

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2855 Dissolution of corporation; applicable provisions.

Sec. 855.

(1) All of the following apply if a corporation is dissolved:

(a) The corporation shall pay or make provision for its debts, obligations, and liabilities. Compliance with this subdivision requires that, to the extent that a reasonable estimate is possible, provision is made for those debts, obligations, and liabilities that are anticipated to arise after the effective date of dissolution. A corporation is not required to make provision for any debt, obligation, or liability that is or is reasonably anticipated to be barred under section 841a or 842a. The fact that corporate assets are insufficient to satisfy claims that arise after a dissolution does not create a presumption that the corporation has failed to comply with this subdivision. A corporation is considered to have made adequate provision for any debt, obligation, or liability of the corporation if payment is assumed or guaranteed in good faith by 1 or more financially responsible corporations, other persons, or the United States government or an agency of the United States government and the provision, including the financial responsibility of the corporations or other persons, was determined in good faith and with reasonable care by the board to be adequate.

(b) If the corporation holds any assets subject to a condition that requires return, transfer, or conveyance, and the condition occurs by reason of the dissolution, the corporation shall return, transfer, or convey those assets in compliance with those conditions.

(c) If the corporation received and holds any assets that are subject to limitations that permit their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but that are not held subject to a condition that requires return, transfer, or conveyance by reason of the dissolution under subdivision (b), the corporation shall transfer or convey those assets in a manner that complies with any provisions in the articles of incorporation or bylaws that designate 1 or more recipients or establish a mechanism for determining 1 or more recipients that are domestic or foreign corporations, societies, or organizations, including governmental agencies, that are engaged in activities that further those purposes. If the articles of incorporation or bylaws do not contain a provision described in this subdivision, the corporation shall transfer or convey those assets to 1 or more domestic or foreign corporations, societies, or organizations, including governmental agencies, that are engaged in activities that are substantially similar to or consistent with those of the dissolving corporation.

(d) The corporation shall distribute any other assets in a manner that complies with any provisions of the articles of incorporation or the bylaws that determine the distributive rights of shareholders or members, or any class or classes of shareholders or members, or provide for distribution to others. Except as otherwise provided in this section, the corporation may distribute assets that are subject to this subdivision in cash, in kind, or both in cash and in kind, to shareholders, members, or others according to their respective rights and interests.

(e) The corporation distributes any remaining assets to any persons specified in a plan of distribution adopted by the corporation.

(2) If any assets of a dissolved corporation are not subject to any provision for the distribution of assets described in subsection (1), those remaining escheat to the state.

History: 1982, Act 162, Eff. Jan. 1, 1983 ;-- Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015