

REVENUE:

FISCAL:

SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: James LaBar, Administrator

Meeting Dates: 2/18, 3/9

WHAT THE MEASURE DOES: Creates provisions for forms of notice, including electronic transmission, that telephone cooperative must provide to directors, shareholder and other persons. Details additional provisions for forms of notice that cooperatives must provide to directors, shareholders and other persons. Allows for a majority of votes of members or shareholders of telephone cooperative to approve the sale, lease, exchange or other disposition of all or substantially all of cooperative's assets, unless a cooperative's by-laws requires a greater number.

ISSUES DISCUSSED:

- Quorum challenges
- Current and future trends with telecommunications cooperatives

EFFECT OF COMMITTEE AMENDMENT:

(-1 amendment): Modifies notice of communication in newspaper to specify a newspaper of general circulation in the county that the cooperative's registered office is located. Adds members to cooperatives' notice list. Provides additional conforming modifications.

BACKGROUND: The Oregon Telecommunications Association (OTA) is a trade association representing wireline telecommunications providers. The OTA has approximately eleven telecommunications cooperatives as members. The cooperatives serve smaller cities and rural areas in the Willamette Valley and the central coast region. In recent years, these entities have been attempting to share resources and engage in other practices in order to reduce expenses. While none of OTA's cooperative members are currently engaged in exploring the possibility of merging or selling their assets to another, this is a scenario that could arise. Current law indicates that a two-thirds majority of the cooperative members must vote in support of any merger activity.

Senate Bill 35 allows for a simple majority of the members to vote in support of a merger or sale of assets. The measure maintains the ability for a telecommunications cooperative Board of Directors to maintain a higher vote threshold if desired. Senate Bill 35 also specifies that notification of elections and voting may be provided electronically.