

Act No. 558
Public Acts of 2014
Approved by the Governor
January 10, 2015
Filed with the Secretary of State
January 15, 2015
EFFECTIVE DATE: January 15, 2015

**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2014**

Introduced by Senators Jones, Kowall and Bieda

ENROLLED SENATE BILL No. 624

AN ACT 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:

TITLE

An act to require notice and accounting to the attorney general of the dissolution, merger, or conversion of, and certain amendments to or restatements of the articles of incorporation of, certain domestic charitable purpose corporations or other entities; to require court proceedings for dissolution of those domestic charitable purpose corporations or entities; and to require the filing of a notice of intention to withdraw with the attorney general by a foreign charitable purpose corporation that withdraws from this state.

Sec. 1. (1) A nonprofit corporation, foundation, trustee corporation, or other corporation, or entity organized under the laws of this state whose purposes include operating or holding property for any charitable purpose, unless it is organized for religious purposes, shall 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.

(b) Amend or restate its articles of incorporation to become a corporation governed by the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098.

(c) Convert an entity described in subdivision (a) into another form of domestic or foreign business organization.

(d) Dissolve.

(2) A corporation or entity described in subsection (1) must give written notice to the attorney general before filing an amendment to or restatement of its articles of incorporation, a certificate of conversion, or any other paper or document concerning a merger, conversion, or dissolution described in subsection (1) with any other state agency or court.

(3) A corporation that is subject to this act and that is automatically dissolved under section 801(1)(a) or section 922 of the nonprofit corporation act, 1982 PA 166, MCL 450.2801 and 450.2922, shall give notice of the dissolution to the attorney general within 60 days after the automatic dissolution of the corporation.

(4) The attorney general may require that a corporation or entity described in subsection (1) that is involved in a merger, conversion, or dissolution described in that subsection submit to the attorney general an accounting of the assets of the corporation and of their administration and disposition.

(5) The attorney general may require that the dissolution of a corporation or entity described in subsection (1) be accomplished by proceedings in the circuit court for Ingham county or for the county in which the registered office or principal place of business of the corporation or entity is located. The attorney general is a necessary party to the dissolution proceedings and shall be given due notice 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. 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 that require court proceedings 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 “dissolution of charitable purpose corporations act”.

Sec. 2. (1) The department of licensing and regulatory affairs shall not accept any of the following for filing unless it is accompanied by an order of a circuit court dissolving the corporation or entity, the written consent of the attorney general under section 2a to the dissolution of the corporation or entity, or an affidavit described in section 2a:

(a) A certificate of dissolution of a corporation or other entity described in section 1(1).

(b) A certificate of merger of a corporation or other entity 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.

(2) The department of licensing and regulatory affairs shall not issue a certificate of withdrawal from this state of a foreign corporation or entity whose nature and purposes are similar to those domestic corporations or entities described in section 1(1), unless the request for a certificate of withdrawal is accompanied by the written consent of the attorney general under section 2a or an affidavit described in section 2a.

Sec. 2a. (1) If a charitable corporation or other entity described in section 1(1) submits a written request to the attorney general for consent to the filing of a certificate of dissolution, merger, or conversion, an amendment to or restatement of its articles of incorporation, or to a dissolution or if a foreign corporation submits a written request for consent to filing a certificate of withdrawal under this act, the attorney general shall, within 120 days after the attorney general receives the request, either provide written consent to the filing or dissolution or give written notice to the person that submitted the request, specifying the reasons for the refusal to consent or requesting that the person provide additional information.

(2) If the attorney general fails to provide the written notice required under subsection (1) within the 120-day period described in that subsection, the person that submitted the request may prepare an affidavit attesting to the submission of that request and the failure of the attorney general to respond and may submit the affidavit to the department of licensing and regulatory affairs under section 2.

(3) A domestic or foreign charitable corporation or other entity that is subject to this act may seek judicial review of the refusal of the attorney general to consent to a transaction described in subsection (1) under sections 103, 104, and 106 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.303, 24.304, and 24.306.

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

(a) Senate Bill No. 623.

(b) Senate Bill No. 929.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Gay E. Randall

Clerk of the House of Representatives

Approved

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Governor