

SENATE BILL 634

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9lr1786
CF HB 1357

By: ~~Senator~~ Senators Eckardt and Hershey

Introduced and read first time: February 4, 2019

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 13, 2019

CHAPTER _____

1 AN ACT concerning

2 **Electric Cooperatives – Powers – Conducting or Communications Facilities**

3 FOR the purpose of authorizing an electric cooperative to construct, maintain, or operate
4 or allow others to construct, maintain, or operate certain conducting or
5 communications facilities along, on, under, or across certain property under certain
6 circumstances; requiring an electric cooperative to allocate certain costs in a certain
7 manner and for a certain purpose; and generally relating to the powers of electric
8 cooperatives.

9 BY repealing and reenacting, with amendments,
10 Article – Corporations and Associations
11 Section 5–607
12 Annotated Code of Maryland
13 (2014 Replacement Volume and 2018 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
15 That the Laws of Maryland read as follows:

16 **Article – Corporations and Associations**

17 5–607.

18 (a) A cooperative has the power to:

19 (1) Sue and be sued in its corporate name;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 (2) Have perpetual existence;
- 2 (3) Adopt and alter a corporate seal;
- 3 (4) Generate, manufacture, purchase, acquire, accumulate, and transmit
4 electricity;
- 5 (5) Distribute, sell, supply, and dispose of electricity to:
- 6 (i) Its members;
- 7 (ii) Governmental agencies and political subdivisions; and
- 8 (iii) Other persons not exceeding 10% of the number of its members;
- 9 (6) Assist persons to whom the cooperative supplies or will supply
10 electricity in wiring their premises by:
- 11 (i) Providing financing or other assistance; or
- 12 (ii) Wiring or causing the premises to be wired;
- 13 (7) Assist persons to whom the cooperative supplies or will supply
14 electricity in acquiring and installing electrical and plumbing appliances, equipment,
15 fixtures, and apparatus by:
- 16 (i) Providing financing or other assistance;
- 17 (ii) Wiring or causing the premises to be wired; or
- 18 (iii) Purchasing, acquiring, leasing as lessor or lessee, selling,
19 distributing, installing, and repairing electrical and plumbing appliances, equipment,
20 fixtures, and apparatus;
- 21 (8) Assist persons to whom the cooperative supplies or will supply
22 electricity in constructing, equipping, maintaining, and operating electric cold storage or
23 processing plants, by providing financing or other assistance;
- 24 (9) Construct, purchase, lease as lessee, or otherwise acquire electric
25 transmission and distribution lines or systems, electric generating plants, electric cold
26 storage or processing plants, electric plants, and any other assets considered necessary,
27 convenient, or appropriate to accomplish the purpose for which the cooperative is
28 organized;
- 29 (10) Equip, maintain, and operate electric transmission and distribution
30 lines or systems, electric generating plants, electric cold storage or processing plants,

1 electric plants, and any other assets considered necessary, convenient, or appropriate to
2 accomplish the purpose for which the cooperative is organized;

3 (11) Sell, assign, convey, lease as lessor, mortgage, pledge, or otherwise
4 dispose of or encumber electric transmission and distribution lines or systems, electric
5 generating plants, electric cold storage or processing plants, electric plants, and any other
6 assets considered necessary, convenient, or appropriate to accomplish the purpose for
7 which the cooperative is organized;

8 **(12) CONSTRUCT, MAINTAIN, OR OPERATE OR ALLOW OTHERS TO**
9 **CONSTRUCT, MAINTAIN, OR OPERATE CONDUCTING OR COMMUNICATIONS**
10 **FACILITIES THAT FURNISH TELECOMMUNICATIONS, BROADBAND INTERNET**
11 **ACCESS, OR RELATED SERVICES, ALONG, ON, UNDER, OR ACROSS:**

12 **(I) REAL PROPERTY, PERSONAL PROPERTY, RIGHTS-OF-WAY,**
13 **AND EASEMENTS OWNED, HELD, OR OTHERWISE USED BY THE COOPERATIVE; AND**

14 **(II) PUBLICLY OWNED LANDS, ROADWAYS, AND PUBLIC WAYS,**
15 **WITH THE PRIOR CONSENT OF THE GOVERNING BODY OF THE MUNICIPAL**
16 **CORPORATION OR COUNTY IN WHICH THE FACILITIES ARE PROPOSED TO BE**
17 **CONSTRUCTED AND UNDER ANY REASONABLE REGULATIONS AND CONDITIONS**
18 **IMPOSED BY THE GOVERNING BODY OF THE MUNICIPAL CORPORATION OR COUNTY;**

19 **[(12)] (13)** Purchase, lease as lessee, or otherwise acquire, use and exercise,
20 and sell, assign, convey, mortgage, pledge, or otherwise dispose of or encumber, franchises,
21 rights, privileges, licenses, and easements;

22 **[(13)] (14)** Borrow money and otherwise contract indebtedness, issue notes,
23 bonds, and other evidences of indebtedness, and secure the payment of those instruments
24 by mortgage, pledge, or deed of trust, or any other encumbrance on any of its assets,
25 revenues, or income;

26 **[(14)] (15)** Construct, maintain, and operate electric transmission and
27 distribution lines along, on, under, and across publicly owned lands, roadways, and public
28 ways, with the prior consent of the governing body of the municipal corporation or county
29 in which the lines are proposed to be constructed and under any reasonable regulations and
30 conditions required in the consent;

31 **[(15)](16)** Exercise the power of condemnation in the manner provided by
32 the law of this State for the exercise of that power by other corporations that construct or
33 operate electric transmission and distribution lines or systems;

34 **[(16)] (17)** Become a member of or own stock in other cooperatives or
35 corporations;

1 [(17)] (18) Conduct its business and exercise its powers in any state,
2 territory, district, and possession of the United States and in any foreign country;

3 [(18)] (19) Adopt, amend, and repeal bylaws; and

4 [(19)] (20) Do any other act and exercise any other power that may be
5 necessary, convenient, or appropriate to accomplish the purpose for which the cooperative
6 is organized.

7 (b) A cooperative that furnishes electric cold storage or processing plant service
8 is not considered to be distributing, selling, supplying, or disposing of electricity under
9 subsection (a)(5)(iii) of this section solely on that account.

10 **(C) TO ENSURE THAT ELECTRIC CUSTOMERS DO NOT SUBSIDIZE THE COST**
11 **OF BROADBAND SERVICES, AN ELECTRIC COOPERATIVE SHALL ALLOCATE**
12 **PROPERLY ALL COSTS INCURRED UNDER SUBSECTION (A)(12) OF THIS SECTION**
13 **BETWEEN ELECTRICITY-RELATED SERVICES AND BROADBAND SERVICES.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.