

HB 678 -- CORPORATIONS

SPONSOR: Byrd

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Judiciary by a vote of 12 to 0.

This bill allows a corporation, through its articles of incorporation or bylaws, to specify that classes or series of its stock will be uncertificated shares. Corporations must, upon request, furnish to holders of uncertificated shares information regarding the voting powers, designations, and preferences, as well as relative, participating, optional, or other special rights of each class of stock. If the remedy provided for in the section outlining the rights of dissenting shareholders is available with respect to a transaction, that remedy is the exclusive remedy for the shareholder unless there is fraud or lack of authorization for the transaction.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the bill reflects the movement toward issuing uncertificated shares and makes some necessary technical changes.

Testifying for the bill were Representative Byrd; and Emerson Electric.

OPPOSERS: There was no opposition voiced to the committee.

Amy Woods, Senior Legislative Analyst