

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

ACT 82 OF 1997
HOUSE BILL 1081

4
5 By: House Interim Committee on Insurance and Commerce
6 By: Senate Interim Committee on Insurance and Commerce

For An Act To Be Entitled

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9 "AN ACT TO REENACT ARKANSAS CODE 23-32-714 AS IT PERTAINS
10 TO THE POWERS OF BUILDING AND LOAN ASSOCIATIONS, SAVINGS
11 AND LOAN ASSOCIATIONS, AND CREDIT UNIONS; AND FOR OTHER
12 PURPOSES."

Subtitle

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15 "TO REENACT ARKANSAS CODE SECTION AS IT
16 PERTAINS TO THE POWERS OF BUILDING AND
17 LOAN ASSOCIATIONS, SAVINGS AND LOAN
18 ASSOCIATIONS, AND CREDIT UNIONS."

19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Investment in and loans to capital development corporations.

23 (a) In addition to the powers conferred upon building and loan
24 associations, savings and loan associations, or credit unions organized under
25 the laws of this state, each such entity shall have the power to:

26 (1) Acquire and own on its own behalf any stock or equity interest
27 issued by a capital development corporation. However, no such entity shall
28 invest more than ten percent (10%) of its capital and unimpaired surplus in
29 the stock or equity interest.

30 (2) Make loans to a capital development corporation, subject, however,
31 to the rules and regulations promulgated by the institutions* primary
32 regulator.

33 (b) Any investment in stock or equity interest made pursuant to this
34 section shall be considered an asset of the investing institution or
35 association at a value of at least its original purchase price, and the asset
36 shall not be valued by any regulatory body in this state at less than at least

1 the purchase price regardless of the failure of a capital development
 2 corporation to pay dividends or distributions of equity to the investors.

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4 SECTION 2. All provisions of this act of a general and permanent nature
 5 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 6 Revision Commission shall incorporate the same in the Code.

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8 SECTION 3. If any provision of this act or the application thereof to
 9 any person or circumstance is held invalid, such invalidity shall not affect
 10 other provisions or applications of the act which can be given effect without
 11 the invalid provision or application, and to this end the provisions of this
 12 act are declared to be severable.

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14 SECTION 4. All laws and parts of laws in conflict with this act are
 15 hereby repealed.

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17 SECTION 5. EMERGENCY. It is hereby found and determined by the General
 18 Assembly that the Arkansas Banking Act of 1997 goes into effect on May 31,
 19 1997; that the law addressed by this act was repealed by the Arkansas Banking
 20 Act of 1997 for technical purposes; that this act will reenact that law with
 21 necessary changes; and that this act must go into effect on May 31, 1997, in
 22 order to correlate with the Banking Act of 1997. Therefore an emergency is
 23 declared to exist and this act being immediately necessary for the
 24 preservation of the public peace, health and safety shall be in full force and
 25 effect from and after May 31, 1997.

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APPROVED: 2-04-97

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