

1 HOUSE BILL 176

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 Thomas C. Taylor and John C. Ryan

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10 AN ACT

11 RELATED TO BANKING; INCREASING MINIMUM PAID-UP CAPITAL STOCK.

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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

14 SECTION 1. Section 58-1-55 NMSA 1978 (being Laws 1963,
15 Chapter 305, Section 43, as amended) is amended to read:

16 "58-1-55. CAPITAL STRUCTURE--IMPAIRMENT OF CAPITAL.--

17 A. A state bank shall have such capital structure
18 as the [~~commissioner shall deem~~] director deems adequate,
19 except that no bank hereafter organized shall do business
20 unless it [~~shall have~~] has a bona fide minimum paid-up capital
21 stock structure of at least [~~five hundred thousand dollars~~
22 ~~(\$500,000)~~] five million dollars (\$5,000,000), divided one-half
23 to common capital and the remaining one-half to surplus and
24 undivided profits. No bank shall pay a dividend on its common
25 stock unless its remaining surplus after payment of [~~such~~] the

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[bracketed material] = delete

underscoring material = new
[bracketed material] = delete

1 dividend equals twenty percent of the minimum common capital
2 requirement. All banks heretofore or hereafter organized shall
3 transfer at least a one-fifth part of their net profits for the
4 preceding accounting period to their surplus fund until the
5 [~~same~~] surplus fund equals fifty percent of their common
6 capital stock. When the surplus fund of a bank equals fifty
7 percent of [~~their~~] its common capital stock, there shall be
8 added to the surplus fund each accounting period ten percent of
9 the net profits of the bank until the surplus fund is equal to
10 the common capital stock, and [~~such~~] the surplus shall
11 thereafter be maintained unless impaired by unavoidable losses.
12 This section shall not be construed to apply to trust
13 companies.

14 B. Whenever the capital of any bank [~~shall be~~] is
15 impaired, it shall make no new loans or discounts."

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