

1 SB458
2 118800-1
3 By Senator Pittman (Constitutional Amendment)
4 RFD: Banking and Insurance
5 First Read: 23-FEB-10

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8 SYNOPSIS: Under the Constitution of Alabama of 1901,
9 Article XIII relates to banks and banking. This
10 bill would propose an amendment to the Constitution
11 which would rewrite one section of Article XIII as
12 generally described herein and would repeal certain
13 other sections.

14 This bill would subdivide Section 247 of the
15 Constitution of Alabama of 1901, now appearing as
16 Section 247 of the Official Recompilation of the
17 Constitution of Alabama of 1901, as amended, into
18 four subsections and amend the section by adding
19 language prohibiting any bank from being
20 established except by a general banking law as well
21 as inserting language formerly in Section 251,
22 Section 253, and Section 254 of the Constitution of
23 Alabama of 1901, now appearing as Sections 251,
24 253, and 254 of the Official Recompilation of the
25 Constitution of Alabama of 1901, as amended,
26 regarding unlimited duration, political

1 subdivisions may not be stockholders or lend
2 credit, and bank examination requirements.

3 This bill would repeal the following
4 Sections of Article XIII of the Constitution of
5 Alabama of 1901; Section 248 of the Constitution of
6 Alabama of 1901, now appearing as Section 248 of
7 the Official Recompilation of the Constitution of
8 Alabama of 1901, as amended, relating to banking
9 laws being general, specie basis, and the authority
10 to issue bills to circulate as money; Section 249
11 of the Constitution of Alabama of 1901, now
12 appearing as Section 249 of the Official
13 Recompilation of the Constitution of Alabama of
14 1901, as amended, relating to bills or notes issued
15 as money redeemable in gold or silver and
16 specifying laws may not sanction suspension of the
17 specie payments; Section 251, as amended by
18 Constitutional Amendment 51 of the Constitution
19 Alabama of 1901, now appearing as Section 251 of
20 the Official Recompilation of the Constitution of
21 Alabama of 1901, as amended, relating to
22 termination of business; Section 252 of the
23 Constitution Alabama of 1901, now appearing as
24 Section 252 of the Official Recompilation of the
25 Constitution of Alabama of 1901, as amended,
26 relating to maximum rate of interest; Section 253
27 of the Constitution Alabama of 1901, now appearing

1 as Section 253 of the Official Recompilation of the
2 Constitution of Alabama of 1901, as amended,
3 relating to state and political subdivisions not to
4 be stockholders in banks or lend credit thereto;
5 and Section 254 of the Constitution Alabama of
6 1901, now appearing as Section 254 of the Official
7 Recompilation of the Constitution of Alabama of
8 1901, as amended, relating to examinations of banks
9 by public officers and semiannual reports by banks.
10 Section 250 of Article XIII was repealed by
11 Constitutional Amendment 5.

12 Section 255, relating to the applicability
13 of the article, would not be changed. Section
14 255.01, relating to nonresidents making mortgage
15 loans through licensed mortgage loan brokers, would
16 not be changed.

17
18 A BILL
19 TO BE ENTITLED
20 AN ACT
21

22 Proposing an amendment to the Constitution of
23 Alabama of 1901, to amend Section 247 now appearing as Section
24 247 of the Official Recompilation of the Constitution of
25 Alabama of 1901, as amended, relating to the general power of
26 the Legislature regarding banks and banking to include in that
27 section existing provisions concerning unlimited duration,

1 political subdivisions may not be stockholders or lend credit,
2 and bank examination requirements; and to repeal the following
3 Sections of Article XIII, relating to banks and banking:

4 Section 248 of the Constitution of Alabama of 1901, now
5 appearing as Section 248 of the Official Recompilation of the
6 Constitution of Alabama of 1901, as amended; Section 249 of
7 the Constitution of Alabama of 1901, now appearing as Section
8 249 of the Official Recompilation of the Constitution of
9 Alabama of 1901, as amended; Section 251 of the Constitution
10 of Alabama of 1901, as amended by Constitutional Amendment 51,
11 now appearing as Section 251 of the Official Recompilation of
12 the Constitution of Alabama of 1901, as amended; Section 252
13 of the Constitution Alabama of 1901, now appearing as Section
14 252 of the Official Recompilation of the Constitution of
15 Alabama of 1901, as amended, relating to maximum rate of
16 interest; Section 253 of the Constitution of Alabama of 1901,
17 now appearing as Section 253 of the Official Recompilation of
18 the Constitution of Alabama of 1901, as amended, relating to
19 state and political subdivisions not to be stockholders in
20 banks or lend credit thereto; and Section 254 of the
21 Constitution of Alabama of 1901, now appearing as Section 254
22 of the Official Recompilation of the Constitution of Alabama
23 of 1901, as amended, relating to examinations of banks by
24 public officers and semiannual reports by banks.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. The following amendment to the
27 Constitution of Alabama of 1901, as amended, is proposed and

1 shall become valid as a part thereof when approved by a
2 majority of the qualified electors voting thereon and in
3 accordance with Sections 284, 285, and 287 of the Constitution
4 of Alabama of 1901, now appearing as Sections 284, 285, and
5 287 of the Official Recompilation of the Constitution of
6 Alabama of 1901, as amended:

7 PROPOSED AMENDMENT

8 1. Section 247 of the Constitution of Alabama of
9 1901, is amended to read as follows:

10 "Section 247. Authority of Legislature ~~Restricted~~.

11 "(a) The Legislature shall not have the power to
12 establish or incorporate any bank or banking company or
13 moneyed institution for the purpose of issuing bills of credit
14 or bills payable to order or bearer, except under the
15 conditions prescribed in this Constitution. No bank shall be
16 established otherwise than under a general banking law.

17 "(b) There shall be no limit of time for the
18 duration of a corporation organized as a bank or banking
19 company, and it shall not be necessary to renew or extend the
20 life or charter of any such corporation now existing. All
21 extensions of the life or charter of any such corporations are
22 ratified and confirmed.

23 "(c) Neither the state, nor any political
24 subdivision thereof, shall be a stockholder in any bank, nor
25 shall the credit of the state or any political subdivision
26 thereof be given or lent to any banking company, banking
27 association, or banking corporation.

1 "(d) The Legislature, by appropriate laws, shall
2 provide for the examination, by some public officer, of all
3 banks and banking institutions and trust companies engaged in
4 banking business in this state; and each of such banks and
5 banking companies or institutions, through its president, or
6 such other officer as the Legislature may designate, shall
7 make a report under oath of its resources and liabilities at
8 least twice a year."

9 2. The following sections of Article XIII of the
10 Constitution of Alabama of 1901, relating to banks and
11 banking, are repealed: Section 248, relating to banking laws
12 being general, specie basis, and the authority to issue bills
13 to circulate as money; Section 249, relating to bills or notes
14 issued as money redeemable in gold or silver and specifying
15 laws may not sanction suspension of the specie payments;
16 Section 251, as amended by Constitutional Amendment 51,
17 relating to termination of business; Section 252, relating to
18 maximum rate of interest; Section 253, relating to state and
19 political subdivisions not to be stockholders in banks or lend
20 credit thereto; and Section 254, relating to examinations of
21 banks by public officers and semiannual reports by banks.

22 END OF PROPOSED AMENDMENT

23 Section 2. An election upon the proposed amendment
24 shall be held in accordance with Sections 284 and 285 of the
25 Constitution of Alabama of 1901, now appearing as Sections 284
26 and 285 of the Official Recompilation of the Constitution of

1 Alabama of 1901, as amended, and the election laws of this
2 state.

3 Section 3. The appropriate election official shall
4 assign a ballot number for the proposed constitutional
5 amendment on the election ballot and shall set forth the
6 following description of the substance or subject matter of
7 the proposed constitutional amendment:

8 "Proposing an amendment to the Constitution of
9 Alabama of 1901, to amend Section 247 relating to the
10 authority of the Legislature concerning banks and banking and
11 to repeal various other provisions of Article XIII concerning
12 banks and banking.

13 "Proposed by Act _____."

14 This description shall be followed by the following
15 language:

16 "Yes () No ()."