



# Legislative Council Staff

## Research Note

Version: Final

Date: 10/28/2016

### Bill Number

**Senate Bill 16-055**

### Sponsors

**Senator Grantham  
Representative Moreno**

### Short Title

***Rural Electric Cooperative  
Election Procedures***

### Research Analyst

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### Status

This research note reflects the final version of the bill. The bill was signed by the Governor on March 23, 2016, and took effect on August 10, 2016.

### Summary

This bill allows ballots for Colorado electric association (CEA) executive board elections to be mailed directly to third party and states that a mail ballot that is sent in a signed envelope without the secrecy sleeve or inner envelope is valid and must be counted. The third party is required to deliver the ballots to a CEA under seal promptly after the count. Upon request of any candidate, the ballots must be made available to the candidate for inspection.

### Background

CEAs, also called electric cooperatives, are nonprofit electric utility companies that are owned and controlled by their member-consumers. Most electric cooperatives in Colorado are exempt from the Public Utilities Law that regulates investor-owned electric companies and other utilities. Under current law, member-consumers may elect to exempt their cooperative from regulation by the Public Utilities Commission (PUC). Deregulated electric associations are not required to obtain approval by the PUC before changing their rates or terms and conditions of service. Several state laws, however, continue to regulate exempt electric associations, including how they adjust electric rates, conduct board elections, provide access to association records, and conduct other activities. All but 1 of the 22 electric cooperatives in Colorado have elected to exempt themselves from most of the PUC's regulations. Wheatland Electric Cooperative, Inc., a Kansas-based cooperative that serves some customers in southeast Colorado, is the only member-owned electric cooperative still under the jurisdiction of the PUC.

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CEAs are governed by a board of directors that are elected by the association's members. CEAs can contract with an independent third party to collect and count the ballots for board elections. Mailed ballots must include a secrecy sleeve or inner envelope and must be mailed directly to the CEA.

## Senate Action

**Senate Agriculture, Natural Resources, and Energy Committee (February 04, 2016).** At the hearing, representatives from two CEAs spoke in favor of the bill and discussed the challenge of conducted elections under current law. The committee approved the bill without amendments and recommended that it be placed on the consent calendar.

**Senate second reading (February 9, 2016).** The Senate passed the bill on second reading with no amendments.

**Senate third reading (February 10, 2016).** The Senate passed the bill on third reading with no amendments.

## House Action

**House Transportation and Energy Committee (March 2, 2016).** At the hearing, a representatives from two CEAs spoke in favor of the bill. The committee approved the bill without amendments.

**House second reading (March 7, 2016).** The House passed the bill on second reading with no amendments.

**House third reading (March 8, 2016).** Te House passed the bill on third reading with no amendments.



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