

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

S

1

SENATE BILL 1009

Short Title: Directors Terms/State Corps.

(Public)

Sponsors: Senator Perdue.

Referred to: Transportation.

April 29, 1993

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT STOCKHOLDERS OF CORPORATIONS OF WHICH THE STATE OF NORTH CAROLINA OWNS A MAJORITY OF THE STOCK MAY REMOVE DIRECTORS WITHOUT CAUSE AND MAY AMEND THE ARTICLES OF INCORPORATION TO CHANGE THE TERMS OF OFFICE OF DIRECTORS OF THE CORPORATION.

The General Assembly of North Carolina enacts:

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

"§ 124-5. Approval of encumbrance on State's interest in corporations; terms of directors.

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

(a1) Notwithstanding any provision of Chapter 55 of the General Statutes or of the articles of incorporation or bylaws of the corporation, in the case of any corporation in which the State owns the majority of any class of voting stock, the articles of incorporation may be amended by vote of the shareholders, without approval of the board of directors, to change the terms of office of directors of the corporation, including terminating the terms of directors already in office. The amendment may be proposed by any shareholder, and notice of action on the proposed amendment shall be given in accordance with G.S. 55-7-05. The amendment may be voted on at a regular or special meeting of the shareholders, including a special meeting called by the shareholders under the procedures of G.S. 55-7-02(2). Any amendment adopted under

1 this subsection shall be filed with the Secretary of State as if it had been adopted under
2 Chapter 55 of the General Statutes. This section is supplemental to any procedure for
3 amending the articles of incorporation provided in Chapter 55 of the General Statutes.

4 (a2) Notwithstanding the articles of incorporation of the corporation, in the case of
5 any corporation in which the State owns the majority of any class of voting stock, the
6 shareholders may remove one or more directors under G.S. 55-8-08 with or without
7 cause. Procedures for removal shall be in accordance with Chapter 55 of the General
8 Statutes."

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