

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1340

House Judiciary Committee

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Hearing Date: 1/24/07

Recorder Job Number: 1845

Committee Clerk Signature

Nancy Penrose

Minutes:

Chairman DeKrey: We will take up HB 1340. There was an amendment that we didn't discuss this morning.

William Clark: It was my pleasure to testify this morning. We had passed out an amendment which all of us forgot this morning, but we wanted to bring that to committee at this point. I'm happy to answer questions about it. Obviously, after the bill was prepared, we proofread it and noticed a variety of typos. We also were finishing our work on it and there were some things that we realized that we wanted to change and there is one section that we wanted to improve on the contents and we would like to get that thrown into the process if you can, so the bill is in its complete and final form, for your consideration. I am happy to take questions. The amendment itself is behind the document that's entitled, "Explanation of Proposed Amendment". The first two pages are discussion of the amendment. The substantive changes in the amendment are discussed in the memo at the front. That memo does not describe all of the typos and minor changes that are corrected. It only talks about the substantive changes. The single most substantive change is the addition of a new section, which is being added as section 17. It is adopting a provision that's been added to the Model Business Corporation Act and applies generally to corporations incorporated under that statute

) and it is also the rule for companies who are traded on the New York Stock Exchange. What it says is that when a corporation is planning to issue 20% or more of its shares, it has to get approval of its shareholders first, before it does a major issuance of stock. The Stock Exchange requires it. The Model Business Corporation Act requires it. It is not in ND law at the moment; although I am told by Bill Guy that when he heard about the issue, he thinks it probably should be added to your General Business Corporation Act, but that is for another day, but we wanted to get it included in the Public Corporation provisions now.

Chairman DeKrey: Thank you for coming back and explaining that to us. We will close for now.