

CHAPTER 308A

COOPERATIVES

308A.005 Definitions.
 308A.101 Organizational purpose.
 308A.201 Powers.

308A.210 Telecommunication services
 purchasing cooperatives.
 308A.705 Distribution of income.

308A.005 DEFINITIONS.

[For text of subd 1, see M.S.1996]

Subd. 1a. **Address.** "Address" means mailing address, including a zip code. In the case of a registered address, the term means the mailing address and the actual office location, which may not be a post office box.

[For text of subds 2 to 7, see M.S.1996]

Subd. 7a. **Filed with the secretary of state.** "Filed with the secretary of state" means that a document meeting the applicable requirements of this chapter, signed and accompanied by the required filing fee, has been delivered to the secretary of state of this state. The secretary of state shall endorse on the document the word "Filed" and the month, day, and year of filing, record the document in the office of the secretary of state, and return a document to the person who delivered it for filing.

[For text of subds 8 to 10, see M.S.1996]

Subd. 10a. **Signed.** (a) "Signed" means that the signature of a person has been written on a document, as provided in section 645.44, subdivision 14, and, with respect to a document required by this chapter to be filed with the secretary of state, means that the document has been signed by a person authorized to do so by this chapter, the articles or bylaws, or by a resolution approved by the directors or the members.

(b) A signature on a document may be a facsimile affixed, engraved, printed, placed, stamped with indelible ink, transmitted by facsimile or electronically, or in any other manner reproduced on the document.

[For text of subd 11, see M.S.1996]

History: 1997 c 10 art 4 s 1,2; 1997 c 137 s 9

308A.101 ORGANIZATIONAL PURPOSE.

[For text of subds 1 and 2, see M.S.1996]

Subd. 3. **Water quality cooperative purpose.** A water quality cooperative may only be formed by a cooperative engaged in furnishing potable water or water quality treatment and management services, as defined in section 115.58, subdivision 1, paragraph (e), for the purpose of financing or refinancing the construction, improvement, expansion, acquisition, operation, and maintenance of treatment works, sewage systems, storm sewer facilities, water pipelines, and related facilities of its members.

History: 1997 c 216 s 128

308A.201 POWERS.

[For text of subds 1 to 14, see M.S.1996]

Subd. 15. **Water quality cooperative condemnation power.** A water quality cooperative organized in this state may exercise the power of eminent domain in the manner provided by state law for the exercise of the power by corporations engaged in the provision of electric, light, heat, power, or telephone service.

History: 1997 c 216 s 129

308A.210 TELECOMMUNICATION SERVICES PURCHASING COOPERATIVES.

Subdivision 1. Purpose; territory. A telecommunication services purchasing cooperative may be formed under this chapter for the sole purpose of purchasing advanced telecommunications services by aggregating demand and negotiating reduced rates for its members. Any such telecommunication services shall be provided and directly billed by a telephone company or a telecommunication carrier. A purchasing cooperative must declare in its articles of incorporation a contiguous area comprising less than the entire state in which it may operate.

Subd. 2. Local government units. In addition to others that may form a cooperative, a political subdivision of the state, including a service cooperative created under section 123.582, may act to organize a telecommunication services purchasing cooperative within its jurisdiction for the benefit of its residents.

Subd. 3. Powers. A purchasing cooperative has all of the powers described in section 308A.201, except that a purchasing cooperative does not have the power of eminent domain. A purchasing cooperative is not a telephone or electric cooperative as those terms are used in this chapter and chapters 216B and 237.

Subd. 4. Governing board. A board of directors of five to seven members shall govern a telecommunication services purchasing cooperative. The directors must be elected according to the requirements of section 308A.311, except that:

- (1) all of the directors must be members of the purchasing cooperative;
- (2) a director may not be a provider of services to the cooperative or an employee of the provider;
- (3) a director may not be a member of a governing body of a political subdivision; and
- (4) a majority of the directors must be seeking to purchase some residential telecommunication services through the cooperative.

Subd. 5. Residential membership requirement. In order to ensure that residential customers experience the benefits of cooperative purchasing, at least 50 percent of the total number of entities or individuals who are members of the purchasing cooperative must be seeking to purchase residential telecommunication services through the cooperative. If the telecommunication services purchasing cooperative fails to comply with this subdivision, it shall notify the department of public service and shall have one year from the date of non-compliance to come into compliance. If it does not come into compliance, the telecommunication services purchasing cooperative shall be dissolved and its assets distributed to its members.

Subd. 6. Filings with department of public service. A purchasing cooperative must immediately file a copy of its contracts with telecommunication services providers with the department of public service. A purchasing cooperative must file its annual financial statements with the department.

Subd. 7. Open membership. Any person within the geographic operating area declared in a cooperative's articles of incorporation or any person within the exchange boundary or service area of a telephone company or telecommunication carrier that in whole or in part is included in the geographic operating area declared in the cooperative's articles of incorporation may become a member of the telecommunication services purchasing cooperative.

Subd. 8. Advanced telecommunication service; defined. "Advanced telecommunications service" includes any service that would be classified as a flexibly priced service within the meaning of section 237.761, subdivision 4, or non-price-regulated service within the meaning of section 237.761, subdivision 4, provided that a service may be an advanced telephone service whether or not the telephone company has adopted an alternative rate plan within the meaning of section 237.76.

History: 1997 c 208 s 2

308A.705 DISTRIBUTION OF INCOME.

Subdivision 1. Distribution of net income. Net income in excess of dividends on capital stock and additions to reserves shall be distributed on the basis of patronage. A coopera-

tive may establish allocation units, whether the units are functional, divisional, departmental, geographic, or otherwise, and pooling arrangements and may account for and distribute net income on the basis of allocation units and pooling arrangements. A cooperative may offset the net loss of an allocation unit or pooling arrangement against the net income of other allocation units or pooling arrangements to the extent permitted by section 1388(j) of the Internal Revenue Code of 1986, as amended through December 31, 1996.

[For text of subs 2 to 6, see M.S.1996]

History: 1997 c 231 art 16 s 11