CS for SB 851

THE STATE SENATE

Thursday, February 21, 2002

Committee Substitute for

Senate Bill No. 851

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 851 - By: MICKLE of the Senate and RICE of the House.

An Act relating to corporations; amending 18 O.S. 2001, Section 437.20, which relates to the Rural Electric Cooperative Act; modifying the authority of a board of trustees of a cooperative; and declaring an emergency.

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

SECTION 1. AMENDATORY 18 O.S. 2001, Section 437.20, is amended to read as follows:

Section 437.20 A cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the cooperative, and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, or any other provisions of law, the board of trustees of a cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of <u>a lease and</u>

(Bold face denotes Committee Amendments)

leaseback transaction; and further, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the cooperative to the United States of America or any instrumentality or agency thereof or to any corporation or financial institution authorized to assist in the credit and financial needs of rural electric cooperatives.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & LABOR, dated 2-18-02 - DO PASS, As Amended and Coauthored.