

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4618-03  
Bill No.: HB 1715  
Subject: Business and Commerce  
Type: Original  
Date: February 19, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Office of the Secretary of State - Corporations Division** assume no fiscal impact.

**Oversight** assumes this proposal would have on local fiscal impact.

<b><u>FISCAL IMPACT - State Government</u></b>	<b>FY 2007 (10 Mo.)</b>	<b>FY 2008</b>	<b>FY 2009</b>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<b><u>FISCAL IMPACT - Local Government</u></b>	<b>FY 2007 (10 Mo.)</b>	<b>FY 2008</b>	<b>FY 2009</b>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill changes the procedure for the sale of stock shares by dissenting shareholders of a corporation which is a party to a merger or consolidation. To be eligible, a shareholder must:

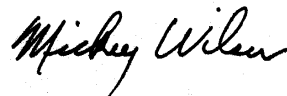
- (1) Own stock of the corporation undergoing a merger or consolidation as of the date of the shareholder meeting when the plan of merger was submitted to a vote;
- (2) File a written objection to the merger before or in the meeting at which the merger is submitted to a vote;
- (3) Not vote in favor of the merger; and
- (4) File a written demand for payment of the fair value of the shares within 20 days after the merger with the new corporation.

Any shareholder not satisfying the above requirements will be conclusively presumed to have consented to the merger. Corporations are required to provide notice to each shareholder owning stock as of the record date for the meeting at which the merger is submitted to a vote, whether or not the shareholder is entitled to vote.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State - Corporations Division



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