

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: SB146

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Stosch

3. Committee: Commerce and Labor

4. Title: **Stock and nonstock corporations.**

5. Summary: Stock and nonstock corporations. Authorizes the State Corporation Commission to correct Commission records at any time to eliminate clerical errors and eliminate filings made by a person without the authority of the stock or nonstock corporation. The current provision that bars the filing of articles of correction more than 30 days after the effective date of the certificate relating to the articles to be corrected is repealed, and the period within which a shareholder is required to file a petition asserting that a certification contains a misstatement of a material fact is increased from 10 to 30 days after the effective date of the certificate. The measure clarifies that actions required to be adopted, as well as actions required to be taken, at a shareholders meeting may be adopted or taken without a meeting. The requirement that a stock corporation give nonvoting shareholders written notice of certain actions not less than 15 days before the action becomes effective is repealed. A provision that allowed an exception to the requirement that, unless otherwise provided in the articles of incorporation, each class of share be allowed to vote as a separate voting group on a proposed amendment to the articles that would increase or decrease the aggregate number of authorized shares of the class is repealed. Other elements revise provisions relating to the time limit on the commencement of proceedings to enforce a claim against a dissolved corporation, limitations on remedial actions, maintaining records with respect to beneficial owners whose shares are held by a nominee, and proceedings to determine the security to be provided for claims involving a dissolved corporation.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	\$9,660		

7. Budget Amendment Necessary: No.

8. Fiscal Implications: All programming modifications will take 138 hours to complete. One programmer (138 x \$70/hr. = \$9,660.00)

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission, State Corporation Commission Clerk's Office and State Corporation Commission Information Technology Division

10. Technical Amendment Necessary: None.

11. Other Comments: Would require substantial modification to the Clerk's Information System.

This legislation has been reported from the Senate Committee with amendments, passed the Senate and has been communicated to the House of Delegates.

Date: 1/18/2008 JHP

Document: G:\FIS Template for 2008.doc

cc: Secretary of Commerce and Trade