



2025-2026 General Assembly

HOUSE BILL 388:

Amend Business Corporations Act, Part VII:

Clarify Provisions for Mergers Between Parent Entities and Subsidiary Corporations.

Analysis of: S.L. 2025-33, Part VII

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Prepared by: Legislative Analysis
Division Staff

Part VII of S.L. 2025-33 (House Bill 388) clarifies the law governing mergers between a parent unincorporated entity and a subsidiary corporation to:

- Provide that in certain mergers between a parent unincorporated entity and a subsidiary corporation, the parent entity must approve a written plan of merger.
- Remove the requirement that the articles of merger set forth the following:
 - The terms and conditions of the merger.
 - The manner and basis of converting interests in each merging business entity into interests, obligations, or securities of the surviving entity, into cash or other property, or of cancelling the interests.
- Add a requirement that the articles of merger include a statement that the plan of merger has been approved by each merging business entity in the manner required by law.

Part VII of S.L. 2025-33 became effective October 1, 2025.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578