HB 1715 -- CORPORATIONS (Pratt)

COMMITTEE OF ORIGIN: Judiciary

This bill changes the procedure for the sale of stock shares by dissenting shareholders of a corporation which is a party to a merger or consolidation. To be eligible, a shareholder must:

(1) Own stock of the corporation undergoing a merger or consolidation as of the date of the shareholder meeting when the plan of merger was submitted to a vote;

(2) File a written objection to the merger before or in the meeting at which the merger is submitted to a vote;

(3) Not vote in favor of the merger; and

(4) File a written demand for payment of the fair value of the shares within 20 days after the merger with the new corporation.

Any shareholder not satisfying the above requirements will be conclusively presumed to have consented to the merger. Corporations are required to provide notice to each shareholder owning stock as of the record date for the meeting at which the merger is submitted to a vote, whether or not the shareholder is entitled to vote.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.