

No. 97

## AN ACT

Amending the act of May 15, 1933 (P. L. 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," deleting the requirement that shareholders be given sixty days' notice of proposed amendments to increase authorized capital.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: Banking Code.

Section 1. Subsection A of section 411, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended April 11, 1945 (P. L. 208), is amended to read:

*Subsection A, section 411, act of May 15, 1933, P. L. 624, amended April 11, 1945, P. L. 208, further amended.*

Section 411. Increase of Authorized Capital.—A. A bank, a bank and trust company, or a trust company may amend its articles to increase its authorized capital, in the same manner and with the same approval as is required by this act for any amendment to the articles of a bank, a bank and trust company, or a trust company [, except that written notice of a proposed amendment for increasing the authorized capital of the institution shall be given to each shareholder entitled to vote thereon at least sixty days prior to such meeting, and except that a proposed amendment, for increasing the authorized capital of the institution, shall be adopted by the holders of at least a majority in amount of the aggregate par value of the outstanding shares entitled to vote at such meeting, and by the holders of at least a majority in number of the outstanding shares entitled to vote at such meeting].

Such increase of authorized capital shall, however, become invalid and inoperative unless the actual increase of capital, which is authorized, shall be made within one year from the date of the issuance of the certificate of amendment. If any portion of such authorized capital shall be created and issued within such one-year period,

only such portion as remains unissued within such period shall become invalid and inoperative. In the case of a bank, a bank and trust company, or a trust company, which, upon the effective date of this act, has an authorized capital which exceeds the par value of its outstanding shares, such one-year period shall date from the effective date of this act. Such actual increase may be made from time to time within such period of one year, but no such increase shall be made until the shares shall be paid for in full, pursuant to the provisions of this act as to the creation or issuance of any share. Such increase may, however, be made by the declaration of a share dividend, in accordance with the provisions of this act concerning such share dividends.

However, a bank, a bank and trust company, or a trust company may issue common shares to provide for the concurrent retirement of shares of any class other than common shares. Such common shares shall be issued for a consideration of not less than the par value of such shares and in all other respects shall be subject to all of the requirements for, and limitations upon, the issuance of common shares prescribed by this act, except that, if such common shares are issued pursuant to the declaration of a share dividend, with the approval of the Department of Banking, and in accordance with the provisions of this act concerning such share dividends, and, if such issuance of common shares shall not effect an increase or decrease of capital, no meeting of the shareholders, nor their vote, need be required. The bank, the bank and trust company, or the trust company shall, upon effecting such issuance of common shares and the retirement of shares of another class, file articles of amendment in the manner provided in this act, except that such articles need not state that advertisement has been made, or notice given, or action taken by the shareholders.

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Subsection B,  
section 1402, act  
of May 15, 1933,  
P. L. 624,  
amended.

Section 2. Subsection B of section 1402 of the act is amended to read:

Section 1402. Approval of Joint Plan of Merger or Consolidation.

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B. The board of directors of each bank, bank and trust company, trust company, or national banking association, upon approving such plan of merger or plan of consolidation, in accordance with the provisions of this act, shall, by resolution, direct that the plan be submitted to a vote of the shareholders of such bank, bank and trust company, or trust company or national banking association entitled to vote thereon, at an annual or special meeting of the shareholders.

The board of trustees of each savings bank, upon approving such plan of merger or plan of consolidation in accordance with the provisions of this act, shall, by resolution, direct that the plan be submitted to a vote of the board at a designated regular or special meeting at least ten days thereafter.

Written notice shall, not less than ten days before such meeting, be given respectively to each shareholder of record or to each trustee who was not present at the meeting at which the resolution providing for the meeting was adopted [, unless, in the case of a bank, a bank and trust company, a trust company, or a national banking association, the plan of merger or consolidation contemplates an increase in the authorized capital of the constituent corporations, in which event sixty days' notice of such meeting shall be given to each shareholder]. The notice shall state the place, day, hour, and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

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APPROVED—The 27th day of May, A. D. 1957.

GEORGE M. LEADER

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No. 98

AN ACT

Amending the act of May 24, 1945 (P. L. 991), entitled "An act to promote elimination of blighted areas and supply sanitary housing in areas throughout the Commonwealth; by declaring acquisition, sound replanning and redevelopment of such areas to be for the promotion of health, safety, convenience and welfare; creating public bodies corporate and politic to be known as Redevelopment Authorities; authorizing them to engage in the elimination of blighted areas and to plan and contract with private, corporate or governmental redevelopers for their redevelopment; providing for the organization of such authorities; defining and providing for the exercise of their powers and duties, including the acquisition of property by purchase, gift or eminent domain; the leasing and selling of property, including borrowing money, issuing bonds and other obligations, and giving security therefor; restricting the interest of members and employes of authorities; providing for notice and hearing; supplying certain mandatory provisions to be inserted in contracts with redevelopers; prescribing the remedies of obligees of redevelopment authorities; conferring certain duties upon local planning commissions, the governing bodies of cities and counties, and on certain State officers, boards and departments," revising basic facts and policy, changing definition of "redeveloper" and "redevelopment," further defining the powers of an Authority, and extending and changing redevelopment proposal requirements.