

**490.1402 Dissolution by board of directors and shareholders.**

1. The board of directors may propose dissolution for submission to the shareholders by first adopting a resolution authorizing the dissolution.

2. *a.* For a proposal to dissolve to be adopted, it shall then be approved by the shareholders. In submitting the proposal to dissolve to the shareholders for approval, the board of directors shall recommend that the shareholders approve the dissolution, unless any of the following apply:

(1) The board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation.

(2) [Section 490.826](#) applies.

*b.* If paragraph “*a*”, subparagraph (1) or (2), applies, the board shall inform the shareholders of the basis for its so proceeding.

3. The board of directors may set conditions for the approval of the proposal for dissolution by shareholders or the effectiveness of the dissolution.

4. If the approval of the shareholders is to be given at a meeting, the corporation shall notify each shareholder, regardless of whether entitled to vote, of the meeting of shareholders at which the dissolution is to be submitted for approval. The notice must state that the purpose, or one of the purposes, of the meeting is to consider dissolving the corporation.

5. Unless the articles of incorporation, bylaws, or the board of directors acting pursuant to [subsection 3](#) require a greater vote, a greater quorum, or a vote by voting groups, adoption of the proposal to dissolve shall require the approval of the shareholders at a meeting at which a quorum exists consisting of a majority of the votes entitled to be cast on the proposal to dissolve.

[89 Acts, ch 288, §146; 2002 Acts, ch 1154, §90, 125; 2013 Acts, ch 31, §67, 82; 2015 Acts, ch 30, §159; 2021 Acts, ch 165, §171, 230](#)

2021 amendment effective January 1, 2022; 2021 Acts, ch 165, §230  
Section stricken and rewritten