

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	SB 642
Version:	Engrossed
Request Number:	
Author:	Rep. Kannady and Sen. Montgomery
Date:	3/25/2019
Impact:	\$0

Research Analysis

Engrossed SB642 updates the Oklahoma General Corporation Act (OGCA) to establish governance procedures *for nonstock, charitable nonstock and nonprofit nonstock corporations* and provide guidance on the applicability of the act to such corporations. The measure defines a *charitable nonstock corporation* as any nonprofit nonstock corporation that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. In contrast, a *nonstock corporation* is defined as any corporation organized under the OGCA that is not authorized to issue capital stock. Lastly, a *nonprofit nonstock corporation* is defined as a nonstock corporation that does not have membership interests.

The measure also provides that certain terms with the OGCA are interchangeable when viewed in the context of a nonstock corporation. Specifically, all references to shareholders of a corporation is deemed to refer to members of the corporation; all references to the board or board of directors of a corporation is deemed to refer to the governing body of the corporation; and all references to stock, capital stock or shares of a corporation is deemed to refer to memberships and membership interest in a nonstock corporation.

Prepared By: Quyen Do

Fiscal Analysis

SB 642 in its current form is not anticipated to have a direct fiscal impact on the state budget or revenues.

Prepared By: John McPhetridge

Other Considerations

None.