

State Corporation Commission 2007 Fiscal Impact Statement

1. Bill Number SB1285

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Stosch

3. Committee Commerce and Labor

4. Title Virginia Stock Corporation Act.

5. Summary/Purpose: Virginia Stock Corporation Act. Authorizes circuit courts to appoint a custodian or receiver for a public corporation in proceedings where the directors are deadlocked or are acting fraudulently and causing irreparable injury to the corporation. The measure establishes requirements regarding approval of interested transactions involving the acquisition or conversion of shares or assets of the corporation by a person who is the beneficial owner of 20% or more of the voting power or otherwise in an interested person. Other provisions (i) modify the requirements for taking corporate actions without meetings, with the consent of shareholders; (ii) authorize corporations to engage in "householding," where one copy of notices, reports, and statements are provided for all of shareholders who share a common address, with the consent of each shareholder at the address; (iii) address giving notice of appraisal rights that may be available when certain corporate actions are proposed; and (iv) establish limitations on the ability of shareholders to contest certain fundamental transactions after shareholders have approved the corporate action.

6. No Fiscal Impact on the State Corporation Commission.

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission.

9. Specific agency or political subdivisions affected: Circuit courts

10. Technical amendment necessary: None noted.

11. Other comments: No.

Date: 1/17/07 JHP

cc: Secretary of Commerce and Trade