SUBSTITUTE FOR

SENATE BILL NO. 624

A bill to amend 1965 PA 169, entitled

"An act to require court proceedings for dissolution of domestic charitable purpose corporations; and to require the filing of notice of intention to withdraw with the attorney general by foreign charitable purpose corporations attempting to withdraw from this state,"

by amending the title and sections 1 and 2 (MCL 450.251 and

450.252) and by adding sections 1a and 2a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1	TITLE
2	An act TO REQUIRE NOTICE AND ACCOUNTING TO THE ATTORNEY
3	GENERAL OF THE DISSOLUTION, MERGER, OR CONVERSION OF, AND CERTAIN
4	AMENDMENTS TO OR RESTATEMENTS OF THE ARTICLES OF INCORPORATION OF,
5	CERTAIN DOMESTIC CHARITABLE PURPOSE CORPORATIONS OR OTHER ENTITIES;
6	to require court proceedings for dissolution of THOSE domestic
7	charitable purpose corporations OR ENTITIES ; and to require the

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filing of A notice of intention to withdraw with the attorney
 general by A foreign charitable purpose corporations attempting to
 withdraw CORPORATION THAT WITHDRAWS from this state.

Sec. 1. (1) No A nonprofit corporation, foundation, trustee
corporation, or other corporation, or entity organized under the
laws of this state whose corporate purposes are to hold PURPOSES
INCLUDE OPERATING OR HOLDING property for any charitable purpose,
except when they are UNLESS IT IS organized for religious purposes,
shall be dissolved except by giving NOT DO ANY OF THE FOLLOWING
UNLESS IT COMPLIES WITH SUBSECTION (2):

(A) ENTER INTO A MERGER WITH ANOTHER DOMESTIC OR FOREIGN
 NONPROFIT CORPORATION, DOMESTIC OR FOREIGN BUSINESS CORPORATION, OR
 OTHER DOMESTIC OR FOREIGN BUSINESS ENTITY.

14 (B) AMEND OR RESTATE ITS ARTICLES OF INCORPORATION TO BECOME A
15 CORPORATION GOVERNED BY THE BUSINESS CORPORATION ACT, 1972 PA 284,
16 MCL 450.1101 TO 450.2098.

17 (C) CONVERT AN ENTITY DESCRIBED IN SUBDIVISION (A) INTO18 ANOTHER FORM OF DOMESTIC OR FOREIGN BUSINESS ORGANIZATION.

19 (D) DISSOLVE.

20 (2) A CORPORATION OR ENTITY DESCRIBED IN SUBSECTION (1) MUST 21 GIVE WRITTEN notice to the attorney general by registered mail at 22 least 45 days prior to the filing of any paper or document in 23 respect to such BEFORE FILING AN AMENDMENT TO OR RESTATEMENT OF ITS ARTICLES OF INCORPORATION, A CERTIFICATE OF CONVERSION, OR ANY 24 25 OTHER PAPER OR DOCUMENT CONCERNING A MERGER, CONVERSION, OR 26 dissolution **DESCRIBED IN SUBSECTION (1)** with any other state agency 27 or court.

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1 (3) A CORPORATION THAT IS SUBJECT TO THIS ACT AND THAT IS 2 AUTOMATICALLY DISSOLVED UNDER SECTION 801(1)(A) OR SECTION 922 OF 3 THE NONPROFIT CORPORATION ACT, 1982 PA 166, MCL 450.2801 AND 4 450.2922, SHALL GIVE NOTICE OF THE DISSOLUTION TO THE ATTORNEY 5 GENERAL WITHIN 60 DAYS AFTER THE AUTOMATIC DISSOLUTION OF THE 6 CORPORATION.

7 (4) THE ATTORNEY GENERAL MAY REQUIRE THAT A CORPORATION OR 8 ENTITY DESCRIBED IN SUBSECTION (1) THAT IS INVOLVED IN A MERGER, 9 CONVERSION, OR DISSOLUTION DESCRIBED IN THAT SUBSECTION SUBMIT TO 10 THE ATTORNEY GENERAL AN ACCOUNTING OF THE ASSETS OF THE CORPORATION 11 AND OF THEIR ADMINISTRATION AND DISPOSITION.

12 (5) The attorney general may require the dissolution to THAT THE DISSOLUTION OF A CORPORATION OR ENTITY DESCRIBED IN SUBSECTION 13 14 (1) be accomplished by proceedings in the circuit court FOR INGHAM 15 COUNTY OR for the county in which the registered office OR 16 PRINCIPAL PLACE OF BUSINESS of the corporation OR ENTITY is 17 located. , and the making of an accounting of its assets, 18 administration and disposition of its assets. The attorney general 19 is a necessary party to such THE DISSOLUTION proceedings and shall 20 be given due notice thereof.OF THOSE PROCEEDINGS.

(6) The attorney general may consent to THE dissolution OF A
CORPORATION OR OTHER ENTITY DESCRIBED IN SUBSECTION (1) without
court proceedings. , provided however, that HOWEVER, THE CONSENT TO
A DISSOLUTION BY THE ATTORNEY GENERAL UNDER THIS SUBSECTION DOES
NOT AFFECT OR LIMIT THE APPLICATION OF any other statutory
provisions requiring THAT REQUIRE court proceedings shall not be
affected nor eliminated by such consent. The corporation and

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securities commission shall not accept for filing any notice of
 dissolution unless it is accompanied by a copy of the order of the
 circuit court dissolving the corporation or a certified copy of the
 written consent of the attorney general to such dissolution. IN
 CONNECTION WITH THE DISSOLUTION OF A CORPORATION OR OTHER ENTITY
 DESCRIBED IN SUBSECTION (1).

SEC. 1A. THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE
8 "DISSOLUTION OF CHARITABLE PURPOSE CORPORATIONS ACT".

9 Sec. 2. (1) THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS 10 SHALL NOT ACCEPT ANY OF THE FOLLOWING FOR FILING UNLESS IT IS 11 ACCOMPANIED BY AN ORDER OF A CIRCUIT COURT DISSOLVING THE 12 CORPORATION OR ENTITY, THE WRITTEN CONSENT OF THE ATTORNEY GENERAL 13 UNDER SECTION 2A TO THE DISSOLUTION OF THE CORPORATION OR ENTITY, 14 OR AN AFFIDAVIT DESCRIBED IN SECTION 2A:

15 (A) A CERTIFICATE OF DISSOLUTION OF A CORPORATION OR OTHER
16 ENTITY DESCRIBED IN SECTION 1(1).

17 (B) A CERTIFICATE OF MERGER OF A CORPORATION OR OTHER ENTITY
18 DESCRIBED IN SECTION 1(1).

(C) AN AMENDMENT TO THE ARTICLES OF INCORPORATION, RESTATED
ARTICLES OF INCORPORATION, OR A CERTIFICATE OF CONVERSION TO BECOME
OR THAT CONVERTS A CORPORATION OR OTHER ENTITY DESCRIBED IN SECTION
1(1) TO A CORPORATION GOVERNED BY THE BUSINESS CORPORATION ACT,
1972 PA 284, MCL 450.1101 TO 450.2098, OR ANOTHER DOMESTIC OR
FOREIGN BUSINESS ENTITY.

(D) ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OF A
CORPORATION DESCRIBED IN SECTION 1(1) THAT CHANGES ITS TERM OF
EXISTENCE TO A SPECIFIC DATE.

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1 (2) The corporation and securities commission DEPARTMENT OF 2 LICENSING AND REGULATORY AFFAIRS shall not accept for filing a notice ISSUE A CERTIFICATE of withdrawal from this state of a 3 4 foreign corporation or entity whose nature and purposes are similar 5 to those domestic corporations or entities described in section $\frac{1}{1}$ 6 1(1), unless the notice REQUEST FOR A CERTIFICATE of withdrawal is accompanied by a true copy and proof of service by registered mail, 7 8 of a notice of intention to withdraw from the state served upon the 9 attorney general at least 45 days prior to the receipt by the 10 commission of the notice of withdrawal. THE WRITTEN CONSENT OF THE 11 ATTORNEY GENERAL UNDER SECTION 2A OR AN AFFIDAVIT DESCRIBED IN 12 SECTION 2A.

SEC. 2A. (1) IF A CHARITABLE CORPORATION OR OTHER ENTITY 13 DESCRIBED IN SECTION 1(1) SUBMITS A WRITTEN REQUEST TO THE ATTORNEY 14 GENERAL FOR CONSENT TO THE FILING OF A CERTIFICATE OF DISSOLUTION, 15 MERGER, OR CONVERSION, AN AMENDMENT TO OR RESTATEMENT OF ITS 16 ARTICLES OF INCORPORATION, OR TO A DISSOLUTION OR IF A FOREIGN 17 18 CORPORATION SUBMITS A WRITTEN REQUEST FOR CONSENT TO FILING A 19 CERTIFICATE OF WITHDRAWAL UNDER THIS ACT, THE ATTORNEY GENERAL 20 SHALL, WITHIN 120 DAYS AFTER THE ATTORNEY GENERAL RECEIVES THE 21 REQUEST, EITHER PROVIDE WRITTEN CONSENT TO THE FILING OR DISSOLUTION OR GIVE WRITTEN NOTICE TO THE PERSON THAT SUBMITTED THE 22 23 REQUEST, SPECIFYING THE REASONS FOR THE REFUSAL TO CONSENT OR 24 REQUESTING THAT THE PERSON PROVIDE ADDITIONAL INFORMATION. (2) IF THE ATTORNEY GENERAL FAILS TO PROVIDE THE WRITTEN 25

26 NOTICE REQUIRED UNDER SUBSECTION (1) WITHIN THE 120-DAY PERIOD 27 DESCRIBED IN THAT SUBSECTION, THE PERSON THAT SUBMITTED THE REQUEST

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MAY PREPARE AN AFFIDAVIT ATTESTING TO THE SUBMISSION OF THAT 1 2 REQUEST AND THE FAILURE OF THE ATTORNEY GENERAL TO RESPOND AND MAY SUBMIT THE AFFIDAVIT TO THE DEPARTMENT OF LICENSING AND REGULATORY 3 4 AFFAIRS UNDER SECTION 2.

(3) A DOMESTIC OR FOREIGN CHARITABLE CORPORATION OR OTHER 5 ENTITY THAT IS SUBJECT TO THIS ACT MAY SEEK JUDICIAL REVIEW OF THE 6 REFUSAL OF THE ATTORNEY GENERAL TO CONSENT TO A TRANSACTION 7 DESCRIBED IN SUBSECTION (1) UNDER SECTIONS 103, 104, AND 106 OF THE 8 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.303, 9

24.304, AND 24.306. 10

11 Enacting section 1. This amendatory act does not take effect 12 unless all of the following bills of the 97th Legislature are enacted into law: 13

(a) Senate Bill No. 623. 14

(b) Senate Bill No. 929. 15