

HOUSE BILL NO. 1060

Introduced by

Representatives Drovdal, N. Johnson, Boe

Senators Espgaard, Taylor, Klein

1 A BILL for an Act to amend and reenact sections 10-30.6-01 and 10-30.6-05 of the North
2 Dakota Century Code, relating to community development corporation formation requirements
3 and board of director requirements.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 10-30.6-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **10-30.6-01. Organization.**

8 1. To the extent permitted by federal law, any ~~three~~ one or more banks may form a
9 community development corporation by complying with the conditions prescribed in
10 this chapter and subscribing and acknowledging a certificate specifying:

11 a. The name, the general nature of its business, and the principal place of
12 transacting its business. The name must distinguish the corporation from all
13 other corporations authorized to do business in the state and must contain the
14 words "community development corporation".

15 b. The period of its duration, which is perpetual.

16 c. The name and principal business address of each incorporator.

17 d. The names and addresses of those composing its board until the first election.

18 e. The highest amount of indebtedness or liability to which the corporation may
19 be subject.

20 2. The certificate may contain any other lawful provision defining the powers and
21 business of the corporation, its officers, directors, members, and stockholders.

22 ~~3. One bank may hold no more than forty nine percent of the stock in the corporation.~~

23 **SECTION 2. AMENDMENT.** Section 10-30.6-05 of the North Dakota Century Code is
24 amended and reenacted as follows:

10-30.6-05. Board of directors.

1. All the corporate powers of the corporation must be exercised by a board of no fewer than ~~fifteen~~ five elected directors who must be residents of this state. The number of directors and their term of office must be determined in the bylaws. If any vacancy occurs in the board of directors, the remaining directors may elect a person to fill the vacancy until the next annual meeting of the corporation.
2. The first board of directors shall adopt bylaws, which remain effective until amended or repealed by action of the board.
3. The first annual meeting must be held at a date to be fixed by the board of directors as soon as reasonably possible after a minimum of twenty-five percent of the capital stock of the corporation has been paid into its treasury. The annual meeting must be called in the manner provided by the bylaws.