



State of Tennessee  
PUBLIC CHAPTER NO. 119

SENATE BILL NO. 615

By Yager

Substituted for: House Bill No. 871

By Curtis Johnson, Matlock, Lundberg, Marsh, Shepard, Keisling

AN ACT to amend Tennessee Code Annotated, Title 45, Chapter 2, relative to financial institutions.

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

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 2, Part 3, is amended by adding the following language as a new section:

45-2-303.

(a) In addition to any provisions permitted or required by this chapter and the Tennessee Business Corporation Act, compiled in title 48, chapters 11-27, the charter of a bank may include all, but not less than all, of the following:

(1) The bank shall not disclose the name, address or number of shares of a bank shareholder, except as required or permitted by the Financial Records Privacy Act, compiled in chapter 10 of this title, and such information shall be deemed to be a financial record within the meaning of that act;

(2) No person shall solicit a proxy or written consent from any shareholder to vote shares of the bank, unless the information specified by the bank's bylaws is delivered to the bank and to the shareholders as a group no later than the date specified in the bank's bylaws. In adopting an informational requirement, a bank shall provide the information to all shareholders or specify a reasonable and timely method for a shareholder to communicate with other shareholders about bank business;

(3) If the bylaws state that the bank will communicate the information to the other shareholders on the shareholder's behalf, the bank may charge a reasonable fee to cover the cost of distribution, which shall be provided for in the bylaws; and

(4) The bank shall notify the requesting shareholder that it has provided the requested information to the other shareholders. The bank shall notify the requesting shareholder within seven (7) days after receiving the request and the information to be provided to the shareholders. The bylaws shall describe the means by which the bank will notify the requesting shareholders.

(b) If a bank amends its charter in accordance with subsection (a), the charter shall include the following language, in all capital letters and in at least twelve (12) point bold type:

**"THE RECORD OF SHAREHOLDERS OF THIS BANK IS NOT SUBJECT TO INSPECTION AND COPYING IN ACCORDANCE WITH TENN. CODE ANN. § 48-26-102. IT IS A FINANCIAL RECORD AND MAY BE OBTAINED ONLY IN ACCORDANCE WITH THE FINANCIAL RECORDS PRIVACY ACT, COMPILED IN TENN. CODE ANN. §§ 45-10-101 et seq."**

(c) If a shareholder of a bank, which amends its charter in accordance with subsection (a), notifies the bank in writing that the shareholder consents to the release of information in the shareholder record relating to such shareholder, the bank shall timely provide such information to any shareholder requesting the information.

(d) If a bank adopts a charter amendment pursuant to subsection (a), the commissioner shall not charge a fee for approving the amendment.

(e) Any shareholder, if the bank's charter or bylaws expressly authorize shareholder actions by written consent, shall have the right to be informed in writing by the bank of the number of shares counted:

(1) Towards a quorum for a shareholders meeting;

(2) Regarding any nomination or proposal voted upon at a shareholders meeting; or

(3) Regarding an action taken by written consent.

(f) Any bank shareholder of record shall have the right to seek a declaratory judgment with respect to a bona fide dispute regarding votes described in subsection (e) in a court of record in the county in which the bank's main office or chief executive's office is located.

(g) For purposes of this section:

(1) "Bank" has the same meaning as provided in § 45-1-103, except that "bank" shall be deemed to include any controlling person;

(2) "Controlling person" has the same meaning as provided in § 45-2-103(a)(1); and

(3) "Person" has the same meaning as provided in § 45-2-103(a)(1).

(h) Nothing in this section shall in any way limit the authority held by the commissioner.

SECTION 2. This act shall take effect July 1, 2013, the public welfare requiring it.

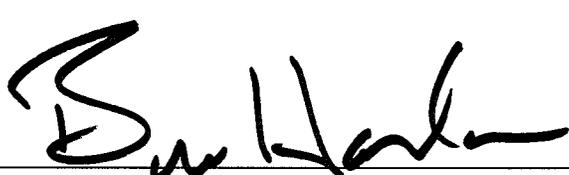
SENATE BILL NO. 615

PASSED: March 28, 2013

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 12<sup>th</sup> day of April 2013

  
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BILL HASLAM, GOVERNOR