

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 144 - HB 620**

February 20, 2015

**SUMMARY OF BILL:** Makes a technical correction to the Tennessee Business Corporation Act (TBCA) involving notice of action taken by shareholders of a for-profit business corporation to include a statutory reference; deletes provision in TBCA stating that separate voting by voting groups is required on plan mergers, by each class or series of share that are to be converted under the plan of mergers into shares, other securities, interests, obligations, rights to acquire shares, other securities or interests, cash, other property, or any combination thereof; deletes dissenters' rights provision in TBCA that requires the date by which notice to withdraw a dissenter' notice must be received; adds clarifying language to TBCA regarding information that should be sent with dissenter payments concerning fair value of shares; and adds new provisions to TBCA related to directors making proper distribution of assets to shareholders when a corporation is being dissolved.

Adds new definition "sign" and "signature" to the Tennessee Nonprofit Corporation Act (TNCA); and deletes provision from TNCA that states separate voting by voting groups is required on plan mergers, by each class or series of share that, are to be converted under the plan of mergers into shares, other securities, interests, obligations, rights to acquire shares, other securities or interests, cash, other property, or any combination thereof.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- According to the Department of State, this bill is a technical corrections bill to remedy errors and omissions from the 2014 revisions to the TBCA and the TNCA such that there is more conformity for the two acts.
- The Department of State indicates that any change in the volume of corporate documents that will be handled within the Business Services Division is not significant.
- Any other impact as a result of the bill will be borne by the for-profit and non-profit corporations regulated by the TBCA and the TNCA respectively.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

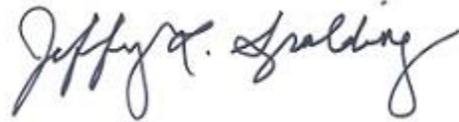
Assumptions:

**SB 144 - HB 620**

- The provisions of this bill places additional regulatory responsibility on for-profit and non-profit corporations. However, the proposed provisions of this bill are not anticipated to place a burden on such business entities that will impact business revenue or expenditures in a significant way.
- The number of employee positions within any for-profit or non-profit corporation is not anticipated to change as a result of this bill.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/dwl