



OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN

GERALD C. MANN
ATTORNEY GENERAL

February 3, 1939

Hon. E. Harold Beck, Chairman of the Committee
Commerce and Manufacturers
Senator, Texas Senatorial District No. 1
Senate Chamber
Austin, Texas

Dear Mr. Beck:

Opinion No. 0-19
Re: Whether or not the Southwest
Electric Cooperative Corpora-
tion may do business in Tex-
as in view of Article 1528b,
Section 7.

Your letter of December 22, addressed to
the Honorable William McCraw, in which you ask for an
opinion concerning the right of an Arkansas rural e-
lectrification company to do business in Texas, has
been referred to the writer.

You enclosed a letter addressed to John A.
Sherrill, Esq. from James W. Robertson, Assistant
Counsel of the Rural Electrification Administration in
Washington, D.C. Mr. Robertson raised the question of
whether the Southwest Arkansas Electric Cooperative
Corporation could do business in Texas in view of Sec.
7 of Art. 1528b of our Texas Statutes, which read as
follows:

"The words 'Electric Cooperative'
shall not be used in the corporate name
of corporations organized under the laws
of this state, or authorized to do busi-
ness herein, other than those organized
pursuant to the provisions of this Act."

Sec. 7 thus forbids the operation in this
state of any corporation using the words "electric co-

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operative", unless organized pursuant to the provisions of our Texas Act, or at least authorized to do business in this state, and though the wording of the Act is somewhat ambiguous, we believe that for a permit to issue, the foreign corporation shall at least have been organized in conformity with the statutes of this state. We have compared the Rural Electrification Statute of Arkansas with that of Texas, and find same to be identical in almost every respect. We take it that the Legislature desired that the State of Texas have some sort of control over such a corporation doing business in Texas. If the Southwest Arkansas Electric Cooperative Corporation were permitted to come in and do business in this state as a foreign corporation without a permit, the State of Texas would have only limited control over such corporation. We think that the Legislature of Texas by Sec. 7 of Art. 1528b sought to prevent such a situation.

Mr. Sherrill raises the question of whether Section 7 of our Act prohibits the Southwest Arkansas Electric Cooperative Corporation from doing business in Texas. We do not believe that the Legislature intended that it go that far. It is our opinion that the Southwest Arkansas Electric Cooperative Corporation may come into Texas and serve the citizens of this state, after it has secured a permit from the Secretary of State of Texas to do business in this state.

Yours very truly

ATTORNEY GENERAL OF TEXAS

By *Hugh D. Buch*
Assistant

HQB:ob

APPROVED:

Gravelle Mann
ATTORNEY GENERAL OF TEXAS

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