

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 668
Commerce Committee Substitute Adopted 4/15/09

Short Title: Amend Banking Laws.

(Public)

Sponsors:

Referred to:

March 19, 2009

A BILL TO BE ENTITLED

AN ACT TO ALLOW A BANK TO PAY DIVIDENDS ON CERTAIN PREFERRED
SHARES ISSUED TO THE UNITED STATES TREASURY AND TO ISSUE AND PAY
DIVIDENDS ON PREFERRED SHARES TO RECAPITALIZE ITSELF.

The General Assembly of North Carolina enacts:

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

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

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

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

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

