

HOUSE BILL 10

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1998 Regular Session
8r0582

(PRE-FILED)

By: **Delegates Guns, Taylor, Rawlings, Curran, Busch, Vallario, Hixson,
Harrison, Menes, Kopp, Arnick, Owings, C. Davis, Love, Marriott,
Patterson, Petzold, and Weir**

Requested: November 15, 1997

Introduced and read first time: January 14, 1998

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Companies - Holding Companies**

3 FOR the purpose of exempting the formation of certain holding companies by public
4 service companies in a certain manner from certain restrictions on the holding
5 and acquisition of stock of and by public service companies.

6 BY repealing and reenacting, with amendments,
7 Article - Public Utility Companies
8 Section 6-101(c)
9 Annotated Code of Maryland
10 (1998 Volume)
11 (As enacted by Chapter _____ (S.B. 1) of the Acts of the General Assembly of
12 1998)

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

15 **Article - Public Utility Companies**

16 6-101.

17 (c) (1) THIS SUBSECTION DOES NOT APPLY TO THE FORMATION OF A
18 HOLDING COMPANY BY A PUBLIC SERVICE COMPANY IN A CORPORATE
19 REORGANIZATION THAT INVOLVES AN EXCHANGE OF STOCK OF THE PUBLIC
20 SERVICE COMPANY FOR STOCK IN THE HOLDING COMPANY.

21 [(1)] (2) In this subsection, a company controlling a public service
22 company is deemed a public service company of the same class as the controlled
23 public service company.

1 [(2)] (3) Without prior authorization of the Commission, a public service
2 company may not hold or acquire any part of the capital stock of a public service
3 company that is:

4 (i) incorporated in Maryland; and

5 (ii) of the same class as the acquiring company.

6 [(3)] (4) (i) Except as provided in subparagraph (ii) of this paragraph,
7 a stock corporation may not hold or acquire more than 10% of the total capital stock
8 of a public service company incorporated in Maryland unless:

9 1. the stock is acquired as collateral security; and

10 2. the Commission approves the acquisition.

11 (ii) The Commission may authorize a public service company of the
12 same class to hold or acquire more than 10% of the total capital stock of a public
13 service company incorporated in Maryland.

14 [(4)] (5) A public service company may not be a party to a violation of
15 this subsection.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 1998.