

# SENATE BILL 634

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By: **Senator Eckardt**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

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; and generally relating to the powers of electric cooperatives.

7 BY repealing and reenacting, with amendments,

8 Article – Corporations and Associations

9 Section 5–607

10 Annotated Code of Maryland

11 (2014 Replacement Volume and 2018 Supplement)

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

14 **Article – Corporations and Associations**

15 5–607.

16 (a) A cooperative has the power to:

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

18 (2) Have perpetual existence;

19 (3) Adopt and alter a corporate seal;

20 (4) Generate, manufacture, purchase, acquire, accumulate, and transmit  
21 electricity;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

1           **(12) CONSTRUCT, MAINTAIN, OR OPERATE OR ALLOW OTHERS TO**  
2 **CONSTRUCT, MAINTAIN, OR OPERATE CONDUCTING OR COMMUNICATIONS**  
3 **FACILITIES THAT FURNISH TELECOMMUNICATIONS, BROADBAND INTERNET**  
4 **ACCESS, OR RELATED SERVICES, ALONG, ON, UNDER, OR ACROSS:**

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

7           **(II) PUBLICLY OWNED LANDS, ROADWAYS, AND PUBLIC WAYS,**  
8 **WITH THE PRIOR CONSENT OF THE GOVERNING BODY OF THE MUNICIPAL**  
9 **CORPORATION OR COUNTY IN WHICH THE FACILITIES ARE PROPOSED TO BE**  
10 **CONSTRUCTED AND UNDER ANY REASONABLE REGULATIONS AND CONDITIONS**  
11 **IMPOSED BY THE GOVERNING BODY OF THE MUNICIPAL CORPORATION OR COUNTY;**

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

15           **[(13)] (14)** Borrow money and otherwise contract indebtedness, issue notes,  
16 bonds, and other evidences of indebtedness, and secure the payment of those instruments  
17 by mortgage, pledge, or deed of trust, or any other encumbrance on any of its assets,  
18 revenues, or income;

19           **[(14)] (15)** Construct, maintain, and operate electric transmission and  
20 distribution lines along, on, under, and across publicly owned lands, roadways, and public  
21 ways, with the prior consent of the governing body of the municipal corporation or county  
22 in which the lines are proposed to be constructed and under any reasonable regulations and  
23 conditions required in the consent;

24           **[(15)](16)** Exercise the power of condemnation in the manner provided by  
25 the law of this State for the exercise of that power by other corporations that construct or  
26 operate electric transmission and distribution lines or systems;

27           **[(16)] (17)** Become a member of or own stock in other cooperatives or  
28 corporations;

29           **[(17)] (18)** Conduct its business and exercise its powers in any state,  
30 territory, district, and possession of the United States and in any foreign country;

31           **[(18)] (19)** Adopt, amend, and repeal bylaws; and

32           **[(19)] (20)** Do any other act and exercise any other power that may be  
33 necessary, convenient, or appropriate to accomplish the purpose for which the cooperative  
34 is organized.

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

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