

Session 113 - (1999-2000)

H 4468 General Bill, By Cato, Walker, Carnell, Chellis, Gamble, Limehouse, Riser, Sandifer, Simrill, Neilson and Lourie Similar (S 1020)

Summary: Business development corporation member, short-term loans, mortgages; Banks, Financial institutions, Corporations

A BILL TO AMEND SECTION 33-37-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEFINITIONS IN CONNECTION WITH BUSINESS DEVELOPMENT CORPORATIONS, SO AS TO INCLUDE AS A FINANCIAL INSTITUTION A FEDERAL OR STATE AGENCY WHICH LENDS OR INVESTS FUNDS, TO DEFINE "LOAN CALL" AND "LOAN CALL AGREEMENT" AND REDEFINE "LOAN LIMITS", AND TO PROVIDE FOR A WRITTEN LOAN AGREEMENT BETWEEN A CORPORATION AND ITS MEMBERS RATHER THAN A STATUTORY LINE OF CREDIT; TO AMEND SECTION 33-37-70, AS AMENDED, RELATING TO TAXATION OF A BUSINESS DEVELOPMENT CORPORATION, SO AS TO PROVIDE THE STATE TAX EXEMPTIONS ALSO FOR A SUBSIDIARY CORPORATION; TO AMEND SECTION 33-37-250, AS AMENDED, RELATING TO POWERS OF A BUSINESS DEVELOPMENT CORPORATION, SO AS TO PROVIDE THAT A BUSINESS DEVELOPMENT CORPORATION MAY NOT MORTGAGE OR ASSIGN ITS ASSETS EXCEPT ON A PRO RATA BASIS TO ALL PARTIES PROVIDING CREDIT, OTHER THAN FOR SHORT-TERM LOANS AND PURCHASE MONEY LOANS FOR THE ACQUISITION OF CERTAIN INDUSTRIAL AND BUSINESS ASSETS, TO PROVIDE FOR THE POWERS OF A BUSINESS DEVELOPMENT CORPORATION'S SUBSIDIARY, AND TO MAKE TECHNICAL CHANGES; TO AMEND SECTION 33-37-450, AS AMENDED, RELATING TO VOTING BY STOCKHOLDERS AND MEMBERS, SO AS TO PROVIDE FOR DETERMINATION OF THE NUMBER OF ADDITIONAL VOTES OF A MEMBER BY ITS LOAN LIMIT PURSUANT TO THE LOAN CALL AGREEMENT; TO AMEND SECTION 33-37-460, AS AMENDED, RELATING TO LOANS TO THE BUSINESS DEVELOPMENT CORPORATION, SO AS TO DELETE STATUTORY REQUIREMENTS FOR LINES OF CREDIT AND PROVIDE FOR LINES OF CREDIT PURSUANT TO MUTUAL AGREEMENT, DECREASE FROM TWENTY TO TEN PERCENT THE TOTAL AMOUNT A MEMBER MAY HAVE OUTSTANDING AT ANY ONE TIME ON LOANS TO THE CORPORATION, TO PROVIDE FOR REVOLVING LINES OF CREDIT AND LEAD LENDERS, AND TO DELETE THE AUTOMATIC INCREASE IN LINES OF CREDIT OF MERGING ENTITIES; AND BY ADDING SECTION 33-37-465 SO AS TO PROVIDE FOR THE MAKING AND SECURING OF SHORT-TERM LOANS TO THE CORPORATION BY A MEMBER.

01/20/00 House Introduced and read first time HJ-3

01/20/00 House Referred to Committee on Labor, Commerce and Industry HJ-4