

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 637 (Delegate Frank, et al.)
Economic Matters

Corporations - Executive and Other Committees

This bill allows a committee of a corporation's board of directors, including an executive committee, to consist of one or more directors. Current law requires at least two directors. The bill eliminates the current law prohibition against a board of directors delegating to a committee the power to declare dividends or distributions on stock. Instead, that ban is supplanted by a prohibition against the delegation of the power to authorize dividends on stock.

In addition, the bill clarifies the power of a committee of the board to authorize or fix the terms of stock when issuing stock, as specified.

Fiscal Summary

State Effect: None. The bill does not directly affect governmental operations or finances.

Local Effect: None.

Information Source(s): Office of the Attorney General, Department of Assessments and Taxation, Department of Fiscal Services

Fiscal Note History: First Reader - March 4, 1996

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