

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact §§ 56-492, 56-495, and 56-502 of the Code of Virginia, relating to the regulation of telephone cooperatives.*

[H 2640]

Approved

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 56-492, 56-495, and 56-502 of the Code of Virginia are amended and reenacted as follows:**

§ 56-492. Powers of board of directors.

The board of directors of a cooperative shall have power to do all things necessary and incidental in conducting the business of the cooperative, including but not limited to:

(1) If authorized by the certificate of incorporation, or by resolution of its members, the power to adopt and amend bylaws for the management and regulation of the affairs of the cooperative, subject, however, to the right of such members to alter or repeal such bylaws. The bylaws of a cooperative may make provisions, not inconsistent with law or its certificate of incorporation regulating the admission, suspension or expulsion of members; the transfer of memberships, the fees and dues of members and the termination of memberships on nonpayment of dues or otherwise; the number, times and manner of choosing, qualifications, terms of office, official designations, powers, duties and compensation of its officers; defining a vacancy in the board or in any office and the manner of filling it; the number of members; ~~not less than five per centum of the total number of members~~, to constitute a quorum at meetings, the date of the annual meeting and the giving of notice thereof and the holding of special meetings and the giving of notice thereof; the terms and conditions upon which the cooperative is to render service to its members, the disposition of the revenues and receipts of the cooperative; regular and special meetings of the board and the giving of notice thereof.

(2) To appoint agents and employees and to fix their compensation and the compensation of the officers of the cooperative.

(3) To execute all instruments.

(4) To make its own rules and regulations as to its procedure.

§ 56-495. Powers granted corporation.

Each corporation formed under this chapter shall have power to do any and all acts or things necessary or incidental for carrying out the purpose for which it was formed, including, but not limited to:

1. To furnish or provide telephone service or any of the facilities necessary therefor in connection with the furnishing or providing of such service with others both within and without this Commonwealth and to provide such services or facilities as may be incidental or related to providing telephone service.

2. To sue and be sued.

3. To have a seal and alter the same at pleasure.

4. To acquire, hold and dispose of property, real and personal, tangible and intangible, or interests therein and to pay therefor in cash or property or on credit, and to secure and procure payment of all or any part of the purchase price thereof on such terms and conditions as the board shall determine.

5. To acquire, own and dispose of shares or interests in other entities engaged in communications businesses. ~~Such ownership interests shall be approved at a special or general meeting of the cooperative's members; provided, that no funds for such purposes shall be derived from rates and charges for telephone service.~~

6. To render service and to acquire, own, operate, maintain and improve a system or systems.

7. To accept gifts or grants of money, or property, real or personal, from any person, municipality or federal agency and to accept voluntary and uncompensated services.

8. To sell, lease, mortgage or otherwise encumber or dispose of all or any part of its property, as hereinafter provided.

9. To contract debts, borrow money and to issue or assume the payment of bonds, and other obligations.

10. To fix, maintain and collect reasonable fees, rents, tolls and other charges for services rendered.

11. To exercise all the powers set forth in § 56-49, including the power of eminent domain as prescribed for other public service corporations by general law.

12. To issue nonassessable nonvoting common and preferred capital stock and pay annually noncumulative dividends thereon not exceeding four percent and no cooperative operating hereunder

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57 shall pay annually more than four percent interest on membership capital.

58 13. To perform any and all of the foregoing acts and to do any and all of the foregoing things under,  
59 through or by means of its own officers, agents and employees, or by contracts with any person, federal  
60 agency or municipality.

61 § 56-502. Regulation by State Corporation Commission.

62 Every cooperative organized under this chapter shall be subject to the jurisdiction of the State  
63 Corporation Commission with respect to telephone services and facilities in the same manner and to the  
64 same extent as are other similar utilities under the laws of Virginia, except that (i) the Commission shall  
65 have no jurisdiction over the rates, service quality and types of service offerings of the cooperative to its  
66 members; (ii) *a cooperative shall not be required to file a local service tariff with the Commission;* and;  
67 (iii) where a cooperative establishes a cable television system, it shall be subject to § 15.2-2108.