

SENATE BILL 1710

By Overbey

AN ACT to amend Tennessee Code Annotated, Section 48-16-101, relative to classes of stock.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 48-16-101, is amended by adding the following language as a new subsection (e) and by re-designating the existing subsection appropriately:

(e) Securities that have one (1) or more material differences in voting, dividend, liquidation, conversion, preference, or redemption rights as compared to other securities issued by the corporation shall be deemed to be a separate class of security; provided, that a difference in par value shall not be dispositive in establishing that a security is a different class from another security. The designation of a security as common or preferred shall not limit the creation of different classes of securities.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.