February 3, 1939

Hon. B. 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 Corporation may do business in Texas as in view of Article 1528b, Section 4.

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 electrification 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 business 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-
operative", unless organized pursuant to the provi-
sions 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 per-
mit to issue, the foreign corporation shall at least
have been organized in conformity with the statutes
of this state. We have compared the Rural Electrifi-
cation 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 corpora-
tion doing business in Texas. If the Southwest Ark-
ansas 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 in-
tended 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

Hugh D. Bledsoe Assistant

APPROVED:

ATTRNEY GENERAL OF TEXAS