

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3681-02
Bill No.: SB-931
Subject: Corporations- Securities
Type: Original
Date: January 28, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Attorney General** assume no fiscal impact.

Officials of the **Department of Revenue** assume no fiscal impact.

Officials of the **Office of Secretary of State- Corporations Division and Securities Division** assume there would be no fiscal impact.

Oversight assumes no local fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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	\$0	\$0	\$0
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act makes several changes regarding limited liability companies and corporations.

DISSOLUTION OF DEADLOCKED LIMITED LIABILITY COMPANY - (Section 347.143) -
This act provides for judicial dissolution of a limited liability company in the event the members are deadlocked.

DESCRIPTION (continued)

PLEADING AND BURDEN OF PROOF - (Section 351.055)- This act provides that on a motion to dismiss, a person challenging an exculpation provision must plead facts with particularity and on a motion for summary judgement has the burden of proving the provision is inapplicable.

BONDHOLDER'S POWER TO VOTE - (Section 351.056) - This act provides that a corporation may confer the power to vote upon holders of bonds, debentures or other obligations.

STOCK OPTIONS - (Section 351.182) - This act provides that under certain circumstances, the board of directors may delegate to officers the right to grant stock options.

CORPORATE REQUIREMENTS - (Section 351.247) - Allows a corporation which has elected to not be governed by the close corporation provisions of Chapter 351 to modify, by shareholder agreement, various corporate requirements. This act does not affect corporations which have elected to operate pursuant to the close corporation provisions, and is retroactive.

RENUNCIATION OF BUSINESS OPPORTUNITIES - (Section 351.385) - This act allows a corporation to adopt a provision in its articles renouncing any interest in specified business opportunities.

DISPOSITION OF ASSETS - (Section 351.400) - This act provides for disposition of corporate assets on the terms and conditions determined by the board of directors, without shareholder approval.

ABANDONMENT OF MERGER OR CONSOLIDATION - (Section 351.431) - This act allows a corporation to abandon an approved merger or consolidation prior to the merger or consolidation becoming effective.

DEMAND FOR VALUE OF SHARES - (Section 351.455) - This act provides that a shareholder with voting shares who objects to a merger or consolidation has the right to appraisal if the objection is filed prior to the meeting of shareholders.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Secretary of State- Division of Corporations and Securities
Office of Attorney General
Department of Revenue



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Acting Director
January 28, 2002