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Senate Bill 21

153rd General Assembly (Present)

Bill Progress

Current Status: Senate Judiciary 2/17/25

What happens next? Awaiting consideration in Committee

Bill Details

Introduced on: 2/17/25

Primary Sponsor: [Townsend \(https://senatedems.delaware.gov/members/senate-district-11\)](https://senatedems.delaware.gov/members/senate-district-11)

Additional Sponsor(s): Sen. [Sokola \(https://senatedems.delaware.gov/members/senate-district-8\)](https://senatedems.delaware.gov/members/senate-district-8), [Lockman \(https://senatedems.delaware.gov/members/senate-district-3\)](https://senatedems.delaware.gov/members/senate-district-3), [Hocker \(https://senategop.delaware.gov/members/senate-district-20\)](https://senategop.delaware.gov/members/senate-district-20), [Pettyjohn \(https://senategop.delaware.gov/members/senate-district-19\)](https://senategop.delaware.gov/members/senate-district-19),
Reps. [Griffith \(https://housedems.delaware.gov/members/house-district-12\)](https://housedems.delaware.gov/members/house-district-12), [Minor-Brown \(https://housedems.delaware.gov/members/house-district-17\)](https://housedems.delaware.gov/members/house-district-17), [Harris \(https://housedems.delaware.gov/members/house-district-32\)](https://housedems.delaware.gov/members/house-district-32), [Osienki \(https://housedems.delaware.gov/members/house-district-24\)](https://housedems.delaware.gov/members/house-district-24), [Dukes \(https://housegop.delaware.gov/members/house-district-40\)](https://housegop.delaware.gov/members/house-district-40), [Spiegelman \(https://housegop.delaware.gov/members/house-district-11\)](https://housegop.delaware.gov/members/house-district-11)

Co-Sponsor(s):

Long Title: AN ACT TO AMEND TITLE 8 OF THE DELAWARE CODE RELATING TO THE GENERAL CORPORATION LAW.

Original Synopsis: Section 1 of this Act amends § 144 of Title 8 to provide safe harbor procedures for acts or transactions in which one or more directors or officers as well as controlling stockholders and members of control groups have interests or relationships that might render them interested or not independent with respect to the act or transaction. Under revised § 144(a), certain acts or transactions involving such directors or officers will be protected if approved or ratified by a majority of the disinterested directors or by a majority of the votes cast by the disinterested stockholders entitled to vote thereon, in each case upon disclosure or in full knowledge of the

material facts giving rise to the conflict or potential conflict. In addition, the amendments define what parties constitute a controlling stockholder or control group and provide safe harbor procedures that can be followed to insulate from challenge specified acts or transactions from which a controlling stockholder or control group receives a unique benefit. Under new § 144(b), a controlling stockholder transaction that does not constitute a “going private transaction” may be entitled to the statutory safe harbor protection if it is approved or recommended, as applicable, by a committee consisting of a majority of disinterested directors or approved or ratified by a majority of the votes cast by the disinterested stockholders. Under new § 144(c), a controlling stockholder transaction that constitutes a “going private transaction” may be entitled to the statutory safe harbor protection if it is negotiated and approved or recommended, as applicable, by a committee consisting of a majority of disinterested directors and approved or ratified by a vote of a majority of the votes cast by the disinterested stockholders entitled to vote thereon. The amendments to § 144 also set forth criteria for determining the independence and disinterestedness of directors and stockholders. The amendments provide that controlling stockholders and control groups, in their capacity as such, cannot be liable for monetary damages for breach of the duty of care. The amendments do not displace any safe harbor procedures or other protections available at common law. Section 2 of this Act amends § 220 of Title 8 to define the materials that a stockholder may demand to inspect pursuant to a request for books and records of the corporation. The amendments also set forth certain conditions that a stockholder must satisfy in order to make an inspection of books and records. The amendments make clear that information from books and records obtained by a stockholder from a production under § 220 will be deemed to be incorporated by reference into any complaint filed by or at the direction of a stockholder on the basis of information obtained through a demand for books and records. New § 220(b)(4) preserves whatever independent rights of inspection exist under the referenced sources and does not create any rights, either expressly or by implication. New § 220(f) provides that if the corporation does not have specified books and records, including minutes of board and committee meetings, actions of board or any committee, financial statements and director and officer independence questionnaires, the Court of Chancery may order the production of additional corporate records necessary and essential for the stockholder’s proper purpose. This Act requires a greater than majority vote for passage because § 1 of Article IX of the Delaware Constitution requires the affirmative vote of two-thirds of the members elected to each house of the General Assembly to amend the general corporation law.

Volume:Chapter: ⓘ	N/A
Advisory Number:	N/A
Fiscal Note/Fee Impact:	Not Required
Effective Date:	Takes effect upon being signed into law

Sunset Date: N/A

Bill Text

Original Text:

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Amendments

Amendment	Status	Introduction Date	Primary Sponsor	View Details
No Records Available				

Committee Reports

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Date	Committee	# Members	Favorable	On Its Merits	Unfavorable
No Records Available					

Roll Calls

Chamber	Result	Date	Vote Type	Yes	No	Not Voting	Absent	PDF
No Records Available								

Actions History

Date	Action
2/17/25	Introduced and Assigned to Judiciary Committee in Senate

Legislation Detail Feeds

[Roll Calls \(/rss/RssFeeds/RollCallsByLegislation?legislationId=141857\)](/rss/RssFeeds/RollCallsByLegislation?legislationId=141857), [i \(/RssFeeds/RSSFeedInfo\)](/RssFeeds/RSSFeedInfo)

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To ensure quick and accurate assistance, please include your full name and address in your correspondence.

Useful links

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[Legislative Hall Media Credential Policy. \(/Media-Credentialing-Policy\)](/Media-Credentialing-Policy)
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Other Resources

[Accessibility](#)
[\(/https://legis.delaware.gov/docs/default-source/default-document-library/adapolicy.pdf?sfvrsn=3560b238_2\)](https://legis.delaware.gov/docs/default-source/default-document-library/adapolicy.pdf?sfvrsn=3560b238_2)
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