

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill No. 286, 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:

- 1 Delete the title and insert the following:
2 A BILL FOR AN ACT to amend the Indiana Code concerning
3 utilities and transportation.
4 Page 1, between the enacting clause and line 1, begin a new
5 paragraph and insert:
6 "SECTION 1. IC 8-1-17-6 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. At the time the
8 commission approves the articles of incorporation of any cooperative
9 corporation, it shall issue to it, and place on file a duplicate of, a
10 certificate of public convenience and necessity accurately describing
11 the territory within which such cooperative corporation shall be
12 authorized to operate. Thereafter, such territory may be changed by a
13 new certificate issued and filed by the commission:
14 (1) to harmonize with the result of proceedings pursuant to
15 section 21(c) of this chapter, or any other statute empowering the
16 commission to determine the territory within which any telephone
17 company or cooperative may operate; or
18 (2) to harmonize with findings made by the commission upon

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 named in its articles of incorporation, directors of
 17 any cooperative corporation shall be elected by its members.

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

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

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

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

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

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

- 15 (1) The name of the cooperative corporation, and if it has been
 16 changed, the name under which it was originally incorporated.
 17 (2) The date of filing the articles of incorporation in each public
 18 office where filed.
 19 (3) Whether the statement of counties within which its operations
 20 are to be conducted is to be changed, and if so the new statement
 21 of such counties.
 22 (4) The ~~president or vice president~~ **officer** executing such articles
 23 of amendment shall make and annex thereto an affidavit stating
 24 that the provisions of this section in respect to the amendment set
 25 forth in such articles were complied with.

26 (b) Such articles shall be subscribed in the name of the cooperative
 27 corporation by the ~~president or vice president, and by the secretary or~~
 28 ~~the assistant secretary, appropriate officers of the corporation~~ who
 29 shall make and annex an affidavit stating that they have been
 30 authorized to execute and file such articles by a resolution duly adopted
 31 at a meeting of the cooperative corporation duly called and held as
 32 provided in section 9 of this chapter. If by any such amendment to
 33 articles of incorporation, the territory proposed to be served by the
 34 cooperative corporation is to be increased or decreased, the articles of
 35 amendment, together with a petition executed by the ~~president, or vice~~
 36 ~~president, and by the secretary or the assistant secretary~~ **appropriate**
 37 **officers** of the cooperative corporation and praying for the permission

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

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

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

38 (a) The name of the cooperative corporation, and if such

1 cooperative corporation is a corporation resulting from the
 2 consolidation as provided in this chapter, the names of the
 3 original cooperative corporations.

4 (b) The date of filing of the articles of incorporation in the office
 5 of secretary of state and, if such cooperative corporation is a
 6 corporation resulting from a consolidation as provided in this
 7 chapter, the dates on which the articles of incorporation of the
 8 original cooperative corporations were filed in the office of
 9 secretary of state.

10 (c) That the cooperative corporation elects to dissolve.

11 (d) The name and post office address of each of its directors, and
 12 the name, title, and post office address of each of its officers.

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

1 refunded within a two (2) year period after such dissolution is
2 completed shall pass to and become the property of the state of
3 Indiana."

4 Renumber all SECTIONS consecutively.
(Reference is to SB 286 as introduced.)

and when so amended that said Bill do pass.

Committee Vote: Yeas 10, Nays 0.

Senator Mills, Chairperson