Linda Kambeitz

From:

Senator Grant Burgovne

Sent:

Friday, March 01, 2019 2:31 PM

To:

SenateCommerceHumanResources

Cc: Subject: David S. Jensen; Paul Street

Attachments:

Sen.Comm.HR Present. 03.05.docx; IBCA Bill Summary Memo (Rev. 02.03.19).docx;

Sections Repealed by IBCA Legislation.pdf

HB 84 (Idaho Business Corporations Act)





Idaho State Senate

Legislature.Idaho.Gov

Dear Senate Commerce and Human Resources Committee Members and Linda,

Linda has informed me that my corporate code bill, HB 84, is on our committee's agenda for next Tuesday, March 5, that the agenda is very full and that HB 84 is allotted 15 minutes at most. The bill is 133 pages in length, and is an update to the Idaho Business Corporations Act (IBCA). The IBCA is a model act, and the bill incorporates certain 2016 model act changes into Idaho law. The purpose of this email is to attempt to shorten the amount of time needed in committee for the bill on Tuesday.

The hearing to introduce the bill in the House Business Committee took roughly a half hour, including questions, and the hearing on the merits in that committee took about the same amount of time, including questions. We were able to shorten the time of the House hearings by providing the House committee preparatory information in advance of the hearings. I am, therefore, providing you similar preparatory materials as attachments to this email. Hopefully, this will help shorten our hearing substantially. Linda, I request that these materials be in the bill packets for the hearing.

This is the link to the Statement of Purpose/Fiscal Note and the bill: https://legislature.idaho.gov/sessioninfo/2019/legislation/H0084/

The following are attached to this email:

- My written remarks on the bill for Tuesday's hearing;
- A summary of the bill, dated February 3, 2019, prepared by David Jensen who will be present at Tuesday's hearing; and
- Code sections repealed by the bill.

Mr. Jensen is an attorney who was on the committee which drafted the bill. That committee was composed of Idaho's leading business lawyers. Mr. Jensen's bill summary includes the following information:

- A section identifying substantive changes made by the bill;
- A section on Idaho differences from the model act which are preserved by the bill;
- Background information; and

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attackment #1 3/5/19 Burgayne • A list of the attorneys who participated in drafting the bill.

Very truly yours,

Grant

Senator Grant Burgoyne

HB 84

Idaho Business Corporations Act Amendments

House Business Committee

Hearing on the Merits

February 20, 2019

Mr. Chairman, Members of the Committee, I am Senator Grant Burgoyne, District 16.

It is my pleasure to provide you with an introduction of our presentation on HB 84.

With me today is David Jensen, one of the attorneys who served on the drafting committee for the bill. His primary purpose here is to explain the bill itself.

The committee consisted of leading business attorneys in Idaho with participation by the office of the Secretary of State. Its work was facilitated by the Business and Corporate Law section of the Idaho Bar Association, but the Bar was not asked to go through the complex process of formally endorsing the legislation. Furthermore, the Secretary of State neither endorses or opposes the legislation.

The Idaho Association of Commerce and Industry supports the bill and there is no known opposition.

The bill amends the Idaho Business Corporations Act, bringing it into greater conformity with the Model Corporations Act amendments of 2016, and harmonizing it with the Uniform Business Organizations Code (UBOC) which Idaho has already adopted, and which has varying degrees of application to numerous types of business organizations.

Some have wondered if we didn't do the work of this bill in 2015 when Idaho updated the UBOC. We did not. Let me explain. The UBOC is a project of the Uniform Laws Commission and pertains to all business organizations except that it does not get into the details of domestic business corporations. The Model Corporations Act is a project of the American Bar Association and pertains only to domestic business corporations. Because the UBOC and the model act work together to some degree, the UBOC simply reserves a blank spot for the model act to slide into when it is ready. In Idaho the spot for the IBCA is Title 30, Chapter 29, Idaho Code. The UBOC occupies other chapters in Title 30. In 2015, amendments to the UBOC were ready and Idaho updated it with the uniform law amendments, but as the 2016 model act amendments were not yet ready, the IBCA could not then be updated. This bill now updates the ICBA with the 2016 model act amendments.

The bill pertains only to domestic corporations, not corporations incorporated elsewhere even if they are authorized to do business in Idaho.

Where this bill does not follow certain model law amendments, it is because the drafters feel the preexisting Idaho rule is the better rule for Idaho.

I believe your packet contains, in addition to the Statement of Purpose, Fiscal Note and the bill, a bill summary prepared by Mr. Jensen and the statutes repealed by the bill.

The bill reduces regulatory burden on Idaho corporations by providing them a governing model law very much like the model law of other U.S. jurisdictions, meaning that these corporations and their personnel only need to understand a few legal differences from state to state. This substantially reduces the legal and other work needed to stay in compliance with legal requirements where Idaho corporations do business. Furthermore, it assures that Idaho remains a friendly regulatory environment for those businesses which are incorporated in Idaho, or which might be looking to incorporate in Idaho.

With that, Mr. Chairman, may I yield to Mr. Jensen for his portion of the presentation?

Thank you, Mr. Chairman and members of the Committee.

To: Senator Burgoyne

From: David Jensen and Christopher Nuñez

Re: Proposed Amendments to the Idaho Business Corporation Act

Date: February 3, 2019

Since 1979 the Idaho Business Corporation Act (the "IBCA") has substantially followed the Model Business Corporation Act (the "Model Act") published by the Corporate Laws Committee of the American Bar Association's Business Law Section. The current IBCA was adopted in 1997 with some updates in 2004, using the most current version of the Model Act at that time -- the 1984 Revision with updates through 2003.

The Model Act has continued to be updated through periodic amendments since 2004 and recently went through a thorough review and revision, resulting in what is now known as the 2016 Revision of the Model Act. The 2016 Revision incorporated all changes to the Model Act over the years and provides consistency among the provisions with a streamlined and updated Official Comment. It is also designed to accommodate the Uniform Law Commission's Uniform Business Organizations Code (the "UBOC"). The UBOC uses what is commonly described as a "hub and spoke" form of business entity legislation in which a "hub" contains provisions generally applicable to all forms of business entities and a "spoke" contains the substantive provisions for each form of entity. The 2016 revisions to the Model Act made it more compatible with the terminology and concepts used in the UBOC.

Idaho adopted the UBOC in 2015. At that time the current IBCA was modified only to the extent necessary to fit it into the "hub and spoke" structure of the UBOC. Corporate Law is constantly evolving, and the current IBCA has not kept up with the changes during the past 15 years.

A committee consisting of business attorneys and representatives of the Idaho Secretary of State's office have reviewed the 2016 Revision of the MBCA for adoption in Idaho to bring Idaho corporate law up to date and better fit with the rest of the UBOC. The members of the committee are listed at the end of this memo.

In order to get the full benefit of a model act, the committee decide to follow the current wording in the Model Act unless a specific reason could be identified to use alternate language for Idaho. This approach is useful in Idaho since we generally do not have a lot of judicial decisions interpreting the IBCA. By following a model act, the judicial decisions from the many other states that have adopted the Model Act can be researched for potential guidance in Idaho.

The proposed new IBCA continues the long-standing changes Idaho has made to the Model Act. In addition, where Idaho law has current established statutory time periods, we have retained them. Most of the proposed changes to the IBCA are not substantive, but merely follow the wording of the 2016 Revision of the Model Act.

The following list identifies the substantive changes in the proposed new IBCA.

30-29-123. Effective Date of Filed Document. This section provides definitive rules for when a filing with the secretary of state becomes effective. (Section 2, P 8, LL 18-25)

- **30-29-140 and 30-29-141. Electronic Communication.** Provisions added to accommodate electronic means of transmission and filing and to recognize electronic signing and delivery. (Sections 3 and 4, P 9, LL 27-40, and PP 12-14)
- 30-29-143. Qualified Director. The definition of the term "qualified director" identifies those directors: (i) who may take action on the dismissal of a derivative proceeding (section 30-29-744); (ii) who are eligible to make, in the first instance, the authorization and determination required in connection with the decision on a request for advance for expenses (section 30-29-853(c)) or for indemnification (sections 30-29-855(b) and (c)); (iii) who may authorize a director's conflicting interest transaction (section 30-29-862); (iv) who may disclaim the corporation's interest in a business opportunity (section 30-29-870(a)); and (v) who may make applicable the limitation or elimination of a duty of an officer to offer the corporation business opportunities before the officer or a related person of the officer pursues or takes the opportunity (section 30-29-202(b)(6)). (Section 6, PP 14-15)
- **30-29-145 through 152. Ratification of Defective Corporate Actions.** Adding this section provides Idaho corporations the flexibility to ratify defective corporate actions. This has been a part of the model act for several years. (Sections 8-15, PP 16-22)
- **30-29-202.** Business Opportunities. Permits corporations to include in their articles of incorporation a provision that limits or eliminates a director's or an officer's duty to present a business opportunity to the corporation. (Section 16, P 23, LL 39-48)
- 30-29-203(b). Incorporation. The term "conclusive" is substituted for the term "prima facie." The Model Act uses the term conclusive to describe the effect of the secretary of state's filing of articles of incorporation. Under this subsection the filing of the articles of incorporation is conclusive proof that all conditions precedent to incorporation have been met, except in specified proceedings brought by the state. This provides protection for someone who acts on behalf of a corporation expecting liability limitation in reliance on the filing of the articles of incorporation. The "prima facie" term would seem to allow personal liability to be imposed if a third-party could find a flaw in the incorporation process. The UBOC uses the term "conclusive" in a number of places, but does not use "prima facie," so the changed term is more consistent with the rest of the UBOC.
- 30-29-206. Shareholder Director Nominees. Authorization of bylaw provisions requiring inclusion of shareholder director nominees in a corporation's proxy material. (Section 20, P 25, LL 6-24)
- **30-29-208. Forum Selection.** This new section permits the articles of incorporation or the bylaws to specify the forum or forums for litigation of internal corporate claims. (Section 22, P 26, LL 4-29)
- **30-29-624(c).** Awarding of Stock Options. Provides express authority for the delegation to officers of the designation of recipients of compensatory awards involving the issuance of shares, either directly or upon exercise of rights to acquire shares, and the determination of the amount and other terms of the awards, subject to any applicable limitations established by the board of directors or the shareholders. (Section 35, P 34, L 47 to P 35, L 10)
- 30-29-704. Written Consents. Adds provisions on shareholder actions that permit shareholder written consents that may be less than unanimous if authorized in the articles of incorporation. (Section 46, P 40, L 18 to P 41, L 36)

- 30-29-707. Record Dates. Provides for use of bifurcated record dates for notice of a meeting and eligibility to vote to better align ownership and voting. (Section 49, P 43, LL 13-21)
- 30-29-709. Remote Participation in Shareholder Meetings. Since the last revision to this section of Idaho law in 2004, the manner in which businesses hold meetings has changed significantly. This provision accommodates any mode of remote communication that a board of directors may authorize. (Section 51, P 43, LL 40 to P 44, L 10)
- 30-29-730 and 30-29-732. Voting Trusts and Voting Agreements. These sections no longer limit the duration of a voting trust or shareholder agreement, departing from prior language that provided a 10-year maximum for voting trusts and a 10-year limit for voting agreements unless the agreement provided otherwise. This new approach is consistent with the wide freedom of contract provided to participants in such enterprises. For trusts or agreements entered into during a time that section 7.30 or 7.32 provided for a 10-year term, its duration will be governed by the provisions of the section in force at the time the trust or agreement became effective. (Sections 62 and 64, PP 51-53).
- 30-29-748. Custodian or Receiver. Previously, the procedures for the appointment of a receiver or custodian were ancillary to an action for judicial dissolution under section 30-29-1430. Section 30-29-748 has been added to provide a basis for relief for shareholders of any corporation if the directors are deadlocked or acting fraudulently, requiring a showing of actual or threatened irreparable injury. This section is in addition to other shareholder remedies provided by the IBCA and could, for example, be sought by a shareholder in lieu of involuntary dissolution under section 30-29-1430(a)(2). (Section 71, PP 56-57)
- 30-29-749. Judicial Determination of Governance Disputes. This new section provides subject matter jurisdiction to the specified court to resolve certain corporate governance disputes and establishes an expedited procedure for doing so. The purpose of such a proceeding is to prevent a corporation from being immobilized by controversies with respect to the identity of its directors or officers, the members of any committee of its board of directors, or the results or validity of shareholder votes. (Section 72, PP 57-59)
- **30-29-802. Director Qualifications.** Clarifications of the scope and operation of qualifications for nomination and election as directors. (Section 74, P 59, LL 24-45)
- 30-29-826. Submission of Matters for Shareholder Vote. "force the vote" provisions in fundamental transactions by permitting directors to submit matters to shareholders for action without director recommendation. (Section 89, P 65, LL 45-48)
- **30-29-870.** Business Opportunities. This section permits corporations to include in their articles of incorporation a provision that limits or eliminates a director's or an officer's duty to present a business opportunity to the corporation. (Section 112, P 82, LL 1-39)
- Part 13. Appraisal Rights. Modernization of the appraisal remedy for dissenting shareholders, including by reintroducing the "market out" provision for noninterested transactions. (Sections 132- 144, PP 101-115)
- Part 16. Corporate Records and Reports and Inspection Rights. Revisions to address, among other things, the obligations of corporations to make financial statements available to shareholders, the maintenance of corporate records, and the inspection rights of shareholders and directors of corporations. (Sections 159 167, PP 125-131)

The following sections are repealed, but we do not consider the repeal to be a significant change for the reasons explained below:

- 30-29-628 (Section 39, P 35, LL 45-46); The 2016 Revision of the Model Act eliminated this
 provision as unnecessary, although there was no intention to reject the proposition for
 which it has stood—namely, that a corporation may apply the proceeds of a share issuance
 toward the expenses of selling or underwriting the issuance. We followed the lead of the
 Model Act and eliminated the section as unnecessary.
- 30-29-860 (Section 107, P 77, LL 15-16); The section is replaced by new section 860 (Section 108, P 77, L 20 to P 78, L25).
- 30-29-1606 (Section 164, P 130, LL 10-11); This section is no longer in the Model Act. I think
 it is essentially covered by unclaimed property law. Under Idaho's unclaimed property law,
 stock is assumed abandoned if the location of the owner is not known after 5 years. I think it
 makes sense to require the corporation to continue to send notices for the five years
 required by the unclaimed property law.
- 30-29-1620 (Section 165, P 130, LL 12-13); Replaced by new 1620 (Section 167, P 130, L 19 to P 131, L 36).
- 30-29-1621 (Section 166, P 130, LL 14-15). This section is no longer in the Model Act. The
 committee felt that this section could be easily overlooked since it is not included with the
 topics to which the section relates. This section is likely to just be a trap to catch someone
 that doesn't realize they are required to send out the notices. There is no reason to treat
 these topics different than other corporate information.

When the current IBCA was adopted in 1997, it included some differences from the Model Act then in effect. The proposed new IBCA continues the following Idaho differences from the Model Act:

- 30-29-620(e). Subscription Agreements. The current IBCA added a subsection to the Model Act to emphasize that a subscription agreement must be in writing. This addition is continued in the proposed new act. (Section 31, P 31, LL 30-33)
- 30-29-621(b). Consideration for Issuance of Shares. The Model Act includes "contracts for services to be performed" as permissible consideration for the issuance of shares. The current version of the IBCA does not include this as permissible consideration due to the restriction of the Idaho Constitution that allows shares to be issued for "services performed" but not for services "to be performed." This change to the Model Act is continued. (Section 32, P31, LL 39-42)
- 30-29-631(c) and (d). Treasury Shares. The Model Act has eliminated the need to recognize the concept of treasury shares. The 1997 Idaho revisers, believed that there are some circumstances in which a corporation may wish to retain treasury shares. The proposed new act continues the Idaho additions from 1997. The definition of the term "treasury shares" in 30-29-140 and the restriction on the voting of treasury shares in 30-29-721(f) are also continued from the current IBCA. (Section 3, P 11, LL 24-28, Section 41, P 37, LL 9-14, Section 53, P 45, L 33)
- **Section 30-29-702(a)(2). Special Shareholder Meetings.** This subsection specifies the percentage of shareholder voting power required to call a special meeting of the shareholders. The proposed new act continues the increased percentages set in the current act. (Section 44, P 38, L 43 to P 44, L 8)

- Section 30-29-1407(c). Time Limit on Commencing Proceedings After Dissolution. A dissolved corporation may publish notice of its dissolution and request that persons with claims against the dissolved corporation present them in accordance with the notice. Subsection (c) specifies how long after the notice is published a claim may be made. The Model Act provides for a three-year limitation period. The proposed new act continues the two-year limitation period that Idaho has followed even before the current act. (Section 151, P 119, LL 38-42)
- Annual Report for Secretary of State and Administrative Dissolution. Since the 1997 version of the IBCA, the provisions for filing an annual report with the Secretary of State and administrative dissolution for failure to file the report have been customized to conform to the practices of the Idaho Secretary of State's office. Since the adoption of the UBOC, these provisions are found in chapter 21 of the UBOC, and is the same for all business organizations. The Model Act provisions for these matters continue to be omitted.

The following are the members of the committee that took on the task of reviewing the Model Act for adoption in Idaho. The participation of some members was limited due to their schedules, but everyone was included on the communications about the work of the committee.

David S. Jensen - Chair Parsons Behle & Latimer

Victoria J. Haneman - Reporter Professor of Law

Chris Nunez – Research Assistant Student - Concordia University School of

David Arkoosh Law Office of David Arkoosh

David Bartels
Student - Concordia University School of

Dargie Bowersock Law LLC

Paul M. Boyd Stoel Rives LLP

Law

Kari Campos Ball Ventures, LLC

Lisa M. Carlson St. Luke's Health System

Robert J. Couch
Parsons Behle & Latimer

David Eisele

Wright Law Offices, PLLC

Jonathon Frantz Post Falls, Idaho

Steve Frinsko Hawley Troxell

Joseph M. Giberman Assistant General Counsel Boise State University

David Hammerquist

David Hammerquist Law Chartered

Christina W. Hardesty Parsons Behle & Latimer

Dale G. Higer Boise, Idaho

James D. Hovren Evans Keane LLP

Kim Hunter Idaho Secretary of State's Office

Cynthia A. Melillo Cynthia A. Melillo PLLC Kelsey Jae Nunez Kelsey Jae Nunez LLC

Jon Palmer Parsons Behle & Latimer

Beck Roan Idaho Court of Appeals

Leon Rothstein Boise, Idaho

Jennifer A. Rush Boise, Idaho Paul S. Street Hawley Troxell

Eric Taylor Eberle Berlin

Peter D. Taylor Peter Taylor Law

Cheryl W. Thompson Idaho Power Company

Adam Warr

Deputy Attorney General

The committee chose not to request official Idaho State Bar approval of the proposed new IBCA due to the cumbersome nature of the approval process. As with most of the other recent entity legislation, neither the Idaho State Bar or the Business and Corporate Law Section has taken a position on this proposed legislation. The work of the committee was facilitated by the Business and Corporate Law Section and all members of the section were invited to participate on the committee.



TITLE 30
CORPORATIONS
CHAPTER 29
GENERAL BUSINESS CORPORATIONS
PART 6

SHARES AND DISTRIBUTIONS

30-29-628. EXPENSE OF ISSUE. A corporation may pay the expenses of selling or underwriting its shares, and of organizing or reorganizing the corporation, from the consideration received for shares. History:

[30-29-628, added 2015, ch. 243, sec. 61, p. 914.]

How current is this law?



TITLE 30 CORPORATIONS CHAPTER 29 GENERAL BUSINESS CORPORATIONS PART 8

DIRECTORS AND OFFICERS

30-29-860. DEFINITIONS. For purposes of this section and sections 30-29-861 through 30-29-863, Idaho Code:

- (1) "Conflicting interest" with respect to a corporation means the interest a director of the corporation has respecting a transaction effected or proposed to be effected by the corporation, or by a subsidiary of the corporation or any other entity in which the corporation has a controlling interest, if:
 - (a) Whether or not the transaction is brought before the board of directors of the corporation for action, the director knows at the time of commitment that he or a related person is a party to the transaction or has a beneficial financial interest in or so closely linked to the transaction and of such financial significance to the director or a related person that the interest would reasonably be expected to exert an influence on the director's judgment if he were called upon to vote on the transaction; or
 - (b) The transaction is brought, or is of such character and significance to the corporation that it would in the normal course be brought, before the board of directors of the corporation for action, and the director knows at the time of commitment that any of the following persons is either a party to the transaction or has a beneficial financial interest in or so closely linked to the transaction and of such financial significance to the person that the interest would reasonably be expected to exert an influence on the director's judgment if he were called upon to vote on the transaction:
 - (i) An entity, other than the corporation, of which the director is a director, general partner, agent or employee;
 - (ii) A person that controls one (1) or more of the entities specified in subparagraph (i) of this paragraph or an entity that is controlled by, or is under common control with, one (1) or more of the entities specified in subparagraph (i) of this paragraph; or
 - (iii) An individual who is a general partner, principal or employer of the director.
- (2) "Director's conflicting interest transaction" with respect to a corporation means a transaction effected or proposed to be effected by the corporation, or by a subsidiary of the corporation or any other entity in which the corporation has a controlling interest, respecting that a director of the corporation has a conflicting interest.
 - (3) "Related person" of a director means:
 - (a) The spouse, or a parent or sibling thereof, of the director, or a child, grandchild, sibling, parent, or spouse of any thereof, of the director, or an individual having the same home as the director, or a trust or estate of which an individual specified in this paragraph (a) is a substantial beneficiary; or

- (b) A trust, estate, incompetent, conservatee or minor of which the director is a fiduciary.
- (4) "Required disclosure" means disclosure by the director who has a conflicting interest of:
 - (a) The existence and nature of his conflicting interest; and
 - (b) All facts known to him respecting the subject matter of the transaction that an ordinarily prudent person would reasonably believe to be material to a judgment about whether or not to proceed with the transaction.
- (5) "Time of commitment" respecting a transaction means the time when the transaction is consummated or, if made pursuant to contract, the time when the corporation, or its subsidiary or the entity in which it has a controlling interest, becomes contractually obligated so that its unilateral withdrawal from the transaction would entail significant loss, liability, or other damage. History:

[30-29-860, added 2015, ch. 243, sec. 63, p. 939.]

How current is this law?



TITLE 30 CORPORATIONS CHAPTER 29 GENERAL BUSINESS CORPORATIONS PART 16

RECORDS AND REPORTS

30-29-1606. EXCEPTION TO NOTICE REQUIREMENT. (1) Whenever notice is required to be given under any provision of this chapter to any shareholder, such notice shall not be required to be given if:

- (a) Notice of two (2) consecutive annual meetings, and all notices of meetings during the period between such two (2) consecutive annual meetings, have been sent to such shareholder at such shareholder's address as shown on the records of the corporation and have been returned undeliverable; or
- (b) All, but not less than two (2), payments of dividends on securities during a twelve (12) month period, or two (2) consecutive payments of dividends on securities during a period of more than twelve (12) months, have been sent to such shareholder at such shareholder's address as shown on the records of the corporation and have been returned undeliverable.
- (2) If any such shareholder shall deliver to the corporation a written notice setting forth such shareholder's then-current address, the requirement that notice be given to such shareholder shall be reinstated.

History:

[30-29-1606, added 2015, ch. 243, sec. 71, p. 966.]

How current is this law?



TITLE 30
CORPORATIONS
CHAPTER 29
GENERAL BUSINESS CORPORATIONS
PART 16

RECORDS AND REPORTS

30-29-1620. FINANCIAL STATEMENTS FOR SHAREHOLDERS. (1) corporation upon written shareholder request shall furnish its shareholders annual financial statements or, if annual financial statements are not available, other appropriate accounting records, which may be consolidated or combined statements of the corporation and one (1) or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of changes in shareholders' equity for the year unless that information appears elsewhere in the financial statements. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.

- (2) If any annual financial statements furnished pursuant to subsection (1) of this section are reported upon by a public accountant, his report must accompany them. If not, the statements must be accompanied by a statement of the president or the person responsible for the corporation's accounting records:
 - (a) Stating his reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and
 - (b) Describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

History:

[30-29-1620, added 2015, ch. 243, sec. 71, p. 966.]

How current is this law?



TITLE 30
CORPORATIONS
CHAPTER 29
GENERAL BUSINESS CORPORATIONS
PART 16

RECORDS AND REPORTS

30-29-1621. OTHER REPORTS TO SHAREHOLDERS. (1) If a corporation indemnifies or advances expenses to a director under section 30-29-851, 30-29-852, 30-29-853 or 30-29-854, Idaho Code, in connection with a proceeding by or in the right of the corporation, the corporation shall report the indemnification or advance in writing to the shareholders with or before the notice of the next shareholders' meeting.

(2) If a corporation issues or authorizes the issuance of shares for promissory notes, the corporation shall report in writing to the shareholders the number of shares authorized or issued, and the consideration received by the corporation, with or before the notice of the next shareholders' meeting. History:

[30-29-1621, added 2015, ch. 243, sec. 71, p. 967.]

How current is this law?