

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: SB50

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Watkins

3. Committee: Commerce and Labor

4. Title: Corporations and limited liability companies; conversions, dissolution, and procedures.

5. Summary: Business entities; conversions, dissolutions, and procedures. Establishes a procedure by which a nonstock corporation may convert to a limited liability company. Other provisions of the bill update provisions of the Virginia Stock Corporation Act, Virginia Nonstock Corporation Act, and Virginia Limited Liability Company Act to (i) remove duplicative provisions addressing remote participation in meetings, (ii) prescribe requirements when the less-than-unanimous consent of shareholders is required, (iii) specify that original share transfer books are prima facie evidence of who is entitled to examine the shareholders list, (iv) specify that the articles or bylaws may prescribe qualifications to be a director, (v) clarify that only the new amendments set out in a restatement of articles of incorporation require shareholder approval, (vi) permit public corporations to satisfy requirements for providing financial statements to shareholders entitled to appraisal rights in any manner permitted by the U.S. Securities and Exchange Commission, (vii) remove the ability of a corporation to adopt a proposal to dissolve after a court has entered a purchase order, and (viii) authorize members to rescind the dissolution of a limited liability company. The measure also includes technical amendments.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: None on the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission

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

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/20/12 JP