

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 277

Short Title: Community Development Exemption-AB.

(Public)

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Sponsors: Senator Hartsell.

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Referred to: Judiciary I.

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March 1, 2001

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THAT THE EXEMPTION FOR THE OFFER AND SALE OF  
2 COMMUNITY DEVELOPMENT STOCK IS ALLOWED ONLY FOR  
3 CORPORATIONS THAT ARE ORGANIZED AND THAT OPERATE TO  
4 CONFER A PUBLIC BENEFIT.  
5

6 The General Assembly of North Carolina enacts:

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

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

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