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HOUSE BILL NO. 723

Offered January 12, 2022

Prefiled January 11, 2022

A BILL to amend and reenact §§ 56-231.28 and 56-231.29 of the Code of Virginia, relating to electric cooperatives; board of directors; access to meetings; required disclosures.

Patron—Gooditis

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That §§ 56-231.28 and 56-231.29 of the Code of Virginia are amended and reenacted as follows:

§ 56-231.28. Board of directors of cooperatives.

A. Each cooperative shall have a board of directors of five or more members, which board shall constitute the governing body of the cooperative. Only members and the officers, directors or employees of any member shall be eligible for election to the board of directors. The directors, other than those named in the articles of incorporation, shall be elected annually by the members entitled to vote, unless the bylaws provide that, in lieu of electing the whole number of directors annually, the directors shall be divided into two, three or four classes at the first or any subsequent annual meeting. If the bylaws so provide, each class shall be as nearly equal in number as possible, with the term of office of one class to expire every year. If the number of classes changes, then the board of directors shall have authority to determine how directors will be allocated among the new number of classes, provided that no director's term will exceed, without reelection, a number of years equal to the number of classes of directors. ~~The board of directors shall have authority to fix the compensation of directors.~~ *Each cooperative shall elect its board of directors directly, with one vote per member entitled to vote, either in person or by mail, and shall not permit voting by proxy. If expressly provided in its articles of incorporation or bylaws, a cooperative may authorize vote by telephone or other electronic communication means, but it may not authorize voting by proxy.*

B. The directors shall elect annually from their own number a president of the board or a chairman of the board; and one or more vice-presidents of the board, vice-chairmen of the board or both. They may also elect or appoint annually (i) a president of the cooperative, (ii) one or more vice-presidents of the cooperative, (iii) a secretary, (iv) a treasurer, and (v) such other officers as the board deems necessary. No person shall hold any office unless that person is a director or employee of the cooperative. The offices of secretary and treasurer may be held by the same person.

C. The board of directors shall have the authority to fix the compensation of directors.

D. Meetings conducted by the board of directors of a cooperative shall be open for attendance and observation by members of the cooperative, viewable both in person and through online streaming, and made available for viewing by members of the cooperative through posting recordings of meetings on an official website. A cooperative may limit the number of members able to attend meetings of the board of directors in-person based on space and safety limitations, as set forth in a board policy. If online streaming of a meeting of the board of directors is not possible, the cooperative may proceed with that meeting so long as it is recorded and made available for online viewing by cooperative members in a timely fashion. Portions of a board meeting held in executive session to address legal, employee, and other appropriately confidential matters shall be exempt from the requirements of this subsection.

§ 56-231.29. Powers and duties of board of directors.

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

1. If authorized by the articles of incorporation, or by resolution of its members having voting power, to adopt and amend bylaws for the management and regulation of the affairs of the cooperative, subject, however, to the right 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 the admission, suspension or expulsion of members; the transfer of membership, the fees and dues of members and the termination of membership on nonpayment of dues or otherwise; the number, times and manner of choosing, qualifications, terms of office, official designations, powers, duties and compensation of its officers and directors; defining a vacancy in the board or in any office and the manner of filling it; the number of members, not less than 2.5 percent of the total number of members, to constitute a quorum at meetings; the date of the annual meeting and the giving of notice thereof and the holding of special meetings and the giving of notice thereof; the terms and conditions upon which the cooperative is to render service to its members; the disposition of the revenues and receipts of the cooperative; and

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59 regular and special meetings of the board and the giving of notice thereof.

60 2. To appoint agents and employees and to fix their compensation and the compensation of the
61 officers of the cooperative.

62 3. To execute all instruments.

63 4. To make its own rules and regulations as to its procedure.

64 *B. The board of directors of each cooperative shall be required to make the following disclosures to*
65 *its members at least annually:*

66 1. *The positions that the cooperative takes on legislative and regulatory issues at the state and*
67 *federal levels. This disclosure shall include positions taken by the cooperative directly or indirectly by*
68 *virtue of the cooperative's membership in any trade association or co-ownership agreement;*

69 2. *The total amount spent on lobbying at the state and federal levels. This disclosure shall include*
70 *information related to lobbying conducted by the cooperative directly or indirectly by virtue of the*
71 *cooperative's membership in any trade association or co-ownership agreement; and*

72 3. *The names of organizations that seek to influence legislation and that the cooperative, or its state,*
73 *regional, or federal trade associations, belong to or support.*

74 *The disclosures required by this section shall be made on the official website of the cooperative and*
75 *through its member publication, if any, and updated at least annually.*