



March 30, 1999

**ENGROSSED  
SENATE BILL No. 177**

DIGEST OF SB 177 (Updated March 23, 1999 12:48 pm - DI 101)

**Citations Affected:** IC 8-1; noncode.

**Synopsis:** IURC enforcement authority and rural telephone cooperative corporations. Provides that rural telephone cooperative corporations must annually designate and elect those officers the corporation considers necessary. Authorizes the Indiana utility regulatory commission to review specified aspects of a utility company that provides water or sewer service. Provides that if the commission finds that such a utility company has continued violations of Indiana law or commission orders or if a review of the utility company reveals that the utility company has severe deficiencies in its operations that the utility company has failed to remedy, the commission may order the sale of the utility company or the filing of an action for the appointment of a receiver for the utility company. Requires the regulatory flexibility committee to study and make any necessary recommendations to the general assembly regarding the commission's enforcement powers and the single rate tariff method of billing for utility service.

**Effective:** July 1, 1999.

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**Long, Lanane**

(HOUSE SPONSORS — BOTTORFF, GRUBB, ESPICH, ALDERMAN)

January 6, 1999, read first time and referred to Committee on Commerce and Consumer Affairs.

February 23, 1999, amended, reported favorably — Do Pass.

March 2, 1999, read second time, ordered engrossed.

March 3, 1999, engrossed. Read third time, passed. Yeas 49, nays 0.

**HOUSE ACTION**

March 8, 1999, read first time and referred to Committee on Commerce and Economic Development.

March 29, 1999, amended, reported — Do Pass.

ES 177—LS 6806/DI 75+



March 30, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## ENGROSSED SENATE BILL No. 177

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 8-1-17-6 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 1999]: Sec. 6. At the time the commission  
3 approves the articles of incorporation of any cooperative corporation,  
4 it shall issue to it, and place on file a duplicate of, a certificate of public  
5 convenience and necessity accurately describing the territory within  
6 which such cooperative corporation shall be authorized to operate.  
7 Thereafter, such territory may be changed by a new certificate issued  
8 and filed by the commission:  
9 (1) to harmonize with the result of proceedings pursuant to  
10 section 21(c) of this chapter, or any other statute empowering the  
11 commission to determine the territory within which any telephone  
12 company or cooperative may operate; or  
13 (2) to harmonize with findings made by the commission upon

ES 177—LS 6806/DI 75+



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1 petition for change of territory signed by the ~~president and~~  
 2 **secretary appropriate officers** of the cooperative corporation,  
 3 accompanied by a certified copy of a resolution authorizing the  
 4 same duly adopted by its board of directors and also by a map  
 5 showing clearly both the old and the proposed new territory and  
 6 filed with the commission.

7 Such findings as to a local cooperative corporation shall be made only  
 8 after the commission ascertains whether such petition proposed a  
 9 change in such territory as will affect territory being served by any  
 10 other cooperative corporation or any telephone company.

11 SECTION 2. IC 8-1-17-7 IS AMENDED TO READ AS FOLLOWS  
 12 [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) Each cooperative corporation  
 13 formed under this chapter shall have a board of directors, which board  
 14 shall constitute the governing body of the cooperative corporation. The  
 15 directors of a local cooperative corporation must be members of the  
 16 ~~same and, except as cooperative corporation.~~ **Directors other than**  
 17 **those** named in ~~its the cooperative corporation's~~ articles of  
 18 incorporation ~~directors of any cooperative corporation~~ shall be elected  
 19 by ~~its the cooperative corporation's~~ members.

20 (b) Unless the bylaws of the cooperative corporation provide  
 21 otherwise, such directors shall be elected annually. The bylaws may  
 22 provide that the directors may hold office for any stated period not  
 23 exceeding three (3) years, and be so elected that the terms of only part  
 24 of such directors shall expire at any one (1) time and that only enough  
 25 directors to succeed those whose terms are about to expire need be  
 26 elected in any year.

27 (c) The bylaws may provide that the area in which the members of  
 28 the cooperative corporation reside shall be apportioned into districts  
 29 and prescribe the procedure by which the members residing in any one  
 30 (1) district may nominate a director.

31 (d) The bylaws may specify a fair remuneration for the time actually  
 32 spent by its officers, directors, and members of its executive committee  
 33 in the performance of their duties as such and provide that the same be  
 34 paid them respectively. The officers, directors, and members of the  
 35 executive committee shall be entitled to reimbursement for expenses  
 36 incurred by them in the performance of their duties whether or not the  
 37 bylaws provide that they be remunerated for their time spent in such  
 38 performance.

39 (e) The board shall annually **designate and** elect a ~~president, a vice~~  
 40 ~~president, a secretary, and a treasurer.~~ **The president and vice president**

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1 shall be elected from the members of the board of directors: those  
2 officers it considers necessary.

3 SECTION 3. IC 8-1-17-9 IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) A cooperative corporation  
5 may issue to its members certificates of membership and each member  
6 shall be entitled to only one (1) vote on each question or election at any  
7 regular or special meetings of the cooperative corporation.

8 (b) Meetings of members may be held at such place as may be  
9 provided in the bylaws. An annual meeting of the members shall be  
10 held at such time as may be provided by the bylaws. Special meetings  
11 may be called by ~~the president~~, by the board of directors, by a petition  
12 signed by not less than five percent (5%) of all the members, or by such  
13 other officers or persons as may be provided in the articles of  
14 incorporation or by the bylaws.

15 (c) Written or printed notice stating the place, day, and hour of the  
16 meeting of members, and, in the case of a special meeting, the purpose  
17 or purposes for which the meeting is called, shall be delivered not less  
18 than ten (10) nor more than thirty (30) days before the date of the  
19 meeting, either personally or by mail, by or at the direction of the  
20 ~~president or the secretary~~, or the officers or persons calling the meeting,  
21 to each member of record entitled to vote at such meeting. If mailed,  
22 such notice shall be deemed to be delivered when deposited in the  
23 United States mails in a sealed envelope addressed to the member at  
24 his address as it appears on the records of the cooperative corporation,  
25 with postage prepaid. Notice of meetings of members may be waived  
26 in writing.

27 (d) Unless otherwise provided in the articles of incorporation, two  
28 percent (2%) of all the members of the cooperative corporation present  
29 in person at any meeting of members, of which meeting notice shall  
30 have been given as provided in the foregoing subdivision (c) of this  
31 section, shall constitute a quorum for the transaction of business at  
32 such meeting.

33 (e) A majority vote of those members who are present in person at  
34 any regular meeting, or at any special meeting of the members called  
35 for that purpose, shall be necessary for the taking of any action,  
36 adoption of any resolution, or the election of any officers, or otherwise,  
37 as the case may be.

38 SECTION 4. IC 8-1-17-23 IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 23. (a) A cooperative  
40 corporation may amend its articles of incorporation to change its

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1 corporate name, to increase or reduce the number of its directors, or  
 2 change any other provisions therein; provided, that any change of  
 3 location of the principal office may be effected in the manner set forth  
 4 in section 24 of this chapter, and further provided that no cooperative  
 5 corporation shall amend its articles of incorporation to embody therein  
 6 any purpose, power, or provision which would not be authorized if its  
 7 original articles of incorporation, including such additional or changed  
 8 purpose, power, or provision, were offered for filing at the time articles  
 9 under this section are offered. Such amendment may be accomplished  
 10 by filing articles of amendment which shall be entitled and endorsed  
 11 "Articles of Amendment of \_\_\_\_\_" (the blank space being  
 12 filled in with the name of the cooperative corporation) and state:

13 (1) The name of the cooperative corporation, and if it has been  
 14 changed, the name under which it was originally incorporated.

15 (2) The date of filing the articles of incorporation in each public  
 16 office where filed.

17 (3) Whether the statement of counties within which its operations  
 18 are to be conducted is to be changed, and if so the new statement  
 19 of such counties.

20 (4) The ~~president or vice president officer~~ executing such articles  
 21 of amendment shall make and annex thereto an affidavit stating  
 22 that the provisions of this section in respect to the amendment set  
 23 forth in such articles were complied with.

24 (b) Such articles shall be subscribed in the name of the cooperative  
 25 corporation by the ~~president or vice president; and by the secretary or~~  
 26 ~~the assistant secretary; appropriate officers of the cooperative~~  
 27 **corporation** who shall make and annex an affidavit stating that they  
 28 have been authorized to execute and file such articles by a resolution  
 29 duly adopted at a meeting of the cooperative corporation duly called  
 30 and held as provided in section 9 of this chapter. If by any such  
 31 amendment to articles of incorporation, the territory proposed to be  
 32 served by the cooperative corporation is to be increased or decreased,  
 33 the articles of amendment, together with a petition executed by the  
 34 ~~president; or vice president; and by the secretary or the assistant~~  
 35 ~~secretary appropriate officers~~ of the cooperative corporation and  
 36 praying for the permission of the commission shall be submitted to the  
 37 commission. Thereupon, the commission shall set said petition for  
 38 public hearing and shall give notice of the time and place thereof one  
 39 (1) time in at least one (1) newspaper published in each of the counties  
 40 in which lies any of the territory proposed to be added or omitted by

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1 such amendment, which publication shall be at least ten (10) days  
 2 before such hearing. The cost of publication shall be paid by the  
 3 petitioner when filing such petition. Also written notice of the time and  
 4 place of such hearing shall be mailed to each telephone company  
 5 operating in contiguous territory in the manner provided in section 5 of  
 6 this chapter. Any interested person may appear, personally or by  
 7 attorney, at such hearing and aid or oppose the prayer of the petition.  
 8 After such hearing, the commission shall grant or deny the petition and  
 9 make its order accordingly. No amendment increasing or decreasing  
 10 the territory to be served by such cooperative corporation shall be filed  
 11 in the office of the secretary of state or of any county recorder unless  
 12 there be attached thereto a certified copy of an order of the commission  
 13 consenting to such increase or decrease. Such articles shall be filed in  
 14 the same places as the original articles of incorporation and thereupon  
 15 the amendment shall be deemed to have been effected.

16 SECTION 5. IC 8-1-17-24 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 24. A cooperative  
 18 corporation formed hereunder may change the location of its principal  
 19 office by filing in the office of the secretary of state a certificate  
 20 reciting such change of principal office and setting forth the resolution  
 21 by its board of directors authorizing such change and stating the time  
 22 and place of its adoption, which certificate shall be executed and  
 23 acknowledged by the **appropriate officers of the cooperative**  
 24 **corporation's president or vice-president corporation** with the  
 25 corporate seal attached and attested by the ~~secretary or assistant~~  
 26 ~~secretary:~~ **appropriate officer of the cooperative corporation.**

27 SECTION 6. IC 8-1-17-25 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 25. Any cooperative  
 29 corporation may dissolve by filing in the office of the secretary of state  
 30 articles of dissolution which shall be entitled and endorsed "Articles of  
 31 Dissolution of \_\_\_\_\_" (the blank space being filled in with the name  
 32 of the cooperative corporation) and shall state:

33 (a) (1) The name of the cooperative corporation, and if such  
 34 cooperative corporation is a corporation resulting from the  
 35 consolidation as provided in this chapter, the names of the  
 36 original cooperative corporations.

37 (b) (2) The date of filing of the articles of incorporation in the  
 38 office of secretary of state and, if such cooperative corporation is  
 39 a corporation resulting from a consolidation as provided in this  
 40 chapter, the dates on which the articles of incorporation of the

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1 original cooperative corporations were filed in the office of  
2 secretary of state.

3 ~~(c)~~ (3) That the cooperative corporation elects to dissolve.

4 ~~(d)~~ (4) The name and post office address of each of its directors,  
5 and the name, title, and post office address of each of its officers.

6 Such articles shall be subscribed and acknowledged by the ~~president or~~  
7 ~~a vice president and the secretary or an assistant secretary~~; **appropriate**  
8 **officers of the cooperative corporation** who shall make and annex an  
9 affidavit stating that they have been authorized to execute and file such  
10 articles by a resolution duly adopted by the members of the cooperative  
11 corporation at a meeting thereof duly called and held as provided in  
12 section 9 of this chapter. Articles of dissolution or a certified copy or  
13 copies thereof shall be filed in the same places as original articles of  
14 incorporation, and thereupon the cooperative corporation shall be  
15 deemed to be dissolved. Such cooperative corporation shall continue  
16 for the purpose of paying, satisfying, and discharging any existing  
17 liabilities or obligations and collecting or liquidating its assets, and  
18 doing all other acts required to adjust and wind up its business affairs,  
19 and may sue and be sued in its corporate name. Any assets remaining  
20 after all liabilities and obligations of the cooperative corporation have  
21 been satisfied and discharged shall be refunded pro rata to the patrons,  
22 their assignees, personal representatives, heirs, or legatees, who shall  
23 have paid for telephone service rendered by the cooperative  
24 corporation, within a five (5) year period next preceding such  
25 dissolution. Any assets not so refunded within a two (2) year period  
26 after such dissolution is completed shall pass to and become the  
27 property of the state of Indiana.

28 SECTION 7. IC 8-1-30 IS ADDED TO THE INDIANA CODE AS  
29 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
30 1, 1999]:

31 **Chapter 30. Operation of Certain Water and Sewer Utilities**

32 **Sec. 1. The definitions in IC 8-1-2-1 apply throughout this**  
33 **chapter.**

34 **Sec. 2. As used in this chapter, "utility company" refers to**  
35 **either of the following:**

- 36 (1) A public utility that provides water or sewer service.
- 37 (2) A regional sewer and water district.

38 **The term does not include a municipally owned utility.**

39 **Sec. 3. (a) The commission may review any of the following or**  
40 **any combination of the following aspects of a utility company's**

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1 operations:

- 2 (1) Technical, financial, and managerial capacity.  
 3 (2) Physical condition and capacity of the utility company's  
 4 plant.  
 5 (3) Compliance with Indiana or federal law or the  
 6 commission's orders.  
 7 (4) Provision of service to customers.

8 (b) The commission may conduct a review under this section  
 9 upon its own motion, a request of the office of the utility consumer  
 10 counselor, or upon the filing of a complaint by a customer of the  
 11 utility company. The commission's order for review must state  
 12 facts to justify a review by the commission.

13 **Sec. 4. The commission may issue orders under section 5 of this**  
 14 **chapter if the commission finds either of the following:**

- 15 (1) The utility company has continued violations of:  
 16 (A) law regulating the utility company after the  
 17 commission has ordered compliance; or  
 18 (B) commission orders.  
 19 (2) The commission finds after a review conducted under  
 20 section 3 of this chapter that the utility company has severe  
 21 deficiencies that the utility company has failed to remedy.

22 **Sec. 5. (a) As used in this section, "subject utility company"**  
 23 **refers to a utility company that is the subject of a finding by the**  
 24 **commission under section 4 of this chapter.**

25 (b) If the commission makes a finding under section 4 of this  
 26 chapter, the commission may, after notice and hearing, make  
 27 appropriate orders to do any of the following:

- 28 (1) Provide for the acquisition of the subject utility company  
 29 by another utility company, a municipally owned utility, or by  
 30 another person that has the ability to operate the subject  
 31 utility company:  
 32 (A) in compliance with law and the commission's orders;  
 33 and  
 34 (B) to remedy any deficiencies found by the commission.  
 35 (2) Provide for the appointment of a receiver to operate the  
 36 subject public utility:  
 37 (A) in compliance with law and the commission's orders;  
 38 and  
 39 (B) to remedy any deficiencies found by the commission.

40 (c) Before making an order under subsection (b), the

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1 commission shall give notice of the hearing to the following:

2 (1) The subject utility company.

3 (2) Other utility companies in Indiana.

4 (3) Appropriate public agencies and political subdivisions,  
5 including all municipalities, located in the subject utility  
6 company's service territory.

7 (d) An order under subsection (b)(1) must provide:

8 (1) that the person acquiring the subject utility company must  
9 pay the fair market value of the subject utility company at the  
10 time of acquisition; and

11 (2) the specific accounting methods and appraisal procedures  
12 and terms by which the fair market value of the subject utility  
13 company is to be determined.

14 (e) An order under subsection (b)(1) may provide cost recovery  
15 mechanisms for costs associated with improvements to the  
16 acquired system that are immediate and necessary to remedy  
17 deficiencies, including any of the following:

18 (1) A mechanism for expediting any adjustments to the rate  
19 base and rates of the person acquiring the subject utility  
20 company.

21 (2) Surcharges on customers of the acquired utility company  
22 system to pay for extraordinary costs.

23 (3) A plan for deferring certain improvement costs and  
24 recovering costs in phases.

25 (4) A plan for equalizing rates of the subject utility company  
26 with the rates of the person acquiring the subject utility  
27 company, if necessary.

28 (5) Other incentives to the person acquiring the subject utility  
29 company, including adjustments to the allowed rate of return.

30 (f) If the commission makes an order under subsection (b)(2),  
31 the attorney general shall file an action in a court with jurisdiction  
32 on behalf of the commission for the appointment of a receiver  
33 under IC 34-48. The receiver appointed by the court:

34 (1) has the same rights and duties under Indiana law as a  
35 utility company providing water or sewer service; and

36 (2) shall continue to operate the subject utility company until  
37 the court finds that the subject utility company:

38 (A) has the ability to comply and will comply with Indiana  
39 law and the commission's orders relating to the operation  
40 of the utility company; and

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1           **(B) has the ability to operate without any of the**  
2           **deficiencies found by the commission.**

3           **Sec. 6. A municipality or other governmental unit may not**  
4           **require a utility company that provides water or sewer service to**  
5           **sell property used in the provision of such service to the**  
6           **municipality or governmental unit under IC 8-1-2-92, IC 8-1-2-93,**  
7           **or otherwise, unless the procedures and requirements of this**  
8           **chapter have been complied with and satisfied.**

9           **SECTION 8. [EFFECTIVE JULY 1, 1999] (a) As used in this**  
10           **SECTION, "committee" refers to the regulatory flexibility**  
11           **committee established by IC 8-1-2.6-4.**

12           **(b) Before January 1, 2000, the committee shall study:**  
13           **(1) the enforcement powers of the Indiana utility regulatory**  
14           **commission; and**  
15           **(2) the single rate tariff method of billing for utility service;**  
16           **and make any recommendations to the general assembly regarding**  
17           **these subjects that the committee considers necessary.**

18           **(c) This SECTION expires January 1, 2000.**

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SENATE MOTION

Mr. President: I move that Senator Lanane be added as coauthor of Senate Bill 177.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill No. 177, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 177 as introduced.)

MILLS, Chairperson

Committee Vote: Yeas 8, Nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred Senate Bill 177, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 8-1-17-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. At the time the commission approves the articles of incorporation of any cooperative corporation, it shall issue to it, and place on file a duplicate of, a certificate of public convenience and necessity accurately describing the territory within which such cooperative corporation shall be authorized to operate. Thereafter, such territory may be changed by a new certificate issued and filed by the commission:

(1) to harmonize with the result of proceedings pursuant to section 21(c) of this chapter, or any other statute empowering the commission to determine the territory within which any telephone company or cooperative may operate; or

(2) to harmonize with findings made by the commission upon petition for change of territory signed by the ~~president and secretary~~ **appropriate officers** of the cooperative corporation, accompanied by a certified copy of a resolution authorizing the same duly adopted by its board of directors and also by a map showing clearly both the old and the proposed new territory and filed with the commission.

Such findings as to a local cooperative corporation shall be made only after the commission ascertains whether such petition proposed a change in such territory as will affect territory being served by any other cooperative corporation or any telephone company.

SECTION 2. IC 8-1-17-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) Each cooperative corporation formed under this chapter shall have a board of directors, which board shall constitute the governing body of the cooperative corporation. The directors of a local cooperative corporation must be members of the ~~same and; except as cooperative corporation.~~ **Directors other than those** named in ~~its~~ **the cooperative corporation's** articles of incorporation ~~directors of any cooperative corporation~~ shall be elected by ~~its~~ **the cooperative corporation's** members.

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(b) Unless the bylaws of the cooperative corporation provide otherwise, such directors shall be elected annually. The bylaws may provide that the directors may hold office for any stated period not exceeding three (3) years, and be so elected that the terms of only part of such directors shall expire at any one (1) time and that only enough directors to succeed those whose terms are about to expire need be elected in any year.

(c) The bylaws may provide that the area in which the members of the cooperative corporation reside shall be apportioned into districts and prescribe the procedure by which the members residing in any one (1) district may nominate a director.

(d) The bylaws may specify a fair remuneration for the time actually spent by its officers, directors, and members of its executive committee in the performance of their duties as such and provide that the same be paid them respectively. The officers, directors, and members of the executive committee shall be entitled to reimbursement for expenses incurred by them in the performance of their duties whether or not the bylaws provide that they be remunerated for their time spent in such performance.

(e) The board shall annually **designate and** elect a **president**; a **vice president**; a **secretary**; and a **treasurer**. ~~The president and vice president shall be elected from the members of the board of directors. those officers it considers necessary.~~

SECTION 3. IC 8-1-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) A cooperative corporation may issue to its members certificates of membership and each member shall be entitled to only one (1) vote on each question or election at any regular or special meetings of the cooperative corporation.

(b) Meetings of members may be held at such place as may be provided in the bylaws. An annual meeting of the members shall be held at such time as may be provided by the bylaws. Special meetings may be called ~~by the president~~, by the board of directors, by a petition signed by not less than five percent (5%) of all the members, or by such other officers or persons as may be provided in the articles of incorporation or by the bylaws.

(c) Written or printed notice stating the place, day, and hour of the meeting of members, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the



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~~president or the secretary, or the officers or persons calling the meeting,~~ to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mails in a sealed envelope addressed to the member at his address as it appears on the records of the cooperative corporation, with postage prepaid. Notice of meetings of members may be waived in writing.

(d) Unless otherwise provided in the articles of incorporation, two percent (2%) of all the members of the cooperative corporation present in person at any meeting of members, of which meeting notice shall have been given as provided in the foregoing subdivision (c) of this section, shall constitute a quorum for the transaction of business at such meeting.

(e) A majority vote of those members who are present in person at any regular meeting, or at any special meeting of the members called for that purpose, shall be necessary for the taking of any action, adoption of any resolution, or the election of any officers, or otherwise, as the case may be.

SECTION 4. IC 8-1-17-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 23. (a) A cooperative corporation may amend its articles of incorporation to change its corporate name, to increase or reduce the number of its directors, or change any other provisions therein; provided, that any change of location of the principal office may be effected in the manner set forth in section 24 of this chapter, and further provided that no cooperative corporation shall amend its articles of incorporation to embody therein any purpose, power, or provision which would not be authorized if its original articles of incorporation, including such additional or changed purpose, power, or provision, were offered for filing at the time articles under this section are offered. Such amendment may be accomplished by filing articles of amendment which shall be entitled and endorsed "Articles of Amendment of \_\_\_\_\_" (the blank space being filled in with the name of the cooperative corporation) and state:

- (1) The name of the cooperative corporation, and if it has been changed, the name under which it was originally incorporated.
- (2) The date of filing the articles of incorporation in each public office where filed.
- (3) Whether the statement of counties within which its operations are to be conducted is to be changed, and if so the new statement of such counties.



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(4) The ~~president or vice president~~ **officer** executing such articles of amendment shall make and annex thereto an affidavit stating that the provisions of this section in respect to the amendment set forth in such articles were complied with.

(b) Such articles shall be subscribed in the name of the cooperative corporation by the ~~president or vice president, and by the secretary or the assistant secretary~~, **appropriate officers of the cooperative corporation** who shall make and annex an affidavit stating that they have been authorized to execute and file such articles by a resolution duly adopted at a meeting of the cooperative corporation duly called and held as provided in section 9 of this chapter. If by any such amendment to articles of incorporation, the territory proposed to be served by the cooperative corporation is to be increased or decreased, the articles of amendment, together with a petition executed by the ~~president, or vice president, and by the secretary or the assistant secretary~~ **appropriate officers** of the cooperative corporation and praying for the permission of the commission shall be submitted to the commission. Thereupon, the commission shall set said petition for public hearing and shall give notice of the time and place thereof one (1) time in at least one (1) newspaper published in each of the counties in which lies any of the territory proposed to be added or omitted by such amendment, which publication shall be at least ten (10) days before such hearing. The cost of publication shall be paid by the petitioner when filing such petition. Also written notice of the time and place of such hearing shall be mailed to each telephone company operating in contiguous territory in the manner provided in section 5 of this chapter. Any interested person may appear, personally or by attorney, at such hearing and aid or oppose the prayer of the petition. After such hearing, the commission shall grant or deny the petition and make its order accordingly. No amendment increasing or decreasing the territory to be served by such cooperative corporation shall be filed in the office of the secretary of state or of any county recorder unless there be attached thereto a certified copy of an order of the commission consenting to such increase or decrease. Such articles shall be filed in the same places as the original articles of incorporation and thereupon the amendment shall be deemed to have been effected.

SECTION 5. IC 8-1-17-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 24. A cooperative corporation formed hereunder may change the location of its principal office by filing in the office of the secretary of state a certificate

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reciting such change of principal office and setting forth the resolution by its board of directors authorizing such change and stating the time and place of its adoption, which certificate shall be executed and acknowledged by the **appropriate officers of the cooperative corporation's president or vice-president corporation** with the corporate seal attached and attested by the ~~secretary or assistant secretary~~; **appropriate officer of the cooperative corporation.**

SECTION 6. IC 8-1-17-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 25. Any cooperative corporation may dissolve by filing in the office of the secretary of state articles of dissolution which shall be entitled and endorsed "Articles of Dissolution of \_\_\_\_\_" (the blank space being filled in with the name of the cooperative corporation) and shall state:

- (a) (1) The name of the cooperative corporation, and if such cooperative corporation is a corporation resulting from the consolidation as provided in this chapter, the names of the original cooperative corporations.
- (b) (2) The date of filing of the articles of incorporation in the office of secretary of state and, if such cooperative corporation is a corporation resulting from a consolidation as provided in this chapter, the dates on which the articles of incorporation of the original cooperative corporations were filed in the office of secretary of state.
- (c) (3) That the cooperative corporation elects to dissolve.
- (d) (4) The name and post office address of each of its directors, and the name, title, and post office address of each of its officers.

Such articles shall be subscribed and acknowledged by the ~~president or a vice president and the secretary or an assistant secretary~~; **appropriate officers of the cooperative corporation** who shall make and annex an affidavit stating that they have been authorized to execute and file such articles by a resolution duly adopted by the members of the cooperative corporation at a meeting thereof duly called and held as provided in section 9 of this chapter. Articles of dissolution or a certified copy or copies thereof shall be filed in the same places as original articles of incorporation, and thereupon the cooperative corporation shall be deemed to be dissolved. Such cooperative corporation shall continue for the purpose of paying, satisfying, and discharging any existing liabilities or obligations and collecting or liquidating its assets, and doing all other acts required to adjust and wind up its business affairs, and may sue and be sued in its corporate name. Any assets remaining

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after all liabilities and obligations of the cooperative corporation have been satisfied and discharged shall be refunded pro rata to the patrons, their assignees, personal representatives, heirs, or legatees, who shall have paid for telephone service rendered by the cooperative corporation, within a five (5) year period next preceding such dissolution. Any assets not so refunded within a two (2) year period after such dissolution is completed shall pass to and become the property of the state of Indiana."

Page 2, line 21, delete "is unlikely" and insert "**has failed**".

Page 3, line 11, delete "method and terms" and insert "**specific accounting methods and appraisal procedures**".

Page 4, line 11, after "study" delete "the" and insert ":

**(1) the enforcement powers of the Indiana utility regulatory commission; and**

**(2) the single rate tariff method of billing for utility service;"**.

Page 4, delete line 12.

Page 4, line 14, delete "the commission's enforcement powers" and insert "**these subjects**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 177 as printed February 24, 1999.)

BOTTORFF, Chair

Committee Vote: yeas 11, nays 0.

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