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HOUSE BILL NO. 383

Offered January 13, 2010

Prefiled January 12, 2010

A *BILL to amend and reenact § 56-231.44 of the Code of Virginia, relating to public utility cooperatives; board of directors electoral districts.*

Patron—Sherwood

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 56-231.44 of the Code of Virginia is amended and reenacted as follows:**

§ 56-231.44. Board of directors.

A. Each cooperative shall have a board of directors consisting of at least five directors, which shall constitute the governing body of such cooperative. The board, other than those named in the articles of incorporation, shall be elected annually by the members. The bylaws may provide in lieu of electing the whole number of directors annually, that the directors may be divided into classes and that the terms of office of the several classes need not be uniform. Each director shall hold office for the term for which he or she is elected and until his or her successor is elected except in cases of ex officio directors.

The directors shall be elected by the members of the cooperative. At a minimum, there shall be at least one director elected from the membership, officers, directors or employees of each member of the cooperative that is itself a cooperative subject to any article of this chapter. Additional directors may be elected from the membership, from the members, officers, directors or employees of any member of the cooperative, or from employees of the cooperative. The board of directors shall have the authority to fix the compensation of the directors. *If a cooperative acquires service territory providing more than 1,000 new members, the total service territory shall be divided into districts for the purpose of electing the directors by proportional representation.*

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

1. To adopt and amend bylaws for the management and regulation of the affairs of such cooperative unless otherwise provided in the articles of incorporation or bylaws, subject to the rights of the members to alter or repeal such bylaws. The bylaws of a cooperative may make provisions not inconsistent with law or its articles of incorporation, regulating:

- a. The admission, suspension or expulsion of members;
- b. The transfer or classification of membership;
- c. The fees and dues of members and the termination of membership on nonpayment of dues;
- d. The number, times and manner of choosing or electing, qualifications, terms of office, official designations, powers, duties and compensation of its directors and officers;
- e. The filling of a vacancy in the board or in any office;
- f. The number of board members or member-delegates constituting a quorum at meetings;
- g. The date of the annual meeting and the giving of notice thereof and the holding of special meetings and the giving of notice thereof;
- h. The terms and conditions upon which such cooperative is to render service to its members;
- i. The disposition of capital contributions; and
- j. The establishment of classes of membership, the qualifications therefor and the rights and obligations 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.

INTRODUCED

HB383