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SENATE BILL NO. 899

Offered January 10, 2001

Prefiled January 5, 2001

A BILL to amend and reenact § 56-57 of the Code of Virginia, relating to securities issued by public service companies operating under an alternative form of regulation.

Patron—Stosch

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 56-57 of the Code of Virginia is amended and reenacted as follows:

§ 56-57. Securities to which chapter is applicable.

A. This chapter shall apply to every stock or stock certificate or other evidence of interest or ownership, and, except as otherwise provided by § 56-65, every bond, note or other evidence of indebtedness, of a public service company, which may be issued, and to every obligation or liability as guarantor, indorser, surety or otherwise in respect of the securities of any other person, firm, association or corporation, when such securities are payable at periods of twelve months or more after the date thereof, which may be or may have been assumed after March 24, 1934, notwithstanding the fact that any preparatory steps, whether by the issuance or amendment of a certificate of incorporation, or by the action of the board of directors, or the stockholders or otherwise, may have been taken prior to such date.

B. Notwithstanding subsection A, this chapter shall not apply to any stock or stock certificate or other evidence of interest or ownership, or any bond, note or other evidence of indebtedness of a public service company that operates under an alternative form of regulation approved by the Commission pursuant to § 56-235.5, unless the Commission rescinds such exemption as hereafter authorized, provided such securities are issued for lawful purposes pursuant to § 56-58. Any public service company exempt from this chapter shall instead provide notice to the Commission of the issuance of any stock or stock certificate or other evidence of interest or ownership, or, except as otherwise provided by §§ 56-65 and 56-65.1, any bond, note or other evidence of indebtedness, within ninety days of issuance. The Commission may rescind the exemption from this chapter provided by this subsection to any public service company that operates under an alternative form of regulation approved by the Commission pursuant to § 56-235.5 if the Commission finds, after notice and an opportunity for a hearing, that such exemption is not in the public interest.

INTRODUCED

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