State of Arkansas
80th General Assembly
Regular Session, 1995

A Bill

HOUSE BILL 1009

By: Representative George

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 23-32-224 TO ELIMINATE THE REQUIREMENT THAT BANK DIRECTORS MUST OWN STOCK IN THE BANK; AND FOR OTHER PURPOSES."

Subtitle

"TO ELIMINATE THE REQUIREMENT THAT BANK DIRECTORS MUST OWN STOCK IN THE BANK."

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

SECTION 1. Arkansas Code 23-32-224 (a) is amended to read as follows:

"(a)(1) The affairs of any incorporated bank organized under the laws of this state shall be managed and controlled by a board of directors of not less than three (3) persons, who shall be selected at such times and in such manner as may be provided by its bylaws. Members of the board of directors are not required to be stockholders either of the bank or of its bank holding company unless so provided in the bylaws of the bank.

(2) The initial board of directors may be elected by the incorporators, the privilege of cumulative voting to have no application to the election of the initial board."

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

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

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 All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that Act 154 of 1993 eliminated one provision in the Arkansas Code which required bank directors to be stockholders but failed to eliminate that requirement from another portion of the Arkansas Code; that this Act clarifies the law by removing the language which was intended to be deleted by Act 154; and that until this Act goes into effect confusion will exist as to whether bank directors must be stockholders. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.