

State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

HOUSE BILL 1590

By: Representatives Napper, Childers
By: Senator T. Smith

For An Act To Be Entitled

AN ACT TO AMEND THE ELECTRIC COOPERATIVE
CORPORATION ACT TO EXEMPT UNCLAIMED CAPITAL
CREDITS CLAIMED BY AN ELECTRIC COOPERATIVE FROM
ARKANSAS LAW REGARDING UNCLAIMED PROPERTY; AND
FOR OTHER PURPOSES.

Subtitle

AN ACT TO AMEND THE ELECTRIC COOPERATIVE
CORPORATION ACT TO EXEMPT UNCLAIMED
CAPITAL CREDITS CLAIMED BY AN ELECTRIC
COOPERATIVE FROM ARKANSAS LAW REGARDING
UNCLAIMED PROPERTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-18-327 is amended to read as follows:

23-18-327. Nonprofit operation - Use of revenues.

(a) Each corporation shall be operated without profit to its members but the rates, fees, rents, or other charges for electric energy and any other facilities, supplies, equipment, or services furnished by the corporation shall be sufficient at all times:

(1) To pay all operating and maintenance expenses necessary or desirable for the prudent conduct of its business and the principal of and interest on the obligations issued or assumed by the corporation in the performance of the purpose for which it was organized; and

(2) For the creation of reserves.



(b) The revenues of the corporation shall be devoted first to the payment of operating and maintenance expenses and the principal and interest on outstanding obligations. Thereafter, the revenues shall be devoted to such reserves for improvement, new construction, depreciation, and contingencies as the board may from time to time prescribe.

(c) Revenues not required for the purposes set forth in subsection (b) of this section shall be returned from time to time to the members on a pro rata basis according to the amount of business done with each during the period either in cash, in abatement of current charges for electric energy, or otherwise as the board determines, but return may be made by way of general rate reduction to members if the board so elects.

(d) If a corporation organized under this subchapter declares a capital credit and any capital credit remains unclaimed after notice thereof was transmitted to the last known address of the beneficiary of the unclaimed capital credit, the unclaimed capital credit shall not be deemed unclaimed or abandoned property under the Uniform Disposition of Unclaimed Property Act, § 18-28-201 et seq.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that Arkansas law does not specifically exclude unclaimed capital credits of electric cooperatives from the laws governing unclaimed property; that the General Assembly has excluded the unclaimed capital credits of other cooperative organizations from the laws governing unclaimed property; that the obligation to report and deliver unclaimed capital credits places an undue economic burden on electric cooperative corporations and their members; and that this act is immediately necessary to relieve the electric cooperatives and their members of this financial burden. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.