

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

S

D

SENATE BILL 668
PROPOSED COMMITTEE SUBSTITUTE S668-PCS55336-RO-11

Short Title: Amend Banking Laws.

(Public)

Sponsors:

Referred to:

March 19, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW A BANK TO PAY DIVIDENDS ON CERTAIN PREFERRED
3 SHARES ISSUED TO THE UNITED STATES TREASURY AND TO ISSUE AND PAY
4 DIVIDENDS ON PREFERRED SHARES TO RECAPITALIZE ITSELF.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 7 of Chapter 53 of the General Statutes is amended by adding
7 a new section to read:

8 "§ 53-87.1. Payment of dividends on preferred shares issued to the United States
9 Treasury.

10 (a) Notwithstanding any other provision of this Chapter, the board of directors of any
11 bank may declare and pay a dividend on preferred shares issued by the bank to the United
12 States Treasury in connection with and as a condition of the bank's participation in the Capital
13 Purchase Program authorized by Title I of the Emergency Economic Stabilization Act of 2008
14 (Public Law 110-343).

15 (b) Notwithstanding any other provision of this Chapter, with the prior approval of the
16 Commissioner of Banks and subject to any conditions the Commissioner may impose, a bank
17 may issue preferred or preference shares and pay dividends thereon, in order to recapitalize
18 itself."

19 SECTION 2. This act is effective when it becomes law.



* S 6 6 8 - P C S 5 5 3 3 6 - R O - 1 1 *