

SENATE BILL NO. 209—SENATOR RHODS

MARCH 21, 2005

Referred to Committee on Judiciary

SUMMARY—Provides that unclaimed capital credit of certain nonprofit cooperative corporations is not subject to provisions of Uniform Disposition of Unclaimed Property Act. (BDR 7-839)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to business associations; providing that the unclaimed capital credit of certain nonprofit cooperative corporations is not subject to the provisions of the Uniform Disposition of Unclaimed Property Act; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prescribes the manner in which to form a nonprofit cooperative corporation without stock and establishes the general powers of such a corporation. (NRS 81.410-81.540) Existing law creates the Uniform Disposition of Unclaimed Property Act which prescribes the manner in which certain types of unclaimed property are to be disposed. (Chapter 120A of NRS) Any distribution held or owed by a business association is presumed abandoned if it remains unclaimed by the owner after a certain period of time. (NRS 120A.190) Abandoned property must be paid or delivered to the State Treasurer in his capacity as the Administrator of Unclaimed Property. (NRS 120A.320) All money received by the Administrator must be deposited in the Abandoned Property Trust Fund and used to pay costs associated with the collection or sale of abandoned property. Money in the Trust Fund in excess of \$100,500 must be transferred to the State General Fund at the end of every fiscal year. (NRS 120A.370)

This bill exempts from the provisions of the Uniform Disposition of Unclaimed Property Act any distribution of capital credit by a nonprofit electric cooperative that remains unclaimed for 1 year after the date authorized for distribution. The unclaimed capital credit must revert to the cooperative instead of the Abandoned Property Trust Fund if notice that the capital credit is available has been mailed to the owner not more than 6 months after the capital credit was authorized for distribution. "Capital credit" is defined as money credited to the capital account of



21 a member of a cooperative after deducting the member's share of the operating
22 costs of the cooperative from the amount paid by the member for electric service.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 81 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *Capital credit which is distributed to a member by an*
4 *electric cooperative formed under NRS 81.410 to 81.540, inclusive,*
5 *and which remains unclaimed for 1 year after the date authorized*
6 *for distribution is not subject to the provisions of chapter 120A of*
7 *NRS.*

8 2. *Any unclaimed capital credit described in subsection 1*
9 *reverts to the cooperative if, not more than 6 months after the date*
10 *the capital credit was authorized for distribution, notice that the*
11 *capital credit is available has been mailed to the member at his last*
12 *known address, as it appears in the records of the cooperative.*

13 3. *As used in this section, "capital credit" means the amount*
14 *of money which is credited to the capital account of a member*
15 *after deducting the member's pro rata share of the operating costs*
16 *of the cooperative from the amount paid by the member for*
17 *electric service.*

18 **Sec. 2.** NRS 81.410 is hereby amended to read as follows:

19 81.410 1. Nonprofit cooperative corporations may be formed
20 by the voluntary association of any three or more persons in the
21 manner prescribed in NRS 81.410 to 81.540, inclusive **H**, and
22 *section 1 of this act.*

23 2. Except as otherwise provided in subsection 3, the provisions
24 of chapter 82 of NRS govern a nonprofit cooperative corporation
25 organized pursuant to NRS 81.410 to 81.540, inclusive, *and section*
26 *1 of this act*, except to the extent that the provisions of chapter 82 of
27 NRS are inconsistent with NRS 81.410 to 81.540, inclusive **H**, and
28 *section 1 of this act.*

29 3. NRS 82.081 and 82.136 do not apply to a nonprofit
30 cooperative corporation organized pursuant to NRS 81.410 to
31 81.540, inclusive **H**, and *section 1 of this act.*

32 **Sec. 3.** NRS 81.540 is hereby amended to read as follows:

33 81.540 1. The provisions of NRS 81.410 to 81.540, inclusive,
34 *and section 1 of this act* are not applicable to railroads, telegraph,
35 telephone, banking, insurance, building and loan, or any other
36 corporation, unless the special provisions of NRS 81.410 to 81.540,
37 inclusive, *and section 1 of this act* applicable thereto are complied
38 with.



1 2. NRS 81.410 to 81.540, inclusive, *and section 1 of this act*
2 do not amend or repeal any of the provisions of NRS 81.010 to
3 81.160, inclusive, or 81.170 to 81.270, inclusive.

4 **Sec. 4.** The amendatory provisions of this act apply to any
5 capital credit that is authorized for distribution on or after July 1,
6 2005.

7 **Sec. 5.** This act becomes effective on July 1, 2005.



