

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

Act 334 of 2003
HOUSE BILL 1590

5 By: Representatives Napper, Childers
6 By: Senator T. Smith
7

For An Act To Be Entitled

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

Subtitle

17 AN ACT TO AMEND THE ELECTRIC COOPERATIVE
18 CORPORATION ACT TO EXEMPT UNCLAIMED
19 CAPITAL CREDITS CLAIMED BY AN ELECTRIC
20 COOPERATIVE FROM ARKANSAS LAW REGARDING
21 UNCLAIMED PROPERTY.
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 23-18-327 is amended to read as follows:
27 23-18-327. Nonprofit operation - Use of revenues.

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

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

36 (2) For the creation of reserves.



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

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

12 (d) If a corporation organized under this subchapter declares a
 13 capital credit and any capital credit remains unclaimed after notice thereof
 14 was transmitted to the last known address of the beneficiary of the unclaimed
 15 capital credit, the unclaimed capital credit shall not be deemed unclaimed or
 16 abandoned property under the Uniform Disposition of Unclaimed Property Act,
 17 § 18-28-201 et seq.

18
 19 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 20 General Assembly of the State of Arkansas that Arkansas law does not
 21 specifically exclude unclaimed capital credits of electric cooperatives from
 22 the laws governing unclaimed property; that the General Assembly has excluded
 23 the unclaimed capital credits of other cooperative organizations from the
 24 laws governing unclaimed property; that the obligation to report and deliver
 25 unclaimed capital credits places an undue economic burden on electric
 26 cooperative corporations and their members; and that this act is immediately
 27 necessary to relieve the electric cooperatives and their members of this
 28 financial burden. Therefore, an emergency is declared to exist and this act
 29 being immediately necessary for the preservation of the public peace, health,
 30 and safety shall become effective on:

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

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

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

1 veto.

APPROVED: 3/6/2003