

HOUSE BILL 3
EMERGENCY BILL

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C5
HB 10/98 - ENV

1999 Regular Session
9lr0736
CF 9lr0735

(PRE-FILED)

By: **Delegates Taylor, Guns, Arnick, Busch, Doory, Harrison, Hixson,
Howard, Hurson, Kopp, Menes, Montague, Owings, Rawlings,
Rosenberg, Vallario, and Wood Wood, W. Baker, Hammen, Hecht,
Krysiak, Malone, Slade, Turner, Goldwater, Brown, and Marriott and
the Speaker (Administration)**

Requested: November 20, 1998

Introduced and read first time: January 13, 1999

Assigned to: Environmental Matters

Committee Report: Favorable

House action: Adopted with floor amendments

Read second time: January 22, 1999

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; and making this an
6 emergency measure.

7 BY repealing and reenacting, with amendments,
8 Article - Public Utility Companies
9 Section 6-101(c)
10 Annotated Code of Maryland
11 (1998 Volume)

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

14 **Article - Public Utility Companies**

15 6-101.

16 (c) (1) THIS SUBSECTION DOES NOT APPLY TO THE FORMATION OF A
17 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 take, 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 take, hold, or acquire more than 10% of the total capital
13 stock 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 take, 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 is an
22 emergency measure, is necessary for the immediate preservation of the public health
23 and safety, has been passed by a yea and nay vote supported by three-fifths of all the
24 members elected to each of the two Houses of the General Assembly, and shall take
25 effect from the date it is enacted.