

271B.6-230 Share dividends.

- (1) Unless the articles of incorporation provide otherwise, shares may be issued pro rata and without consideration to the corporation's shareholders or to the shareholders of one (1) or more classes or series. An issuance of shares under this subsection shall be considered a share dividend.
- (2) Shares of one (1) class or series may not be issued as a share dividend in respect of shares of another class or series unless:
 - (a) The articles of incorporation so authorize;
 - (b) A majority of the votes entitled to be cast by the class or series to be issued approve the issue; or
 - (c) There are no outstanding shares of the class or series to be issued.
- (3) If the board of directors does not fix the record date for determining shareholders entitled to a share dividend, it shall be the date the board of directors authorizes the share dividend.

Effective: November 15, 2002

History: Amended 2002 Ky. Acts ch. 102, sec. 11, effective November 15, 2002. -- Created 1988 Ky. Acts ch. 23, sec. 40, effective January 1, 1989.

Legislative Research Commission Note (6/26/2007). 2007 Ky. Acts ch. 137, sec. 179, effective June 26, 2007 provided: The General Assembly finds and declares that the amendment of KRS 271B.6-210, 271B.6-230, 271B.7-040, 271B.7-280, and 271B.8-080, as provided for in 2002 Ky. Acts ch. 102, secs. 10, 11, 15, 18, and 19, respectively, are and were effective as of November 15, 2002.

Legislative Research Commission Note (11/15/02). 2002 Ky. Acts ch. 102, sec. 22, provides that this section "shall take effect November 15, 2002, if a constitutional amendment proposing to amend Sections 190, 191, 192, 193, 194, 195, 198, 200, 202, 203, 205, 207, and 208 of the Constitution of Kentucky relating to corporations is enacted by the General Assembly and approved by the voters in the November, 2002 general elections. Otherwise, [this section] shall be void."

A constitutional amendment proposing to amend 11 of those 13 sections of the Constitution was enacted by the General Assembly and approved by the voters. During the 2002 Regular Session, the General Assembly enacted 2002 Ky. Acts ch. 341, which proposed to amend Sections 190, 191, 192, 193, 194, 198, 200, 202, 203, 207, and 208 of the Constitution of Kentucky. The voters approved that amendment in the November, 2002 general elections.