

State of South Dakota

NINETY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2019

547B0733

HOUSE BILL NO. 1202

Introduced by: Representative Diedrich

1 FOR AN ACT ENTITLED, An Act to revise the number of qualified directors of a corporation
2 needed to take certain actions.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 47-1A-862 be amended to read:

5 47-1A-862. Directors' action respecting a transaction is effective for purposes of subdivision
6 47-1A-861.1(1) if the transaction received the affirmative vote of a majority, but no fewer than
7 ~~two~~ one, of those qualified directors on the board of directors or on a duly empowered
8 committee of the board who voted on the transaction after either required disclosure to them,
9 to the extent the information was not known by them, or compliance with § 47-1A-861.1.

10 However, action by a committee is ~~so~~ effective only if:

11 (1) ~~At least one of~~ At least one of its members ~~are~~ is a qualified ~~directors~~ director; and

12 (2) Its members are either all the qualified directors on the board or are appointed by the
13 affirmative vote of a majority of the qualified directors on the board.

14 Section 2. That § 47-1A-862.2 be amended to read:

15 47-1A-862.2. A majority, but no fewer than ~~two~~ one, of all the qualified directors on the



1 board of directors, or on the committee, constitutes a quorum for purposes of action that
2 complies with §§ 47-1A-862 and 47-1A-862.1. Directors' action that otherwise complies with
3 §§ 47-1A-862 and 47-1A-862.1 is not affected by the presence or vote of a director who is not
4 a qualified director.