

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: SB100

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

2. Patron: Stosch

3. Committee: Passed Senate

4. Title: **Stock Corporation Act; conforms provisions of Act to revisions to Model Business Corporation Act.**

5. Summary: Virginia Stock Corporation Act. Conforms provisions of the Virginia Stock Corporation Act to revisions to the Model Business Corporation Act prepared by the Business Law Section of the American Bar Association, and makes several clarifying revisions. Elements of the measure include (i) expanding provisions governing the electronic transmission of notices and other communications; (ii) providing that notice to a shareholder that is sent by U.S. mail is effective upon deposit in the U.S. Mail; currently, such mailings to shareholders are effective five days after mailing; (iii) authorizing corporate officers to make equity compensation awards; (iv) confirming shareholders' authority to adopt proxy access and proxy expense reimbursement bylaws; (v) permitting a board of directors to establish separate record dates for determining shareholders entitled to notices of, and to vote at, meetings; (vi) allowing shareholders to participate remotely in shareholders meetings; (vii) addressing the authority of a circuit court to resolve disputes relating to a vote by shareholders; (viii) repealing 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; (ix) confirming the authority of a board of directors to require the corporation to provide indemnity, including advancement and reimbursement; (x) authorizing 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; (xi) requiring class voting by affected classes with respect to mergers, unless otherwise provided in the articles of incorporation; and (xii) requiring that the articles of merger in a parent-subsidiary merger recite the Code section under which the merger is being effected.

6. Fiscal Impact Estimates: 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: The proponent of Senate Bill 100 and its companion, Senate Bill 131, is the Virginia Bar Association Business Section Counsel.

This bill was amended and has passed the Senate.

Date: 2/1/2010 J. Peck