25 otherwise dispose of notes, bonds, and other evidences of

1 indebtedness and any and all types of security therefor;

2 (14) do and perform any and all other acts and things
3 and have and exercise any and all other powers which may be
4 necessary, convenient, or appropriate to accomplish the
5 purpose for which the cooperative is organized."

6 Section 5. Section 35-18-206, MCA, is amended to read:

7 "35-18-206. Existing corporations -- reorganization
8 under this chapter -- articles of conversion. Any
9 corporation organized under the laws of this state for the
10 purpose, among others, of supplying electric energy in rural
11 areas or telephone service ~~in--rural--areas~~ may become subject
12 to this chapter with the same effect as if originally
13 organized under this chapter by complying with the following
14 requirements:

15 (1) The proposition for the conversion of such
16 corporation into a cooperative under this chapter and
17 proposed articles of conversion to give effect thereto shall
18 be first approved by the board of trustees or the board of
19 directors, as the case may be, of such corporation. The
20 proposed articles of conversion shall recite in the caption
21 that they are executed pursuant to this chapter and shall
22 state:

23 (a) the name of the corporation prior to its
24 conversion into a cooperative under this chapter;

25 (b) the address of the principal office of such

1 organized;

2 (6) purchase or otherwise acquire and own, hold, use,
3 and exercise and sell, assign, transfer, convey, mortgage,
4 pledge, hypothecate, or otherwise dispose of or encumber
5 franchises, rights, privileges, licenses, rights-of-way, and
6 easements;

7 (7) borrow money and otherwise contract indebtedness
8 and issue notes, bonds, and other evidences of indebtedness
9 therefor and secure the payment thereof by mortgage, pledge,
10 deed of trust, or any other encumbrance upon any or all of
11 its then owned or after-acquired real or personal property,
12 assets, franchises, revenues, or income;

13 (8) construct, maintain, and operate electric
14 transmission and distribution lines or telephone, cable
15 television, or broadband lines, facilities, or systems
16 along, upon, under, and across all public thoroughfares,
17 including without limitation all roads, highways, streets,
18 alleys, bridges, and causeways and upon, under, and across
19 all publicly owned lands, subject, however, to the same
20 requirements in respect of the use of such thoroughfares and
21 lands as are imposed by the respective authorities having
22 jurisdiction thereof upon corporations constructing or
23 operating electric transmission and distribution lines or
24 systems or telephone lines, facilities, or systems;

25 (9) exercise the power of eminent domain in the manner

1 provided by the laws of this state for the exercise of that
2 power by corporations constructing or operating electric
3 transmission and distribution lines or systems or telephone
4 lines, facilities, or systems;

5 (10) conduct its business and exercise any or all of
6 its powers within or without this state;

7 (11) adopt, amend, and repeal bylaws;

8 (12) in the case of corporations organized under the
9 provisions of 35-18-105(1):

10 (a) generate, manufacture, purchase, acquire,
11 accumulate, and transmit electric energy and distribute,
12 sell, supply, and dispose of electric energy in rural areas
13 to its members, to governmental agencies and political
14 subdivisions, and to other persons not in excess of 10% of
15 the number of its members;

16 (b) make loans to persons to whom electric energy is
17 or will be supplied by the cooperative for the purpose of
18 and otherwise to assist such persons in wiring their
19 premises and installing therein electrical and plumbing
20 fixtures, appliances, apparatus, and equipment of any and
21 all kinds and character and, in connection therewith,
22 purchase, acquire, lease, sell, distribute, install, and
23 repair such electrical and plumbing fixtures, appliances,
24 apparatus, and equipment and accept or otherwise acquire and
25 sell, assign, transfer, endorse, pledge, hypothecate, and

1 corporation;

2 (c) the date of the filing of its articles of

3 incorporation in the office of the secretary of state;

4 (d) the statute or statutes under which such

5 corporation was organized;

6 (e) the name assumed by such corporation;

7 (f) a statement that such corporation elects to become

8 a cooperative, nonprofit, membership corporation subject to

9 this chapter;

10 (g) the manner and basis of converting either

11 memberships in or shares of stock of such corporation into

12 memberships therein after completion of the conversion; and

13 (h) any provisions not inconsistent with this chapter

14 deemed necessary or advisable for the conduct of its

15 business and affairs.

16 (2) The proposition for the conversion of such

17 corporation into a cooperative under this chapter and the

18 proposed articles of conversion approved by the board of

19 trustees or board of directors, as the case may be, of such

20 corporation shall then be submitted to a vote of the members

21 or stockholders, as the case may be, of such corporation at

22 any duly held annual or special meeting thereof, the notice

23 of which shall set forth full particulars concerning the

24 proposed conversion. The proposition for the conversion of

25 such corporation into a cooperative under this chapter and

1 the proposed articles of conversion, with such amendments

2 thereto as the members or stockholders of such corporation

3 shall choose to make therein, shall be deemed to be approved

4 upon the affirmative vote of not less than two-thirds of

5 those members of such corporation voting thereon at such

6 meeting or, if such corporation is a stock corporation, upon

7 the affirmative vote of the holders of not less than

8 two-thirds of the capital stock of such corporation

9 represented at such meeting.

10 (3) Upon such approval by the members or stockholders

11 of such corporation, articles of conversion in the form

12 approved by such members or stockholders of such corporation

13 shall be executed on behalf of such corporation by its

14 president or vice-president and its corporate seal shall be

15 affixed thereto and attested by its secretary or assistant

16 secretary. The president or vice-president executing such

17 articles of conversion on behalf of such corporation shall

18 also make and annex thereto an affidavit stating that the

19 provisions of this section with respect to the approval of

20 its trustees or directors and its members or stockholders of

21 the proposition for the conversion of such corporation into

22 a cooperative under this chapter and such articles of

23 conversion were duly complied with.

24 (4) Such articles of conversion and affidavit shall be

25 submitted to the secretary of state for filing as provided

1 in this chapter.

2 (5) The term "articles of incorporation" as used in
3 this chapter shall be deemed to include the articles of
4 conversion of a converted corporation."

5 NEW SECTION. Section 6. Codification instruction.
6 Section 1 is intended to be codified as an integral part of
7 Title 35, chapter 18, part 1, and the provisions of Title
8 35, chapter 18, part 1, apply to section 1.

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1 fee by wire, cable, microwave, or other means, whether such
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 9 membership.

10 (d) "Person" includes any natural person, firm,
 11 association, corporation, business trust, partnership,
 12 federal agency, state or political subdivision or agency
 13 thereof, or any body politic.

14 (e) "Rural area", as applied to all corporations
 15 organized under the provisions of 35-18-105(1), means any
 16 area not included within the boundaries of any incorporated
 17 or unincorporated city, town, village, or borough having a
 18 population in excess of 3,500 persons on March 17, 1939, or
 19 subsequent thereto, and every incorporated municipality in
 20 which 95% or more of the premises are served by an electric
 21 cooperative on February 1, 1971; ~~"rural area", as applied to~~
 22 ~~all corporations organized under the provisions of~~
 23 ~~35-18-105(2), means any area not included within the~~
 24 ~~boundaries of any incorporated or unincorporated city or~~
 25 ~~town having a population in excess of 3,500 persons except~~



1 that--an--incorporated--or--unincorporated-city-or-town-with
 2 population-more-than-1,500-persons-is--considered--a--"rural
 3 area"--for--purposes--of--this--chapter--if--the--system--or
 4 facilities-serving-the--persons--in--the--city--or--town--is
 5 acquired--by--a-cooperative-by-agreement-with-the-company-or
 6 entity-serving-the-city-or-town;--or-if-the-city-or-town--was
 7 served--by--the-cooperative-when-it-had-a-population-of-less
 8 than-1,500-persons-and-subsequently--grew--to--a--population
 9 more--than--1,500--persons;--but--for--the--purposes-of-this
 10 chapter-a-"rural-area"--means-an-area-not-included-within-the
 11 boundary-of-any-incorporated-or-unincorporated-city-or--town
 12 having--a-population-in-excess-of-1,500-persons-which-is-not
 13 already-being-served-by-a-system-or-facilities."

14 Section 3. Section 35-18-105, MCA, is amended to read:

15 "35-18-105. Permissible purposes for incorporation.

16 Cooperative nonprofit membership corporations may be
 17 organized under this chapter for the following purposes:

18 (1) for the purpose of supplying electric energy and
 19 promoting and extending the use thereof in rural areas, as
 20 provided in this chapter;

21 (2) for the purposes of making generally available in
 22 rural--areas adequate telephone service, cable television
 23 service, or broadband facilities through the improvement and
 24 expansion of existing telephone, cable television, or
 25 broadband facilities and the construction and operation of

1 such additional facilities as are required to assure the
 2 availability of such service to the widest practicable
 3 number of rural users thereof."

4 Section 4. Section 35-18-106, MCA, is amended to read:

5 "35-18-106. Powers of cooperatives. A cooperative
 6 shall have power to:

7 (1) sue and be sued in its corporate name;

8 (2) have perpetual existence;

9 (3) adopt a corporate seal and alter the same at
 10 pleasure;

11 (4) become a member in one or more other cooperatives
 12 or corporations or to own stock therein;

13 (5) construct, purchase, take, receive, lease as
 14 lessee, or otherwise acquire and to own, hold, use, equip,
 15 maintain, and operate and sell, assign, transfer, convey,
 16 exchange, lease as lessor, mortgage, pledge, or otherwise
 17 dispose of or encumber electric transmission and
 18 distribution lines or systems, electric generating plants,
 19 electric refrigeration plants, telephone lines, facilities
 20 or systems (but not telegraph or radio broadcasting services
 21 or facilities) as defined by law, lands, buildings,
 22 structures, dams, plants and equipment, and any and all
 23 kinds or classes of real or personal property whatsoever,
 24 which shall be deemed necessary, convenient, or appropriate
 25 to accomplish the purpose for which the cooperative is

1 organized;

2 (6) purchase or otherwise acquire and own, hold, use,
3 and exercise and sell, assign, transfer, convey, mortgage,
4 pledge, hypothecate, or otherwise dispose of or encumber
5 franchises, rights, privileges, licenses, rights-of-way, and
6 easements;

7 (7) borrow money and otherwise contract indebtedness
8 and issue notes, bonds, and other evidences of indebtedness
9 therefor and secure the payment thereof by mortgage, pledge,
10 deed of trust, or any other encumbrance upon any or all of
11 its then owned or after-acquired real or personal property,
12 assets, franchises, revenues, or income;

13 (8) construct, maintain, and operate electric
14 transmission and distribution lines or telephone, cable
15 television, or broadband lines, facilities, or systems
16 along, upon, under, and across all public thoroughfares,
17 including without limitation all roads, highways, streets,
18 alleys, bridges, and causeways and upon, under, and across
19 all publicly owned lands, subject, however, to the same
20 requirements in respect of the use of such thoroughfares and
21 lands as are imposed by the respective authorities having
22 jurisdiction thereof upon corporations constructing or
23 operating electric transmission and distribution lines or
24 systems or telephone lines, facilities, or systems;

25 (9) exercise the power of eminent domain in the manner

1 provided by the laws of this state for the exercise of that
2 power by corporations constructing or operating electric
3 transmission and distribution lines or systems or telephone
4 lines, facilities, or systems;

5 (10) conduct its business and exercise any or all of
6 its powers within or without this state;

7 (11) adopt, amend, and repeal bylaws;

8 (12) in the case of corporations organized under the
9 provisions of 35-18-105(1):

10 (a) generate, manufacture, purchase, acquire,
11 accumulate, and transmit electric energy and distribute,
12 sell, supply, and dispose of electric energy in rural areas
13 to its members, to governmental agencies and political
14 subdivisions, and to other persons not in excess of 10% of
15 the number of its members;

16 (b) make loans to persons to whom electric energy is
17 or will be supplied by the cooperative for the purpose of
18 and otherwise to assist such persons in wiring their
19 premises and installing therein electrical and plumbing
20 fixtures, appliances, apparatus, and equipment of any and
21 all kinds and character and, in connection therewith,
22 purchase, acquire, lease, sell, distribute, install, and
23 repair such electrical and plumbing fixtures, appliances,
24 apparatus, and equipment and accept or otherwise acquire and
25 sell, assign, transfer, endorse, pledge, hypothecate, and

1 otherwise dispose of notes, bonds, and other evidences of
2 indebtedness and any and all types of security therefor;

3 (c) make loans to persons to whom electric energy is
4 or will be supplied by the cooperatives for the purpose of
5 and otherwise to assist such persons in constructing,
6 maintaining, and operating electric refrigeration plants;

7 (13) in the case of corporations organized under the
8 provisions of 35-18-105(2):

9 (a) improve and expand existing telephone lines,
10 facilities, and systems ~~in--rural--areas~~ and construct,
11 acquire, operate, and furnish such additional telephone
12 lines, facilities, and systems as are required to assure the
13 availability of adequate telephone service to the widest
14 practicable number of ~~rural~~ users thereof;

15 (b) make loans to persons to whom telephone service is
16 or will be supplied by the cooperative for the purpose of
17 and otherwise to assist such persons in wiring their
18 premises for telephone service and installing therein
19 telephone fixtures, appliances, apparatus, and equipment of
20 any and all kinds and character and, in connection
21 therewith, purchase, acquire, lease, sell, distribute,
22 install, and repair such telephone fixtures, appliances,
23 apparatus, and equipment and accept or otherwise acquire and
24 sell, assign, transfer, endorse, pledge, hypothecate, and
25 otherwise dispose of notes, bonds, and other evidences of

1 indebtedness and any and all types of security therefor;

2 (14) do and perform any and all other acts and things
3 and have and exercise any and all other powers which may be
4 necessary, convenient, or appropriate to accomplish the
5 purpose for which the cooperative is organized."

6 Section 5. Section 35-18-206, MCA, is amended to read:

7 "35-18-206. Existing corporations -- reorganization
8 under this chapter -- articles of conversion. Any
9 corporation organized under the laws of this state for the
10 purpose, among others, of supplying electric energy in rural
11 areas or telephone service ~~in--rural--areas~~ may become subject
12 to this chapter with the same effect as if originally
13 organized under this chapter by complying with the following
14 requirements:

15 (1) The proposition for the conversion of such
16 corporation into a cooperative under this chapter and
17 proposed articles of conversion to give effect thereto shall
18 be first approved by the board of trustees or the board of
19 directors, as the case may be, of such corporation. The
20 proposed articles of conversion shall recite in the caption
21 that they are executed pursuant to this chapter and shall
22 state:

23 (a) the name of the corporation prior to its
24 conversion into a cooperative under this chapter;

25 (b) the address of the principal office of such

1 corporation;

2 (c) the date of the filing of its articles of
3 incorporation in the office of the secretary of state;

4 (d) the statute or statutes under which such
5 corporation was organized;

6 (e) the name assumed by such corporation;

7 (f) a statement that such corporation elects to become
8 a cooperative, nonprofit, membership corporation subject to
9 this chapter;

10 (g) the manner and basis of converting either
11 memberships in or shares of stock of such corporation into
12 memberships therein after completion of the conversion; and

13 (h) any provisions not inconsistent with this chapter
14 deemed necessary or advisable for the conduct of its
15 business and affairs.

16 (2) The proposition for the conversion of such
17 corporation into a cooperative under this chapter and the
18 proposed articles of conversion approved by the board of
19 trustees or board of directors, as the case may be, of such
20 corporation shall then be submitted to a vote of the members
21 or stockholders, as the case may be, of such corporation at
22 any duly held annual or special meeting thereof, the notice
23 of which shall set forth full particulars concerning the
24 proposed conversion. The proposition for the conversion of
25 such corporation into a cooperative under this chapter and

1 the proposed articles of conversion, with such amendments
2 thereto as the members or stockholders of such corporation
3 shall choose to make therein, shall be deemed to be approved
4 upon the affirmative vote of not less than two-thirds of
5 those members of such corporation voting thereon at such
6 meeting or, if such corporation is a stock corporation, upon
7 the affirmative vote of the holders of not less than
8 two-thirds of the capital stock of such corporation
9 represented at such meeting.

10 (3) Upon such approval by the members or stockholders
11 of such corporation, articles of conversion in the form
12 approved by such members or stockholders of such corporation
13 shall be executed on behalf of such corporation by its
14 president or vice-president and its corporate seal shall be
15 affixed thereto and attested by its secretary or assistant
16 secretary. The president or vice-president executing such
17 articles of conversion on behalf of such corporation shall
18 also make and annex thereto an affidavit stating that the
19 provisions of this section with respect to the approval of
20 its trustees or directors and its members or stockholders of
21 the proposition for the conversion of such corporation into
22 a cooperative under this chapter and such articles of
23 conversion were duly complied with.

24 (4) Such articles of conversion and affidavit shall be
25 submitted to the secretary of state for filing as provided

1 in this chapter.

2 (5) The term "articles of incorporation" as used in
3 this chapter shall be deemed to include the articles of
4 conversion of a converted corporation."

5 NEW SECTION. Section 6. Codification instruction.
6 Section 1 is intended to be codified as an integral part of
7 Title 35, chapter 18, part 1, and the provisions of Title
8 35, chapter 18, part 1, apply to section 1.

9 NEW SECTION. Section 7. Effective date. This act is
10 effective on passage and approval.

-End-

1 HOUSE BILL NO. 585

2 INTRODUCED BY BRADLEY, VAUGHN, E. SMITH, KOLSTAD

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING RESTRICTIONS
5 ON AREAS THAT MAY BE SERVED BY TELEPHONE COOPERATIVES;
6 AMENDING SECTIONS 35-18-102, 35-18-105, 35-18-106, AND
7 35-18-206, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. Section 1. No area restriction --
11 telephone cooperatives. A telephone cooperative, regardless
12 of when it was organized pursuant to 35-18-105, is not
13 restricted by population of area served or other criteria to
14 any area of service.

15 Section 2. Section 35-18-102, MCA, is amended to read:

16 "35-18-102. Definitions. (1) Corporations organized
17 under this chapter and corporations which become subject to
18 this chapter in the manner hereinafter provided are
19 hereinafter referred to as "cooperatives".

20 (2) In this chapter, unless the context otherwise
21 requires the following definitions apply:

22 (a) "Cable television system" means a system that
23 receives and amplifies the signals broadcast by one or more
24 television stations and redistributes the signals to
25 subscribing members of the public for a fixed or periodic

1 fee by wire, cable, microwave, or other means, whether such
2 means are owned or leased.

3 (b) "Broadband" means transmission facilities capable
4 of handling frequencies greater than those required for high
5 grade voice communication (higher than 4 kilohertz).

6 (c) "Member" means each incorporator of a cooperative
7 and each person admitted to and retaining membership therein
8 and shall include a husband and wife admitted to joint
9 membership.

10 (d) "Person" includes any natural person, firm,
11 association, corporation, business trust, partnership,
12 federal agency, state or political subdivision or agency
13 thereof, or any body politic.

14 (e) "Rural area", as applied to all corporations
15 organized under the provisions of 35-18-105(1), means any
16 area not included within the boundaries of any incorporated
17 or unincorporated city, town, village, or borough having a
18 population in excess of 3,500 persons on March 17, 1939, or
19 subsequent thereto, and every incorporated municipality in
20 which 95% or more of the premises are served by an electric
21 cooperative on February 1, 1971; ~~"rural area" as applied to~~
22 ~~all corporations organized under the provisions of~~
23 ~~35-18-105(2) means any area not included within the~~
24 ~~boundaries of any incorporated or unincorporated city or~~
25 ~~town having a population in excess of 1,750 persons except~~

1 that--an--incorporated--or--unincorporated-city-or-town-with
 2 population-more-than-1,500-persons-is--considered--a--"rural
 3 area"--for--purposes--of--this--chapter--if--the--system--or
 4 facilities-serving-the--persons--in--the--city--or--town--is
 5 acquired--by--a-cooperative-by-agreement-with-the-company-or
 6 entity-serving-the-city-or-town,-or-if-the-city-or-town--was
 7 served--by--the-cooperative-when-it-had-a-population-of-less
 8 than-1,500-persons-and-subsequently-grew--to--a-population
 9 more--than--1,500--persons;--but--for--the--purposes-of-this
 10 chapter-a-"rural-area"-means-an-area-not-included-within-the
 11 boundary-of-any-incorporated-or-unincorporated-city-or--town
 12 having--a-population-in-excess-of-3,500-persons-which-is-not
 13 already-being-served-by-a-system-or-facilities."

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16 Cooperative nonprofit membership corporations may be
 17 organized under this chapter for the following purposes:

18 (1) for the purpose of supplying electric energy and
 19 promoting and extending the use thereof in rural areas, as
 20 provided in this chapter;

21 (2) for the purposes of making generally available in
 22 rural--areas adequate telephone service, cable television
 23 service, or broadband facilities through the improvement and
 24 expansion of existing telephone, cable television, or
 25 broadband facilities and the construction and operation of

1 such additional facilities as are required to assure the
 2 availability of such service to the widest practicable
 3 number of rural users thereof."

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8 (2) have perpetual existence;

9 (3) adopt a corporate seal and alter the same at
 10 pleasure;

11 (4) become a member in one or more other cooperatives
 12 or corporations or to own stock therein;

13 (5) construct, purchase, take, receive, lease as
 14 lessee, or otherwise acquire and to own, hold, use, equip,
 15 maintain, and operate and sell, assign, transfer, convey,
 16 exchange, lease as lessor, mortgage, pledge, or otherwise
 17 dispose of or encumber electric transmission and
 18 distribution lines or systems, electric generating plants,
 19 electric refrigeration plants, telephone lines, facilities
 20 or systems (but not telegraph or radio broadcasting services
 21 or facilities) as defined by law, lands, buildings,
 22 structures, dams, plants and equipment, and any and all
 23 kinds or classes of real or personal property whatsoever,
 24 which shall be deemed necessary, convenient, or appropriate
 25 to accomplish the purpose for which the cooperative is

1 organized;

2 (6) purchase or otherwise acquire and own, hold, use,
3 and exercise and sell, assign, transfer, convey, mortgage,
4 pledge, hypothecate, or otherwise dispose of or encumber
5 franchises, rights, privileges, licenses, rights-of-way, and
6 easements;

7 (7) borrow money and otherwise contract indebtedness
8 and issue notes, bonds, and other evidences of indebtedness
9 therefor and secure the payment thereof by mortgage, pledge,
10 deed of trust, or any other encumbrance upon any or all of
11 its then owned or after-acquired real or personal property,
12 assets, franchises, revenues, or income;

13 (8) construct, maintain, and operate electric
14 transmission and distribution lines or telephone, cable
15 television, or broadband lines, facilities, or systems
16 along, upon, under, and across all public thoroughfares,
17 including without limitation all roads, highways, streets,
18 alleys, bridges, and causeways and upon, under, and across
19 all publicly owned lands, subject, however, to the same
20 requirements in respect of the use of such thoroughfares and
21 lands as are imposed by the respective authorities having
22 jurisdiction thereof upon corporations constructing or
23 operating electric transmission and distribution lines or
24 systems or telephone lines, facilities, or systems;

25 (9) exercise the power of eminent domain in the manner

1 provided by the laws of this state for the exercise of that
2 power by corporations constructing or operating electric
3 transmission and distribution lines or systems or telephone
4 lines, facilities, or systems;

5 (10) conduct its business and exercise any or all of
6 its powers within or without this state;

7 (11) adopt, amend, and repeal bylaws;

8 (12) in the case of corporations organized under the
9 provisions of 35-18-105(1):

10 (a) generate, manufacture, purchase, acquire,
11 accumulate, and transmit electric energy and distribute,
12 sell, supply, and dispose of electric energy in rural areas
13 to its members, to governmental agencies and political
14 subdivisions, and to other persons not in excess of 10% of
15 the number of its members;

16 (b) make loans to persons to whom electric energy is
17 or will be supplied by the cooperative for the purpose of
18 and otherwise to assist such persons in wiring their
19 premises and installing therein electrical and plumbing
20 fixtures, appliances, apparatus, and equipment of any and
21 all kinds and character and, in connection therewith,
22 purchase, acquire, lease, sell, distribute, install, and
23 repair such electrical and plumbing fixtures, appliances,
24 apparatus, and equipment and accept or otherwise acquire and
25 sell, assign, transfer, endorse, pledge, hypothecate, and

1 otherwise dispose of notes, bonds, and other evidences of
2 indebtedness and any and all types of security therefor;

3 (c) make loans to persons to whom electric energy is
4 or will be supplied by the cooperatives for the purpose of
5 and otherwise to assist such persons in constructing,
6 maintaining, and operating electric refrigeration plants;

7 (13) in the case of corporations organized under the
8 provisions of 35-18-105(2):

9 (a) improve and expand existing telephone lines,
10 facilities, and systems ~~in--rural--areas~~ and construct,
11 acquire, operate, and furnish such additional telephone
12 lines, facilities, and systems as are required to assure the
13 availability of adequate telephone service to the widest
14 practicable number of ~~rural~~ users thereof;

15 (b) make loans to persons to whom telephone service is
16 or will be supplied by the cooperative for the purpose of
17 and otherwise to assist such persons in wiring their
18 premises for telephone service and installing therein
19 telephone fixtures, appliances, apparatus, and equipment of
20 any and all kinds and character and, in connection
21 therewith, purchase, acquire, lease, sell, distribute,
22 install, and repair such telephone fixtures, appliances,
23 apparatus, and equipment and accept or otherwise acquire and
24 sell, assign, transfer, endorse, pledge, hypothecate, and
25 otherwise dispose of notes, bonds, and other evidences of

1 indebtedness and any and all types of security therefor;

2 (14) do and perform any and all other acts and things
3 and have and exercise any and all other powers which may be
4 necessary, convenient, or appropriate to accomplish the
5 purpose for which the cooperative is organized."

6 Section 5. Section 35-18-206, MCA, is amended to read:

7 "35-18-206. Existing corporations -- reorganization
8 under this chapter -- articles of conversion. Any
9 corporation organized under the laws of this state for the
10 purpose, among others, of supplying electric energy in rural
11 areas or telephone service ~~in--rural--areas~~ may become subject
12 to this chapter with the same effect as if originally
13 organized under this chapter by complying with the following
14 requirements:

15 (1) The proposition for the conversion of such
16 corporation into a cooperative under this chapter and
17 proposed articles of conversion to give effect thereto shall
18 be first approved by the board of trustees or the board of
19 directors, as the case may be, of such corporation. The
20 proposed articles of conversion shall recite in the caption
21 that they are executed pursuant to this chapter and shall
22 state:

23 (a) the name of the corporation prior to its
24 conversion into a cooperative under this chapter;

25 (b) the address of the principal office of such

1 corporation;

2 (c) the date of the filing of its articles of
3 incorporation in the office of the secretary of state;

4 (d) the statute or statutes under which such
5 corporation was organized;

6 (e) the name assumed by such corporation;

7 (f) a statement that such corporation elects to become
8 a cooperative, nonprofit, membership corporation subject to
9 this chapter;

10 (g) the manner and basis of converting either
11 memberships in or shares of stock of such corporation into
12 memberships therein after completion of the conversion; and

13 (h) any provisions not inconsistent with this chapter
14 deemed necessary or advisable for the conduct of its
15 business and affairs.

16 (2) The proposition for the conversion of such
17 corporation into a cooperative under this chapter and the
18 proposed articles of conversion approved by the board of
19 trustees or board of directors, as the case may be, of such
20 corporation shall then be submitted to a vote of the members
21 or stockholders, as the case may be, of such corporation at
22 any duly held annual or special meeting thereof, the notice
23 of which shall set forth full particulars concerning the
24 proposed conversion. The proposition for the conversion of
25 such corporation into a cooperative under this chapter and

1 the proposed articles of conversion, with such amendments
2 thereto as the members or stockholders of such corporation
3 shall choose to make therein, shall be deemed to be approved
4 upon the affirmative vote of not less than two-thirds of
5 those members of such corporation voting thereon at such
6 meeting or, if such corporation is a stock corporation, upon
7 the affirmative vote of the holders of not less than
8 two-thirds of the capital stock of such corporation
9 represented at such meeting.

10 (3) Upon such approval by the members or stockholders
11 of such corporation, articles of conversion in the form
12 approved by such members or stockholders of such corporation
13 shall be executed on behalf of such corporation by its
14 president or vice-president and its corporate seal shall be
15 affixed thereto and attested by its secretary or assistant
16 secretary. The president or vice-president executing such
17 articles of conversion on behalf of such corporation shall
18 also make and annex thereto an affidavit stating that the
19 provisions of this section with respect to the approval of
20 its trustees or directors and its members or stockholders of
21 the proposition for the conversion of such corporation into
22 a cooperative under this chapter and such articles of
23 conversion were duly complied with.

24 (4) Such articles of conversion and affidavit shall be
25 submitted to the secretary of state for filing as provided

1 in this chapter.

2 (5) The term "articles of incorporation" as used in
3 this chapter shall be deemed to include the articles of
4 conversion of a converted corporation."

5 NEW SECTION. Section 6. Codification instruction.
6 Section 1 is intended to be codified as an integral part of
7 Title 35, chapter 18, part 1, and the provisions of Title
8 35, chapter 18, part 1, apply to section 1.

9 NEW SECTION. Section 7. Effective date. This act is
10 effective on passage and approval.

-End-