GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

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SENATE BILL 277

Judiciary I Committee Substitute Adopted 3/15/01

Short Title: Community Development Exemption-AB. (Public)

Sponsors:

Referred to:

March 1, 2001

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THAT THE EXEMPTION FOR THE OFFER AND SALE OF STOCK IS ALLOWED ONLY FOR CORPORATIONS THAT ARE ORGANIZED AND THAT OPERATE TO CONFER A PUBLIC BENEFIT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 78A-17(13) reads as rewritten:

"(13) Any offer or sale by a domestic corporation of its own securities if (i) the corporation was organized for the purpose of promoting community, agricultural or industrial development of the area in which the principal office is located, (ii) the offer or sale has been approved by resolution of the county commissioners of the county in which its principal office is located, and, if located in a municipality or within two miles of the boundaries thereof, by resolution of the governing body of such municipality, ~~and~~ (iii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this ~~State;~~State, and (iv) the corporation is both organized and operated principally to promote some community, industrial, or agricultural development that confers a public benefit rather than organized and operated principally to generate a pecuniary profit;".

SECTION 2. This act becomes effective October 1, 2001, and applies to offers or sales of securities occurring on or after that date.