

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 995

Short Title: Directors/State Majority Corps.

(Public)

Sponsors: Senator Perdue.

Referred to: Transportation.

April 29, 1993

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT THERE SHALL BE NO REQUIREMENT THAT
2 DIRECTORS OR OFFICERS OF A CORPORATION OWN STOCK IN A
3 CORPORATION IF THE STATE OF NORTH CAROLINA OWNS A MAJORITY
4 OF THE STOCK.
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6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 124-5 reads as rewritten:

8 "**§ 124-5. Approval of encumbrance on State's interest in corporations.**
9 **corporations; no requirement of stock ownership.**

10 (a) No corporation or company in which the State owns the majority of any class
11 of voting stock shall sell, lease, mortgage, or otherwise encumber its franchise, right-of-
12 way, or other property, except by and with the approval and consent of the Governor
13 and Council of State.

14 (b) Notwithstanding any provision of Chapter 55 of the General Statutes or of the
15 articles of incorporation or bylaws of the corporation, a member of the board of
16 directors or officer of any corporation in which the State owns the majority of any class
17 of voting stock need not own any stock in the corporation."

18 Sec. 2. This act is effective upon ratification.