

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: SB131

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Stosch

3. Committee: Passed Both Houses

4. Title: **Virginia Nonstock Corporation Act.**

5. Summary: Virginia Nonstock Corporation Act. Conforms provisions of the Virginia Nonstock Corporation Act to revisions to the Model Business Corporation Act prepared by the Business Law Section of the American Bar Association, and makes several technical or clarifying revisions. Provisions (i) expand the governing of electronic transmission of notices and other communications; (ii) provide that notice to a member that is sent by U.S. mail is effective upon deposit in the U.S. mail; currently, such mailings to members are effective five days after mailing; (iii) require words in communications to be in the English language, unless otherwise agreed; (iv) permit a board of directors to establish separate record dates for determining members entitled to notices of, and to vote at, meetings; (v) allow members to participate remotely in members' meetings; (vi) repeal the existing provision that limits the power of the board of directors to alter the board's size to an amount not greater than 30 percent of its existing size; (vii) confirm the authority of a board of directors to require the corporation to provide indemnity, including advancement and reimbursement; (viii) authorize a corporation to obligate itself to provide indemnification, and advance funds to pay for or reimburse expenses, in advance of the act or omission giving rise to a proceeding; and (ix) correct cross-references.

6. Fiscal Impact Estimates: Final. No fiscal impact.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: None.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: This legislation was introduced at the request of the Virginia Bar Association's Business Counsel Section.

Date: 2/26/10 JP