

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Public Utility Companies

6-101.

(c) (1) THIS SUBSECTION DOES NOT APPLY TO THE FORMATION OF A HOLDING COMPANY BY A PUBLIC SERVICE COMPANY IN A CORPORATE REORGANIZATION THAT INVOLVES AN EXCHANGE OF STOCK OF THE PUBLIC SERVICE COMPANY FOR STOCK IN THE HOLDING COMPANY.

[(1)] (2) In this subsection, a company controlling a public service company is deemed a public service company of the same class as the controlled public service company.

[(2)] (3) Without prior authorization of the Commission, a public service company may not take, hold, or acquire any part of the capital stock of a public service company that is:

- (i) incorporated in Maryland; and
- (ii) of the same class as the acquiring company.

[(3)] (4) (i) Except as provided in subparagraph (ii) of this paragraph, a stock corporation may not take, hold, or acquire more than 10% of the total capital stock of a public service company incorporated in Maryland unless:

1. the stock is acquired as collateral security; and
2. the Commission approves the acquisition.

(ii) The Commission may authorize a public service company of the same class to take, hold, or acquire more than 10% of the total capital stock of a public service company incorporated in Maryland.

[(4)] (5) A public service company may not be a party to a violation of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health and safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved February 3, 1999.
