

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 under certain circumstances. (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 under certain circumstances; 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 provides that any capital credit distributed to a member by an electric cooperative which remains unclaimed for 1 year after the date authorized for distribution reverts to the cooperative and is exempt from the provisions of the Uniform Disposition of Unclaimed Property Act 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 and the member fails to respond to such notice within 30 days after receipt of the notification. "Capital credit" is defined as money credited to the capital account of a member of a cooperative after deducting the member's share of the operating 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:

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

1. Any capital credit distributed to a member by an electric cooperative formed under NRS 81.410 to 81.540, inclusive, which remains unclaimed for 1 year after the date authorized for distribution reverts to the cooperative and is not subject to the provisions of chapter 120A of NRS if:

(a) Not more than 6 months after the date the capital credit was authorized for distribution, the cooperative gives notice to the member that the capital credit is available; and

(b) The member fails to respond to such notice within 30 days after his receipt of the notification.

2. The notice pursuant to subsection 1 must be sent by mail to the member at his last known address, as it appears in the records of the cooperative.

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

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

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

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

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



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

2 81.540 1. The provisions of NRS 81.410 to 81.540, inclusive,
3 *and section 1 of this act* are not applicable to railroads, telegraph,
4 telephone, banking, insurance, building and loan, or any other
5 corporation, unless the special provisions of NRS 81.410 to 81.540,
6 inclusive, *and section 1 of this act* applicable thereto are complied
7 with.

8 2. NRS 81.410 to 81.540, inclusive, *and section 1 of this act*
9 do not amend or repeal any of the provisions of NRS 81.010 to
10 81.160, inclusive, or 81.170 to 81.270, inclusive.

11 **Sec. 4.** The amendatory provisions of this act apply to any
12 capital credit that is authorized for distribution on or after July 1,
13 2005.

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



