SENATE JUDICIARY
EXHIBIT NO. 9
DATE 2/16/09
BILL NO. SB318

Amendments to Senate Bill No. 318
1st Reading Copy

ADDS: cooperatives

Requested by Senator Christine Kaufmann

For the Senate Judiciary Committee

Prepared by Valencia Lane
February 12, 2009 (4:22pm)

1. Title, line 5.
Following: "CORPORATIONS"
Insert: "AND RURAL ELECTRIC AND TELEPHONE COOPERATIVES"
Following: "35-1-418"
Insert: ","
Strike: "AND"
Following: "35-1-443,"
Insert: "AND 35-18-325,"

2. Page 3, line 7.
Following: line 6
Insert: "Section 3. Section 35-18-325, MCA, is amended to read:

"35-18-325. Duties of trustees and officers. (1) A trustee or officer shall discharge the duties of the office, including the trustee's or officer's duties as a member of any committee:

(a) in good faith;

(b) with the care that an ordinarily prudent person in a similar position would exercise under similar circumstances; and

(c) in a manner that the trustee or officer reasonably believes to be in the best interest of the cooperative.

(2) In discharging duties, a trustee or officer may, in considering the best interests of the corporation, consider any of the following:

(a) the interests of the corporation's shareholders, employees, customers, suppliers, and creditors;

(b) the economy of the state and nation;

(c) the impact of any action upon the communities in or near which the corporation's facilities or operations are located;

(d) the long-term as well as the short-term interests of the corporation; and

(e) any other factors relevant to promoting or preserving public or community interests.

(3) In discharging duties, a trustee or officer shall consider the impact of any action upon the public health, public safety, and environment.

~~(2)~~(4) In discharging duties, a trustee or officer is entitled to rely on factual information, opinions, reports, or statements, including but not limited to financial statements and other financial information, if prepared and presented by:

(OVER)

(a) one or more officers or employees of the cooperative whom the trustee or officer reasonably believes to be reliable and competent in the subject matter presented;

(b) attorneys, public accountants, engineers, or other persons with regard to subject matters that the trustee or officer reasonably believes are within the person's professional or expert competence; or

(c) a committee of the board of trustees or officers of which the trustee or officer is not a member if the trustee or officer reasonably believes that the committee merits confidence.

~~(3)~~ (5) A trustee or officer is not acting in good faith if the trustee or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection ~~(2)~~ (4) unwarranted.

~~(4)~~ (6) A trustee or officer is not liable for any action taken as a trustee or officer or for any failure to take any action if the trustee or officer performs the duties of the office in compliance with this section."

{*Internal References to 35-18-325:*
ok 35-18-302 }"

- END -