



2025-2026 General Assembly

HOUSE BILL 388: Amend Business Corporations Act, Part IV: Prohibition Against the Issuance of Scrip in Bearer Form

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

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Prepared by: Legislative Analysis
Division Staff

Part IV of S.L. 2025-33 (House Bill 388) prohibits corporations from issuing scrip certificates or share certificates in bearer form and only allows for the issuance of scrip in certificated or uncertificated form. Scrip represents fractional shares and will be exchanged for a full share upon surrendering enough scrip to equal a full share. This Part also requires the corporation to deliver to the scrip holder a written statement of the information required for share certificates and the terms of the scrip within a reasonable time after the issuance or transfer of scrip without certificates.

This Part became effective October 1, 2025.

Kara McCraw
Director



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