



AB 239 Notable Changes to Title 7 of Nevada Revised Statutes Governing Business Entities

By Andrew S. Gabriel

For each Nevada Legislative Session, the Executive Committee of the Business Law Section of the State Bar of Nevada reviews NRS Title 7 and considers changes to keep statutes current and address issues identified in practice; including changes through judicial decisions. For the 2025 Legislative Session, this review resulted in Assembly Bill 239 being introduced by Assemblymember Joe Dalia. In addition to Assemblymember Dalia, the bill was presented to the Assembly Committee on Judiciary by Robert Kim, Chair, and Albert Kovacs, Vice Chair, of the Business Law Section Executive Committee.

Assemblymember Dalia advised the committee that “this bill will strengthen Nevada’s business law statutes, ensuring predictability for those who do business in our state, clarifying our statutes to avoid potential ambiguities and uncertainties, and keeping Nevada competitive by evolving with trends in corporate law.” Mr. Kim, Mr. Kovacs, and Assemblymember Dalia also discussed the goal of attracting more corporations to form in Nevada instead of Delaware. Following are notable provisions in AB 239, which Governor Lombardo signed into law, effective May 30, 2025.

Fiduciary Duties of Stockholders – NRS 78.240 was amended to clarify that Nevada corporation stockholders, as a general rule, have no fiduciary duties to the corporation or other stockholders. There is an exception for “controlling stockholders,” defined as a stockholder with voting power to elect a majority of the corporation’s directors. A controlling stockholder has a fiduciary duty to refrain from exerting undue influence over any director or officer of the corporation with the purpose and prox-

imate effect of inducing a breach of their statutory fiduciary duties to the corporation, with further provisions qualifying certain decisions, and a safe harbor in certain situations.

Jury Trial Waivers for “Internal Actions” – NRS 78.046 was amended to allow a Nevada corporation to

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include a provision, in its Articles of Incorporation, requiring litigation of all or specific “internal actions” to be tried before a judge, and not a jury. NRS 78.046 already defines “internal actions” as disputes related primarily to corporate governance. For Delaware corporations, such cases are heard in the Delaware Court of Chancery, which, as a court of equity, does not conduct jury trials. The goal is to provide predictability regarding the resolution of internal disputes, which may be attractive to corporations comparing Nevada and Delaware laws.

Board Approval of Agreements and Scope of Notice – NRS 78.315 was amended to clarify that a Nevada corporation’s board of directors may approve an agreement in final form, or in preliminary form, as deemed appropriate in their business judgment. NRS 75.150 was also amended to clarify that materials provided along with any notice are deemed part of the notice. These changes address issues raised in Delaware litigation.

Changes in Authorized Shares of Public Corporation – NRS 78.390 was amended to allow publicly trad-

ed corporations to amend Articles of Incorporation to increase or decrease the number of authorized shares in the same manner as approval of other matters subject to shareholder approval. This typically requires the approval of a majority of shares represented at a meeting at which a quorum is present. The prior requirement for approval by a majority of all outstanding shares created issues for public corporations with low shareholder participation in meetings.

Holding Company Reorganization – NRS Chapter 92A was amended to provide a new concept allowing a Nevada corporation to reorganize by forming a parent holding company, without stockholder approval.

AB 239 made other changes to current corporate laws to clarify ambiguities and should be reviewed by practitioners in this area. 

Andrew S. Gabriel is a partner at McDonald Carano and has been a member of the State Bar of Nevada since 1992. He is co-chair of the firm’s Business Entities & Transactions Practice Group and has been a member of the Executive Committee of the State Bar of Nevada Business Law Section since 2005.

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