

ARTICLE 11.

Corporations.

Section 1. The General Assembly shall not have power to establish, or incorporate, any bank or banking company, or moneyed institution, for the purpose of issuing bills of credit, or bills payable to order or bearer, except under the conditions prescribed in this Constitution.

Section 2. No banks shall be established otherwise than under a general banking law, except as provided in the fourth section of this article.

Section 3. If the General Assembly shall enact a general banking law, such law shall provide for the registry and countersigning, by an officer of State, of all paper credit designed to be circulated as money; and ample collateral security, readily convertible into specie, for the redemption of the same in gold or silver, shall be required; which collateral security shall be under the control of the proper officer or officers of State.

Section 4. The General Assembly may also charter a bank with branches, without collateral security as required in the preceding section.

Section 5. If the General Assembly shall establish a bank with branches, the branches shall be mutually responsible for each other's liabilities upon all paper credit issued as money.

Section 6.
(History: Repealed November 5, 1940).

Section 7. All bills or notes issued as money shall be, at all times, redeemable in gold or silver; and no law shall be passed, sanctioning, directly or indirectly, the suspension, by any bank or banking company, of specie payments.

Section 8. Holders of bank notes shall be entitled, in case of insolvency, to preference of payment over all other creditors.

Section 9. No bank shall receive, directly or indirectly, a greater rate of interest than shall be allowed, by law, to individuals loaning money.

Section 10.
(History: Repealed November 5, 1940).

Section 11. The General Assembly is not prohibited from investing the Trust Funds in a bank with branches; but in case of such investment, the safety of the same shall be guaranteed by unquestionable security.

Section 12. The State shall not be a stockholder in any bank; nor shall the credit of the State ever be given, or loaned, in aid of any

person, association or corporation; nor shall the State become a stockholder in any corporation or association. However, the General Assembly may by law, with limitations and regulations, provide that prohibitions in this section do not apply to a public employee retirement fund.

(History: As Amended November 5, 1996).

Section 13. Corporations, other than banking, shall not be created by special act, but may be formed under general laws.

Section 14. Dues from corporations shall be secured by such individual liability of the stockholders, or other means, as may be prescribed by law.

(History: As Amended November 5, 1940).