
DIGEST

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HB 714 Engrossed

2016 Regular Session

Foil

Abstract: Provides for revisions to the Business Corporation Act.

Present law (R.S. 12:1-143) provides for the requirements of a qualified director.

Proposed law provides an exception to those who are qualified directors with respect to offering potential business opportunities to the corporation.

Present law (R.S. 12:1-202(A)) requires an acceptance, rejection, or limitation of the protection against liability of directors and officers to be included in the articles of incorporation.

Proposed law eliminates the requirement of providing for acceptance of the protection in the articles of incorporation.

Present law (R.S. 12:1-202(B)) provides for permissive inclusions in the articles of incorporation.

Proposed law (R.S. 12:1-202(B)(6)) provides that a prospective limitation or elimination of the duty to offer business opportunities to the corporation may be included in the articles of incorporation.

Proposed law (R.S. 12:1-709) provides for remote participation in shareholders' meetings.

Present law (R.S. 12:1-727) provides that greater quorum or voting requirements for shareholders may be included in the articles of incorporation.

Proposed law provides that greater voting requirements or greater or lesser quorum requirements for shareholders may be included in the articles of incorporation.

Present law (R.S. 12:1-802) provides generally that qualifications for directors may be included in the articles of incorporation or bylaws.

Proposed law provides for the specific qualifications for directors or nominees for directors that may be included and the applicability of such qualifications.

Present law (R.S. 12:1-820) provides for the manner in which meetings of the board of directors may be called.

Proposed law allows meetings of the board of directors to be called in accordance with the bylaws.

Present law (R.S. 12:1-832) provides for protection against monetary liability for directors and officers of all Louisiana business corporations, including those formed under former law.

Proposed law provides a transitional rule for corporations whose articles of incorporation contain "opt in" exculpation provisions under former law.

Present law (R.S. 12:1-955) provides for the effects of entity conversion.

Proposed law provides that a foreign entity may be served in accordance with the service of process rules for foreign corporations.

Present law (R.S. 12:1-1022) provides for a detailed set of rules concerning public corporation bylaw provisions relating to the election of directors.

Proposed law replaces the detailed set of rules provided under present law with a more general statement of authority.

Present law (R.S. 12:1-1106(A)) requires the articles of merger or share exchange to be signed on behalf of each party to the transaction.

Proposed law adds an exception for any subsidiary that is a party to a merger without the approval of its board of directors or shareholders.

Present law (R.S. 12:1-1435) allows an oppressed shareholder to deliver an affidavit with respect to any lost, stolen, or destroyed share certificates.

Proposed law additionally allows an oppressed shareholder to deliver an affidavit with respect to any share certificates that were previously delivered to the corporation.

Proposed law (R.S. 12:1-1705) provides a transition rule for reinstatement of a corporation whose charter was revoked before Jan. 1, 2015. Provides for such a corporation seeking reinstatement to file with the secretary of state a current annual report along with articles of charter-revocation reinstatement.

Present law provides for the Business Corporations Act, modeled after the Model Business Corporations Act, as enacted in 2014.

Proposed law incorporates revisions to the Model Business Corporations Act since the enactment of present law and provides for other technical corrections.

(Amends R.S. 12:1-124(B), 1-128(B)(intro. para.) and (2), 1-140(15C), 1-141(I)(1)(intro. para.) and (3) and (J)(intro. para.), 1-202(A)(5) and (B)(6) and (E), 1-302(intro. para.), 1-303(A)(intro. para.) and (D), 1-401(D)(intro. para.) and (2), 1-601(C)(intro. para.) and (1), 1-621(F)(2)(a)(intro. para.), 1-622(D)(intro. para.), 1-623(B)(intro. para.), 1-624(B)(intro. para.), 1-703(A)(intro. para.), 1-721(E)(2)(intro. para.), 1-725(A), (C), and (D), 1-727, 1-802, 1-805(B) and (E), 1-820(C), 1-

831(A)(1), 1-833(C)(1)(intro. para.), 1-842(C)(intro. para.), 1-851(A)(intro. para.) and (1), 1-854(A)(intro. para.) and (3), 1-860(5), 1-870(A), 1-1022, 1-1106(A)(intro. para.), 1-1107(A)(9) and (F)(intro. para.) and (2), 1-1301(5.1)(intro. para.), 1-1432(C)(intro. para.), 1-1435(F), 1-1436(D)(2)(b), 1-1444(A), and 1-1602(F)(intro. para.); Adds R.S. 12:1-143(A)(5), 1-202(B)(7) and (F), 1-709, 1-832(D), 1-870(C), 1-955(F), and 1-1705)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical corrections.
2. Specify for certain corporations seeking reinstatement to file with the secretary of state the corporation's current annual report with the articles of charter-revocation reinstatement.