

"Department" § 1-101

"Foreign corporation" § 1-101

5-638. REVENUES OF COOPERATIVE.

(A) AUTHORIZED USES.

REVENUES OF A COOPERATIVE FOR A FISCAL YEAR MAY BE USED:

(1) TO PAY THE EXPENSES OF OPERATING AND MAINTAINING THE FACILITIES OF THE COOPERATIVE DURING THE FISCAL YEAR;

(2) TO PAY INTEREST AND PRINCIPAL OBLIGATIONS OF THE COOPERATIVE THAT ARE DUE IN THE FISCAL YEAR;

(3) TO THE EXTENT DETERMINED BY THE BOARD OF DIRECTORS, TO FINANCE OR PROVIDE A RESERVE FOR THE FINANCING OF THE CONSTRUCTION OR ACQUISITION BY THE COOPERATIVE OF ADDITIONAL FACILITIES;

(4) TO PROVIDE A REASONABLE RESERVE FOR WORKING CAPITAL;

(5) TO PROVIDE A RESERVE FOR THE PAYMENT OF THE INDEBTEDNESS OF THE COOPERATIVE IN AN AMOUNT NOT LESS THAN THE TOTAL INTEREST AND PRINCIPAL PAYMENTS THAT ARE DUE DURING THE NEXT FISCAL YEAR;

(6) TO PROVIDE FOR EDUCATION ABOUT COOPERATIVES; AND

(7) TO PROVIDE FOR THE DISSEMINATION OF INFORMATION ABOUT THE EFFECTIVE USE OF ELECTRICITY AND SERVICES MADE AVAILABLE BY THE COOPERATIVE.

(B) ALLOCATION OF EXCESS REVENUES TO MEMBERS AND OTHER PERSONS.

(1) UNLESS OTHERWISE DETERMINED BY A VOTE OF THE MEMBERS OF THE COOPERATIVE, FOR EACH FISCAL YEAR, THE REVENUES OF A COOPERATIVE IN EXCESS OF THE AMOUNT NECESSARY TO PROVIDE FOR THE ITEMS DESCRIBED IN SUBSECTION (A) OF THIS SECTION SHALL BE ALLOCATED BY THE COOPERATIVE, IN THE FORM OF PATRONAGE CREDITS, TO:

(I) ITS MEMBERS; AND

(II) OTHER PERSONS TO WHOM THE COOPERATIVE SUPPLIES ELECTRICITY OR PROVIDES OTHER SERVICES.

(2) FOR EACH FISCAL YEAR, THE PATRONAGE CREDITS SHALL BE ALLOCATED TO A MEMBER OR OTHER PERSON IN PROPORTION TO THE PATRONAGE OF THE MEMBER OR OTHER PERSON DURING THE FISCAL YEAR.

(C) EFFECT OF SECTION.

THIS SECTION DOES NOT PROHIBIT THE PAYMENT BY A COOPERATIVE OF ALL OR PART OF ITS INDEBTEDNESS BEFORE IT BECOMES DUE.