

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1707

By: Hall

AS INTRODUCED

An Act relating to nonstock corporations; amending 18 O.S. 2011, Section 1097, as amended by Section 26, Chapter 88, O.S.L. 2019 (18 O.S. Supp. 2019, Section 1097), which relates to dissolution procedure; requiring notice of dissolution to Attorney General from certain corporations; prohibiting transfer of certain assets prior to certain notice or written consent; requiring list of transfer or conveyance of certain assets to Attorney General; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 18 O.S. 2011, Section 1097, as amended by Section 26, Chapter 88, O.S.L. 2019 (18 O.S. Supp. 2019, Section 1097), is amended to read as follows:

Section 1097.

DISSOLUTION OF NONSTOCK CORPORATION; PROCEDURE

A. Whenever it shall be desired to dissolve any nonstock corporation, the governing body shall perform all the acts necessary for dissolution which are required by the provisions of Section 1096 of this title to be performed by the board of directors of a corporation having capital stock. If the members of a corporation

1 having no capital stock are entitled to vote for the election of
2 members of its governing body or are entitled to vote for
3 dissolution under the certificate of incorporation or the bylaws of
4 such corporation, they shall perform all the acts necessary for
5 dissolution which are required by the provisions of Section 1096 of
6 this title to be performed by the shareholders of a corporation
7 having capital stock, including dissolution without action of the
8 members of the governing body if all the members of the corporation
9 entitled to vote thereon shall consent in writing and a certificate
10 of dissolution shall be filed with the Secretary of State pursuant
11 to subsection D of Section 1096 of this title. If there is no
12 member entitled to vote thereon, the dissolution of the corporation
13 shall be authorized at a meeting of the governing body, upon the
14 adoption of a resolution to dissolve by the vote of a majority of
15 members of its governing body then in office. In all other
16 respects, the method and proceedings for the dissolution of a
17 nonstock corporation shall conform as nearly as may be to the
18 proceedings prescribed by the provisions of Section 1096 of this
19 title for the dissolution of corporations having capital stock.

20 B. If a nonstock corporation has not commenced the business for
21 which the corporation was organized, a majority of the governing
22 body or, if none, a majority of the incorporators may surrender all
23 of the corporation rights and franchises by filing in the Office of
24 the Secretary of State a certificate, executed and acknowledged by a

1 majority of the incorporators or governing body, conforming as
2 nearly as may be to the certificate prescribed by Section 1095 of
3 this title.

4 C. A charitable nonstock corporation shall give the Attorney
5 General written notice that it intends to dissolve at or before the
6 time it delivers its certificate of dissolution to the Secretary of
7 State. The notice shall include a copy or summary of the plan of
8 dissolution.

9 D. No assets shall be transferred or conveyed by a charitable
10 nonstock corporation as part of the dissolution process until forty-
11 five (45) days after it has given the written notice required by
12 subsection C of this section to the Attorney General or until the
13 Attorney General has, in writing, consented to the dissolution or
14 indicated that he or she will take no action with respect to the
15 transfer or conveyance, whichever is earlier.

16 E. When all or substantially all of the assets of a charitable
17 nonstock corporation have been transferred or conveyed following
18 approval of dissolution, the board shall deliver to the Attorney
19 General a list showing those, other than creditors, to whom the
20 assets were transferred or conveyed. The list shall indicate the
21 address of each person or entity, other than creditors, who received
22 assets and indicate the assets received by each person or entity.

SECTION 2. This act shall become effective November 1, 2020.

57-2-3263 TEK 1/16/2020 3:33:19 PM