



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2924

Introduced 2/6/2025, by Rep. Bob Morgan

SYNOPSIS AS INTRODUCED:

805 ILCS 5/7.40

from Ch. 32, par. 7.40

Amends the Business Corporation Act of 1983. Provides that the articles of incorporation of any corporation (currently, any corporation incorporated after December 31, 1981) may limit or eliminate cumulative voting rights in all or specified circumstances, or may limit or deny voting rights or may provide special voting rights as to any class or classes or series of shares of such corporation.

LRB104 11725 SPS 21814 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Business Corporation Act of 1983 is amended
5 by changing Section 7.40 as follows:

6 (805 ILCS 5/7.40) (from Ch. 32, par. 7.40)

7 Sec. 7.40. Voting of shares.

8 (a) Subject to subsections (b), (c), and (d) of this
9 Section 7.40, each outstanding share, regardless of class,
10 shall be entitled to one vote in each matter submitted to a
11 vote at a meeting of shareholders, and except as specifically
12 provided in Section 8.30, in all elections for directors,
13 every shareholder shall have the right to vote the number of
14 shares owned by such shareholder for as many persons as there
15 are directors to be elected, or to cumulate such votes and give
16 one candidate as many votes as shall equal the number of
17 directors multiplied by the number of such shares or to
18 distribute such cumulative votes in any proportion among any
19 number of candidates. A shareholder may vote either in person
20 or by proxy subject to the provisions of Section 7.50.

21 (b) The articles of incorporation of any corporation
22 ~~incorporated after December 31, 1981,~~ may limit or eliminate
23 cumulative voting rights in all or specified circumstances, or

1 may limit or deny voting rights or may provide special voting
2 rights as to any class or classes or series of shares of such
3 corporation.

4 (c) A corporation, whenever incorporated, may amend its
5 articles of incorporation to limit or eliminate cumulative
6 voting rights in all or specified circumstances, or to limit
7 or deny voting rights or to provide special voting rights as to
8 any class or classes or series of shares of such corporation.

9 (d) If the articles of incorporation provide for more or
10 less than one vote for any share on any matter, every reference
11 in this Act to a majority or other proportion greater than a
12 majority of shares shall refer to that majority or other
13 proportion greater than a majority of the votes of the shares.

14 (Source: P.A. 89-48, eff. 6-23-95.)