

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 480*

Short Title: EMC Subsidiaries.

(Public)

Sponsors: Senators Metcalf, Rand; Allran, Ballance, Carter, Cochran, Dalton, Dannelly, East, Forrester, Garwood, Gulley, Hagan, Jordan, Kinnaird, Lee, Lucas, Moore, Odom, Phillips, Reeves, Robinson, Rucho, Shaw of Cumberland, Soles, Weinstein, and Wellons.

Referred to: Commerce.

March 23, 1999

1 A BILL TO BE ENTITLED
2 AN ACT CONCERNING THE GRANT OF POWERS TO ELECTRIC MEMBERSHIP
3 CORPORATIONS REGARDING SUBSIDIARY ORGANIZATIONS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 117-18 is amended by adding a new subdivision to read:

6 "(14) As to electric membership corporations, to form, organize, or operate, or
7 to acquire, hold, and dispose of, any interest up to and including full
8 controlling interest in business entities engaged in any lawful activities,
9 whether or not those activities are within the corporate purposes set
10 forth in this Chapter, so long as those other business entities (i) are not
11 financed with loans from the Rural Utilities Service of the United States
12 Department of Agriculture, unless such loans are specifically authorized
13 by federal statute, and (ii) are subject to all taxes, specifically including
14 federal and state income taxes, levied against business entities of the
15 same structure and engaged in the same activities."

16 Section 2. G.S. 117-30(a) reads as rewritten:

17 "(a) In the event it is ascertained by the Rural Electrification Authority that the
18 community or communities referred to in the foregoing section [G.S. 117-29] are in need

1 of telephone service and that there is a sufficient number of persons to be served to justify
2 such services, and the telephone company serving in the area in which the community or
3 communities are located is unwilling to provide such service, a telephone membership
4 corporation may be organized by such community or communities in the same manner
5 that electric membership corporations may be formed under Article 2 of this Chapter, and
6 all of the provisions of said Article shall be applicable to the formation of telephone
7 membership corporations and such corporations shall have all the authority, powers and
8 duties of such a corporation when formed under the provisions of said Article; except that
9 the provisions of G.S. 117-8, 117-9, 117-10.1, 117-10.2, 117-16.1, 117-18(14), 117-19
10 and 117-24 shall not be applicable to the organization of a telephone membership
11 corporation, and except that such corporations so formed for the express purpose of
12 providing telephone service necessary to serve the community or communities prescribed
13 in the application may also provide the community or communities prescribed in the
14 application with any communication service for the transmission of voice, sounds,
15 signals, pictures, writing or signs of all kinds through the use of electricity or the
16 electromagnetic spectrum between the transmitting and receiving apparatus, together with
17 any telecommunications service requiring band-width capacity, including, but not limited
18 to community antenna and cable television services, and including all lines, wires, cables,
19 radio, light, electromagnetic impulse and all facilities, systems or other means used in the
20 rendition of such services, but not including message telegram service or radio
21 broadcasting services or facilities within the meaning of section 3(o) of the Federal
22 Communications Act of 1934, as amended (47 USC § 153(o)) and except that such
23 corporation so formed shall have no authority to engage in any other business. Provided,
24 that the references in Article 2 of this Chapter to "power lines" or "energy" as to such
25 telephone membership corporations shall be construed to mean telephone lines,
26 broadband cables and lines, telephone service and broadband communications services.
27 Provided further, that nothing herein shall be construed to authorize any telephone
28 membership corporation organized hereunder to duplicate any line or lines, systems or
29 other means by which adequate telephone service is being furnished; or to build or to
30 construct a telephone line, or telephone lines, or telephone systems, or otherwise to
31 provide facilities or means of furnishing telephone service to any person, community,
32 town or city then being adequately served by a telephone company, corporation or
33 system; or to provide telephone service in an unserved area while any telephone
34 company, corporation or system is acting in good faith and with reasonable diligence in
35 arranging to provide adequate telephone service to such person, community, town or
36 city."

37 Section 3. This act is effective when it becomes law.