

ENGROSSED SENATE
BILL NO. 336

BY: WILLIAMS (Don) of the
SENATE

and

BEGLEY and GLOVER the HOUSE

AN ACT RELATING TO CORPORATIONS; AMENDING 18 O.S.
1981, SECTIONS 438.1, 438.2, 438.3, AS AMENDED BY
SECTION 1, CHAPTER 3, O.S.L. 1983, 438.4, AS
AMENDED BY SECTION 2, CHAPTER 323, O.S.L. 1988,
438.8, 438.9, 438.10, 438.12, 438.20, 438.21,
438.26, 438.27, 438.29, 438.31, 438.32 AND 438.33
(18 O.S. SUPP. 1990, SECTIONS 438.3 AND 438.4),
WHICH RELATE TO RURAL TELEPHONE COOPERATIVE
CORPORATIONS; CHANGING SHORT TITLE; EXPANDING
PURPOSE OF TELEPHONE COOPERATIVE CORPORATIONS;
MODIFYING, DELETING AND ADDING DEFINITIONS;
MODIFYING, DELETING AND ADDING POWERS OF
COOPERATIVE; ALLOWING FOR DIFFERENT VOTING RIGHTS
SPECIFIED IN BYLAWS; CONFORMING LANGUAGE; ALLOWING
FOR DIFFERENT MEMBERSHIP REQUIREMENTS AS PROVIDED
IN BYLAWS; STATING QUALIFICATION OF PATRON OF
COOPERATIVE; MODIFYING PERCENTAGE OF MEMBERSHIP
NEEDED FOR QUORUM; MODIFYING QUALIFICATION FOR
TRUSTEE; AUTHORIZING COOPERATIVE TO PROVIDE CERTAIN
FORMS OF INSURANCE FOR TRUSTEES; PROVIDING FOR
CERTAIN EXCEPTIONS IN BYLAWS AND FOR FILLING
VACANCIES; CONFORMING LANGUAGE; PROVIDING FOR
CERTAIN EXCEPTION IN BYLAWS FOR DISSOLUTION

PROCEDURES; MODIFYING LIEN PROVISIONS; EXEMPTING CERTAIN LIEN FROM LAWS REQUIRING REFILEING OR FILING OF RENEWAL DOCUMENTS TO RENEW, MAINTAIN OR EXTEND LIEN; CONFORMING LANGUAGE; PROVIDING FOR FILING OF CORRECTED ARTICLES OF INCORPORATION, AMENDMENT TO ORIGINAL ARTICLES AND ACTIONS TO PERFECT ORGANIZATION AND MAKING SUCH FILING, AMENDMENT AND ACTIONS VALID AND BINDING; MAKING ACT AMENDMENT TO CERTAIN CONSTITUTIONAL PROVISIONS AS AUTHORIZED BY LAW; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 18 O.S. 1981, Section 438.1, is amended to read as follows:

Section 438.1. This act may be cited as the "~~Rural~~ Telephone Cooperative Corporations Act".

SECTION 2. AMENDATORY 18 O.S. 1981, Section 438.2, is amended to read as follows:

Section 438.2 Cooperative, nonprofit corporations may be organized under this act for the purpose of furnishing ~~telephone service~~ communication services to the widest practicable number of ~~rural~~ users of such service.

SECTION 3. AMENDATORY 18 O.S. 1981, Section 438.3, as amended by Section 1, Chapter 3, O.S.L. 1983 (18 O.S. Supp. 1990, Section 438.3), is amended to read as follows:

Section 438.3 As used in this act:

~~A. 1. "Cooperative" means any corporation organized pursuant to or which becomes subject to the provisions of the Rural Telephone Cooperative Corporations Act;~~

~~B. 2. "Person" means any natural person, firm, association, corporation, business trust, or partnership;~~

~~C. "Telephone service" means any communication service of which voice communication through the use of electricity is the principal intended use, and shall include all telephone lines, facilities, or systems used in furnishing such service.~~

~~D. "Rural area" means any area within the State of Oklahoma not included within the boundaries of any incorporated or unincorporated city, village, or borough, having a population in excess of five thousand (5,000) inhabitants, according to the latest available Federal Decennial Census, at the time service was first furnished to such an area by a cooperative, or any other area which does not have reasonably adequate telephone service as determined by the Corporation Commission, as well as any area for which any cooperative has been issued a certificate of convenience and necessity on or before June 22, 1959.~~

~~E. 3. "Telephone company" means any natural person, firm, association, corporation, or partnership, other than a cooperative or mutual telephone company, owning, leasing, or operating any line, facility, or system used in furnishing telephone service within this state;~~

4. "Communication services" means the transmitting, receiving, or both, of information, signals or messages by wire, radio, cellular radio, microwave, fiber optics or any other means, and includes, but is not limited to, the providing of lines, facilities and systems used in providing the services;

5. "Member" means the incorporators of a cooperative and each person thereafter lawfully admitted to membership therein pursuant to the provisions contained in the bylaws; and

6. "Patron" means a member of the cooperative who is eligible to receive patronage dividends or to earn capital credits as a result of the purchase of certain services from the cooperative, as provided by subsection D of Section 438.9 of this title.

SECTION 4. AMENDATORY 18 O.S. 1981, Section 438.4, as amended by Section 2, Chapter 323, O.S.L. 1988 (18 O.S. Supp. 1990, Section 438.4), is amended to read as follows:

Section 438.4 A cooperative shall have power:

~~(a) 1. To sue and be sued in its corporate name;~~

~~(b) 2. To have a perpetual existence unless a limited period of duration is stated in its articles of incorporation;~~

~~(c) 3. To adopt a corporate seal and alter the same;~~

~~(d) To furnish, improve and expand telephone service in rural areas to its members, and to other users not in excess of ten percent (10%) of the number of its members, provided, however, that, without regard to said ten percent (10%) limitation, telephone service may be made available by a cooperative through interconnection of facilities to any number of subscribers of other telephone systems, and through pay stations to any number of users; and provided, further, that a cooperative which acquires existing telephone facilities may continue service to persons, not in excess of forty percent (40%) of the number of its members, who are already receiving service from such facilities without requiring such persons to become members, but such persons may become members upon such terms as may be prescribed in the bylaws; and provided, further, that a cooperative may furnish, improve and expand telephone service to outside rural areas not now being adequately served by any telephone company or by another cooperative;~~

4. To furnish, improve and expand any or all communications services to its members, to other persons, and through interconnection of facilities to any number of subscribers of other communications systems, and through pay stations to any number of

users; provided, however, that no such regulated communications services, as determined by the Oklahoma Corporation Commission, shall be furnished to persons located within the certified territory of another local exchange telephone company; and provided further that a cooperative which acquires existing communications facilities, systems or territories may continue service to persons who are already receiving service from such facilities and systems or who are located or who become located within the acquired territories. Such persons may become members as provided in the bylaws;

~~(e)~~ 5. To construct, purchase, lease as lessee, or otherwise acquire, and to improve, expand, install, equip, maintain, and operate, and to sell, assign, convey, lease as lessor, mortgage, pledge, or otherwise dispose of or encumber, ~~telephone~~ communication lines, facilities or systems, lands, buildings, structures, plants and equipment, exchanges, and any other real or personal property, tangible or intangible, which shall be deemed necessary, convenient or appropriate to accomplish the purpose for which the cooperative is organized; provided, however, that a cooperative shall not duplicate existing telephone lines, facilities or systems providing reasonably adequate service;

~~(f)~~ 6. To connect and interconnect its ~~telephone~~ communication lines, facilities or systems with other ~~telephone~~ communication lines, facilities or systems; provided that any such connection or interconnection shall be in such manner and according to such specifications as will avoid interference with or hazards to existing ~~telephone~~ communication lines, facilities or systems;

~~(g)~~ 7. To make its facilities available to persons furnishing ~~telephone service~~ communication services within or without this state;

~~(h)~~ 8. To purchase, lease as lessee, or otherwise acquire, and to use and exercise and to sell, assign, convey, mortgage, pledge or

otherwise dispose of or encumber, franchises, rights, privileges, licenses and easements;

~~(i)~~ 9. To issue membership certificates and nonvoting shares of stock as hereinafter provided;

~~(j)~~ 10. To borrow money and otherwise contract indebtedness, and to issue or guarantee notes, bonds, and other evidences of indebtedness, and to secure the payment thereof by mortgage, pledge, or deed of trust of, or any other encumbrance upon, any or all of its then-owned or after-acquired real or personal property, assets, franchises, or revenues;

~~(k)~~ 11. To construct, maintain and operate ~~telephone~~ communication lines and facilities along, upon, under and across publicly owned lands and public thoroughfares, including, without limitation, all roads, highways, streets, alleys, bridges and causeways; subject, however, to the same requirements and limitations with respect to the use or occupancy of such thoroughfares and lands as are now or hereafter imposed by the laws of this state;

~~(l)~~ 12. To exercise the power of eminent domain in the manner provided by the laws of this state for the exercise of such power by other corporations constructing or operating telephone lines, facilities or systems;

~~(m)~~ 13. To become a member of other cooperatives ~~or,~~ joint ventures, partnerships, corporations or other legal entities or to own stock therein;

~~(n)~~ 14. To conduct its business and exercise its powers within or without this state;

~~(o)~~ 15. To adopt, amend and repeal bylaws;

~~(p)~~ 16. To make any and all legal contracts necessary, convenient or appropriate for the full exercise of the powers herein granted; and

~~(a)~~ 17. To do and perform any other acts and things, and to have and exercise any other powers which may be necessary, convenient or appropriate to accomplish the purpose for which the cooperative is organized.

SECTION 5. AMENDATORY 18 O.S. 1981, Section 438.8, is amended to read as follows:

Section 438.8 The board of trustees shall adopt the first bylaws of a cooperative to be adopted following an incorporation, conversion, combined consolidation and conversion, merger or consolidation. Thereafter, unless bylaws specify other voting requirements, the members shall adopt, amend or repeal the bylaws by the affirmative vote of a majority of those members voting thereon at a meeting of the members. The bylaws shall set forth the rights and duties of members, trustees and shareholders, if any, and may contain other provisions for the regulation and management of the affairs of the cooperative not inconsistent with this act or with its articles of incorporation.

SECTION 6. AMENDATORY 18 O.S. 1981, Section 438.9, is amended to read as follows:

Section 438.9 ~~(a)~~ A. Each incorporator of a cooperative shall be a member thereof but no other person may become a member thereof unless such other person agrees to use ~~telephone service~~ communication services furnished by the cooperative when it is made available through its facilities, except as otherwise provided in the bylaws. Membership in a cooperative ~~shall~~ may be evidenced by a certificate of membership which shall not be transferable, except as provided by the bylaws. The bylaws may prescribe additional qualifications and limitations in respect of membership, provided that ownership of shares of stock, if any are authorized, shall not be a condition of membership in the cooperative.

~~(b)~~ B. In case the issuance of shares of stock is provided for in the articles of incorporation, ownership thereof shall be

evidenced by share certificates. No share of stock shall be issued except for cash, or for property at its fair value, in an amount equal to the par value of such share of stock.

~~(c)~~ C. Membership and share certificates shall contain such provisions, consistent with this act and the articles of incorporation of the cooperative, as shall be prescribed by its bylaws.

D. Each member who purchases communication services in the ordinary course of business of the cooperative is a patron of the cooperative, except the use of inter-exchange access, payment of inter-exchange access fares or settlements, or the purchase of equipment does not qualify a member or other person as a patron. The bylaws of the cooperative may provide other circumstances where a member or other person will not qualify to be a patron.

SECTION 7. AMENDATORY 18 O.S. 1981, Section 438.10, is amended to read as follows:

Section 438.10 ~~(a)~~ A. An annual meeting of the members of a cooperative shall be held at such time and place as shall be provided in the bylaws.

~~(b)~~ B. Special meetings of the members may be called by the president, by the board of trustees, by any three trustees, or by not less than two hundred members or ten percent (10%) of all members, whichever shall be the lesser.

~~(c)~~ C. Except as otherwise provided in this act, written or printed notice stating the time and place of each meeting of the members and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member, either personally or by mail, not less than ten (10) days nor more than twenty-five (25) days before the date of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail with postage prepaid, addressed to the member at his address as it appears on the records of the cooperative.

~~(d)~~ D. Unless the bylaws prescribe the presence of a ~~greater~~ different percentage or number of the members for a quorum, a quorum for the transaction of business at all meetings of the members of a cooperative having not more than five hundred members, shall be ten percent (10%) of all members, present in person, and of a cooperative having more than five hundred members, shall be fifty members or ~~two percent (2%)~~ one-half of one percent (1/2 of 1%) of all members, whichever is greater, present in person. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

~~(e)~~ E. Each member shall be entitled to one vote on each matter submitted to a vote at a meeting of the members. Voting shall be in person, but, if the bylaws so provide, may also be by mail.

SECTION 8. AMENDATORY 18 O.S. 1981, Section 438.12, is amended to read as follows:

Section 438.12 ~~(a)~~ A. The business of a cooperative shall be managed by a board of not less than five (5) trustees, each of whom shall be a member of the cooperative ~~or of another cooperative which is a member thereof~~. The bylaws shall prescribe the number of trustees, their qualifications, other than those prescribed in this act, the manner of holding meetings of the board of trustees and of electing successors to trustees who shall resign, die, or otherwise be incapable of acting. The bylaws may also provide for the removal of trustees from office and for the election of their successors. Trustees shall not receive any salaries for their services as trustees and, except in emergencies, shall not receive any salaries for their services in any other capacity without the approval of the members. The cooperative may provide liability, accident, life and health insurance coverage for trustees choosing to have that coverage. The bylaws may, ~~however,~~ also prescribe a fixed fee for

attendance at each meeting of the board of trustees and may provide for reimbursement of actual expenses of attendance.

~~(b)~~ B. The trustees of a cooperative named in any articles of incorporation, consolidation, merger, conversion, or combined consolidation and conversion shall hold office until the next annual meeting of the members and until their successors are elected and qualify. At each annual meeting or, in case of failure to hold the annual meeting as specified in the bylaws, at a special meeting called for that purpose, the members shall elect trustees to hold office until the next annual meeting of the members, except as otherwise provided in this act or the bylaws. Each trustee shall hold office for the term for which he is elected and until his successor is elected and qualifies. Vacancies shall be filled in accordance with provisions of the bylaws.

~~(c)~~ C. The bylaws may provide that:

~~(1)~~ in 1. In lieu of electing the whole number of trustees annually, the trustees shall be divided into three classes at the first or any subsequent annual meeting, each class to be as nearly equal in number as possible, with the term of office of the trustees of the first class to expire at the next succeeding annual meeting, the term of the second class to expire at the second succeeding annual meeting, and the term of the third class to expire at the third succeeding annual meeting; and

~~(2)~~ at 2. At each annual meeting or at district meetings, after such classification, a number of trustees equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual or district meeting.

~~(d)~~ D. A majority of the board of trustees, as determined by the bylaws, shall constitute a quorum.

~~(e)~~ E. The board of trustees may exercise all of the powers of a cooperative conferred upon the members by this act, or its articles of incorporation or bylaws.

SECTION 9. AMENDATORY 18 O.S. 1981, Section 438.20, is amended to read as follows:

Section 438.20 ~~(a)~~ A. Any corporation organized under the laws of this state and furnishing or having the corporative power to furnish ~~telephone service~~ communication services may be converted into a cooperative by complying with the following requirements and shall thereupon become subject to this act with the same effect as if originally organized under this act:

~~(1)~~ 1. The proposition for the conversion of such corporation into a cooperative and proposed articles of conversion to give effect thereto shall be submitted to a meeting of the members or stockholders of such corporation, or in case of a corporation having no members or stockholders, to a meeting of the incorporators of such corporation, the notice of which shall have attached thereto a copy of the proposed articles of conversion; and

~~(2)~~ 2. If the proposition for the conversion of such corporation into a cooperative and the proposed articles of conversion, with any amendments, are approved by the affirmative vote of not less than two-thirds (2/3) of those members of such corporation voting thereon at such meeting, or, if such corporation is a stock corporation, by the affirmative vote of the holders of not less than two-thirds (2/3) of those shares of the capital stock of such corporation represented at such meeting and voting thereon, or, in the case of a corporation having no members and no shares of its capital stock outstanding, by the affirmative vote of not less than two-thirds (2/3) of its incorporators; articles of conversion in the form approved shall be executed and acknowledged on behalf of such corporation by its president or vice-president and its seal shall be affixed thereto and attested by its secretary. The

articles of conversion shall recite that they are executed pursuant to this act and shall state:

- ~~(i)~~ a. the name of the corporation and the address of its principal office prior to its conversion into a cooperative~~†~~†
- ~~(ii)~~ b. the statute or statutes under which it was organized~~†~~†
- ~~(iii)~~ c. a statement that such corporation elects to become a cooperative, nonprofit corporation subject to this act~~†~~†
- ~~(iv)~~ d. its name as a cooperative~~†~~†
- ~~(v)~~ e. the address of the principal office of the cooperative~~†~~†
- ~~(vi)~~ f. the names and addresses of the trustees of the cooperative~~†~~†
- ~~(vii)~~ g. the manner in which members, stockholders or incorporators of such corporation may or shall become members of the cooperative~~†~~†
- ~~(viii)~~ h. the period of existence of the new cooperative~~†~~† and
- ~~(ix)~~ i. the purpose for which the cooperative is formed;

and may contain any provisions not inconsistent with this act deemed necessary or advisable for the conduct of the business of the cooperative, including provisions for the issuance of nonvoting shares of stock as provided for in Section 7 348.7 of this ~~act~~ title. If the articles of conversion shall make provision for the issuance of such shares of stock, they shall also state the manner in which members, stockholders or incorporators of such corporation may or shall become shareholders of the cooperative. The president or vice-president executing such articles of conversion shall make and annex thereto an affidavit stating that the provisions of this section were duly complied with in respect of such articles. The articles of conversion shall be deemed to be the articles of incorporation of the cooperative.

~~(b)~~ B. Any two or more corporations organized under the laws of this state and furnishing or having the corporate power to furnish ~~telephone service~~ communication services may, if otherwise permitted to consolidate by the laws of this state, consolidate into a cooperative subject to this act, with the same effect as if originally organized under this act, by complying with the following requirements:

~~(1)~~ 1. The proposition for the consolidation into a cooperative and the proposed articles of consolidation and conversion, with any amendments, shall be approved by each consolidating corporation in accordance with the statute or statutes under which it was organized and the provisions of subsection ~~(a)~~ A of this section;

~~(2)~~ 2. The articles of consolidation and conversion in the form approved shall be executed, acknowledged and sealed in the manner prescribed in subsection ~~(a)~~ A of this section and in the statute or statutes under which the consolidating corporations were organized. The articles of consolidation and conversion shall state that they are executed pursuant to this act and such statute or statutes, that each consolidating corporation elects that the new corporation shall be a cooperative, and in addition shall contain all other information required by such statute or statutes and by paragraph ~~(2)~~ 2 of subsection ~~(a)~~ A of this section; and may contain any provisions not inconsistent with this act deemed necessary or advisable for the conduct of the business of the cooperative. The president or vice-president executing such articles of consolidation and conversion shall make and annex thereto an affidavit stating that the provisions of this section and of the statute or statutes under which the consolidating corporations were organized were duly complied with in respect of such articles. The articles of consolidation and conversion shall be deemed to be the articles of incorporation of the cooperative and shall be filed both in

accordance with the provisions of this act and of the statute or statutes under which the consolidating corporations were organized.

SECTION 10. AMENDATORY 18 O.S. 1981, Section 438.21, is amended to read as follows:

Section 438.21 ~~(a)~~ A. A cooperative which has not commenced business may be dissolved by delivering to the Secretary of State articles of dissolution which shall be executed and acknowledged on behalf of the cooperative by a majority of the incorporators and which shall state:

~~(1) the~~ 1. The name of the cooperative;

~~(2) the~~ 2. The address of its principal office;

~~(3) that~~ 3. That the cooperative has not commenced business;

~~(4) that~~ 4. That any sums received by the cooperative, less any part thereof disbursed for expenses of the cooperative, have been returned or paid to those entitled thereto;

~~(5) that~~ 5. That no debt of the cooperative is unpaid; and

~~(6) that~~ 6. That a majority of the incorporators elect that the cooperative be dissolved.

~~(b)~~ B. 1. A cooperative which has commenced business may be dissolved in the following manner: The proposition to dissolve shall be submitted to the members of the cooperative at any annual or special meeting, the notice of which shall set forth such proposition. The members at any such meeting shall approve, by the affirmative vote of not less than a majority, unless bylaws specify otherwise, of all members of the cooperative, the proposition that the cooperative be dissolved. Upon such approval, a certificate of election to dissolve (hereinafter designated the "certificate"), executed and acknowledged on behalf of the cooperative by its president or vice-president under its seal, attested by its secretary, and stating:

~~(1)~~ (a) the name of the cooperative~~†~~†

~~(2)~~ (b) the address of its principal office~~†~~† and

~~(3)~~ (c) that the members of the cooperative have duly voted that the cooperative be dissolved, shall, together with an affidavit made by its president or vice-president executing the certificate, stating that the statements in the certificate are true, be submitted to the Secretary of State for filing.

2. Upon the filing of the certificate and affidavit with the Secretary of State, the cooperative shall cease to carry on its business except to the extent necessary for the winding up thereof, but its corporate existence shall continue until articles of dissolution have been filed with the Secretary of State. The board of trustees shall immediately cause notice of the dissolution proceedings to be mailed to each known creditor of and claimant against the cooperative and to be published once a week for two (2) successive weeks in a newspaper of general circulation in the county in which the principal office of the cooperative is located. The board of trustees shall wind up and settle the affairs of the cooperative, collect sums owing to it, liquidate its property and assets, pay and discharge its debts, obligations and liabilities, other than those to patrons arising by reason of their patronage, and do all other things required to wind up its business, and after paying or discharging or adequately providing for the payment or discharge of all its debts, obligations and liabilities, other than those to patrons arising by reason of their patronage, shall distribute any remaining sums: first, to shareholders, if any, for the pro rata return of the par value of their shares, together with any accrued dividends; second, to patrons for the pro rata return of all amounts standing to their credit by reason of their patronage; and third, to members for the pro rata repayment of membership fees. Any sums then remaining shall be distributed among its members and former members in proportion to their patronage. The board of trustees shall thereupon authorize the execution of articles of

dissolution, which shall be executed and acknowledged on behalf of the cooperative by its president or vice-president, and its seal shall be affixed thereto and attested by its secretary. The articles of dissolution shall recite that they are executed pursuant to this act and shall state:

- (1) a. the name of the cooperative~~†~~
- (2) b. the address of its principal office~~†~~
- (3) c. the date on which the certificate of election to dissolve was filed with the Secretary of State~~†~~
- (4) d. that there are no actions or suits pending against the cooperative~~†~~
- (5) e. that all debts, obligations and liabilities of the cooperative have been paid and discharged or that adequate provision has been made therefor~~†~~ and
- (6) f. that the preceding provisions of this subsection have been duly complied with. The president or vice-president executing the articles of dissolution shall make and annex thereto an affidavit stating that the statements made therein are true.

SECTION 11. AMENDATORY 18 O.S. 1981, Section 438.26, is amended to read as follows:

Section 438.26 Any mortgage, deed of trust or other instrument executed by a cooperative or foreign corporation doing business in this state pursuant to this act, which affects real and personal property and which is recorded in the real property records in any county in which such property is located or is to be located, shall have the same force and effect as if the mortgage, deed of trust or other instrument were also recorded, filed or indexed as provided by law in the proper office in such county as a mortgage of personal property. ~~All after-acquired property of such cooperative or foreign corporation described or referred to as being mortgaged or pledged in any such mortgage, deed of trust or other instrument,~~

~~shall become subject to the lien thereof immediately upon the acquisition of such property by such cooperative or foreign corporation, whether or not such property was in existence at the time of the execution of such mortgage, deed of trust or other instrument. Recordation of any such mortgage, deed of trust or other instrument shall constitute notice and otherwise have the same effect with respect to such after-acquired property as it has under the laws relating to recordation, with respect to property owned by such cooperative or foreign corporation at the time of the execution of such mortgage, deed of trust or other instrument and therein described or referred to as being mortgaged or pledged thereby. The lien upon real or personal property of any such mortgage, deed of trust or other instrument shall, after recordation thereof, continue in existence and of record for the period of time specified therein without the refiling thereof of the filing or any renewal certificate, affidavit, or other supplemental information required by the laws relating to the renewal, maintenance or extension of liens upon real or personal property.~~

SECTION 12. AMENDATORY 18 O.S. 1981, Section 438.27, is amended to read as follows:

Section 438.27 Construction of ~~telephone~~ communication lines and facilities by a cooperative shall, as a minimum requirement, comply with the standards of the National Electrical Safety Code in effect at the time of such construction, and shall be in such manner and according to such specifications as will avoid interference with or hazards to existing ~~telephone~~ communication lines, facilities or systems.

SECTION 13. AMENDATORY 18 O.S. 1981, Section 438.29, is amended to read as follows:

Section 438.29 Any foreign nonprofit or cooperative corporation furnishing or authorized to furnish ~~telephone service~~ communication services and owning or operating ~~telephone~~ communication lines or

facilities in an adjacent state may construct or acquire extensions of such lines in this state and operate such extensions by complying with the statutes of this state pertaining to the qualifications of foreign corporations for the doing of business in this state.

Thereafter, such corporation shall have all the rights, powers, privileges and immunities of a cooperative organized under this act.

SECTION 14. AMENDATORY 18 O.S. 1981, Section 438.31, is amended to read as follows:

Section 438.31 The Corporation Commission shall have the power and authority to prescribe and enforce rates for ~~telephone service~~ regulated communication services under this act as may be found to be reasonable and just after due notice and hearing, provided that said commission shall make final determination of rates within ninety (90) days after the request has been received by the Commission. In the event that said Commission fails to act within the period prescribed above, the rate requested by the applicant in said application shall immediately become effective. From any action of the Commission prescribing rates and charges under this act, any party aggrieved may appeal to the Supreme Court in the manner now provided by law for appealing cases from the Corporation Commission to the Supreme Court. Nothing in this section shall be deemed to subject a cooperative to the jurisdiction of the Corporation Commission except and only to the extent required to carry out the provisions thereof.

SECTION 15. AMENDATORY 18 O.S. 1981, Section 438.32, is amended to read as follows:

Section 438.32 ~~Any~~ A. Subject to paragraph 4 of Section 438.4 of this title, any cooperative may furnish ~~telephone service~~ communication services in any territory not already being furnished ~~telephone service~~ communication services by a telephone company or another cooperative without approval of the Corporation Commission of this state.

B. In any matter before the Corporation Commission, to which any cooperative is a party, the Commission shall issue its order determining such matter within ninety (90) days after the application therein has been filed.

C. Under this act, no certificate of convenience and necessity, as provided in ~~17 O.S. 1951 (131 - 133)~~ Sections 131 through 133 of Title 17 of the Oklahoma Statutes inclusive, shall be required by the Corporation Commission for a cooperative organized hereunder. ~~It is hereby expressly declared by the Legislature that this entire act and this section is an amendment to, and alteration of, Section 18 through Section 34 inclusive, of Article IX of the Constitution of the State of Oklahoma, as authorized by Section 35, Article IX of said Constitution.~~

SECTION 16. AMENDATORY 18 O.S. 1981, Section 438.33, is amended to read as follows:

Section 438.33 A. Existing domestic and domesticated cooperatives, nonprofit and mutual corporations and associations formed to engage in or engaging in the business, undertaking or activity described in or contemplated hereby, shall be deemed, ipso facto, to come under the provisions of this act as of the date this act becomes effective and all provisions hereof shall thereafter fully apply thereto and every such corporation and association shall have the same rights, privileges, powers and immunities as it would possess if respectively created or domesticated hereunder and shall be subject to the same obligations, duties and jurisdictions as cooperatives organized under this act.

B. In the event any cooperative has filed defective articles of incorporation or has failed to do all things necessary to perfect its corporate organization, it may, nevertheless, file corrected articles of incorporation or amend the original articles and do and perform all acts and things necessary in the premises for the correction of such defects. The action so taken shall be valid and

binding upon all persons concerned, and the capacity of such cooperative to file corrected articles of incorporation or amendments to the original articles, or to do and perform all acts necessary in the premises shall not be questioned.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 438.35 of Title 18, unless there is created a duplication in numbering, reads as follows:

It is hereby expressly declared by the Legislature that this entire act is an amendment to, and alteration of, Section 18 through Section 34 inclusive of Article IX of the Constitution of the State of Oklahoma, as authorized by Section 35 of Article IX of said Constitution.

SECTION 18. This act shall become effective September 1, 1991.

Passed the Senate the 5th day of March, 1991.

President of the Senate

Passed the House of Representatives the ____ day of

_____, 1991.

Speaker of the House of Representatives