

HOUSE BILL 10

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1998 Regular Session
8lr0582
CF 8lr1488

(PRE-FILED)

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

Requested: November 15, 1997
Introduced and read first time: January 14, 1998
Assigned to: Environmental Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 6, 1998

CHAPTER _____

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

1 REORGANIZATION THAT INVOLVES AN EXCHANGE OF STOCK OF THE PUBLIC
2 SERVICE COMPANY FOR STOCK IN THE HOLDING COMPANY.

3 [(1)] (2) In this subsection, a company controlling a public service
4 company is deemed a public service company of the same class as the controlled
5 public service company.

6 [(2)] (3) Without prior authorization of the Commission, a public service
7 company may not hold or acquire any part of the capital stock of a public service
8 company that is:

9 (i) incorporated in Maryland; and

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

11 [(3)] (4) (i) Except as provided in subparagraph (ii) of this paragraph,
12 a stock corporation may not hold or acquire more than 10% of the total capital stock
13 of a public service company incorporated in Maryland unless:

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

15 2. the Commission approves the acquisition.

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

19 [(4)] (5) A public service company may not be a party to a violation of
20 this subsection.

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