

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 86th General Assembly
3 Regular Session, 2007

A Bill

SENATE BILL 894

4
5 By: Senator Horn
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For An Act To Be Entitled

8
9 AN ACT CONCERNING CAPITAL CREDITS OF RURAL
10 TELECOMMUNICATIONS COOPERATIVES; AND FOR OTHER
11 PURPOSES.
12

Subtitle

13
14 AN ACT CONCERNING CAPITAL CREDITS OF
15 RURAL TELECOMMUNICATIONS COOPERATIVES.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code § 23-17-216 is amended to read as follows:

21 23-17-216. Membership fees and capital credits.

22 (a) When a member of a cooperative has paid the membership fee in
23 full, a certificate of membership shall be issued to the member.

24 (b) Memberships in the cooperative and the certificates thereof shall
25 be nontransferable and nonassignable.

26 (c) Membership may be cancelled upon the resignation, expulsion,
27 dissolution, change in ownership, or death of the member or by the death or
28 divorce of either party to a joint membership, if joint memberships are
29 provided for in the bylaws.

30 (d) The membership fee shall not be refunded.

31 (e) Cooperatives shall not pay capital credits to a member, former
32 member, patron, or former patron while the cooperative has outstanding and
33 unpaid obligations in excess of ~~sixty percent (60%)~~ ten percent (10%) of its
34 net assets. The board of directors in their discretion may authorize payment
35 of any capital credits allocated to deceased former members or patrons as
36 provided in the bylaws. If the outstanding and unpaid obligations of the



1 cooperative are less than ~~sixty percent (60%)~~ ten percent (10%) of the
2 cooperative's net assets based upon the cooperative's consolidated balance
3 sheet as of the close of the cooperative's most recently audited fiscal year,
4 the board shall have the discretion to pay previously allocated capital
5 credits in any amount or manner the board deems appropriate.

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