

File Number: H.F. 13
Version: First engrossment

Date: January 12, 2017

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Subject: Nonprofit corporations

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Overview

Statutory changes were made to the Minnesota Business Corporation Act in 2015 to allow for entities to convert into other forms. This bill makes conforming and technical changes to the Minnesota Nonprofit Corporation Act.

Section

- 1 **Members with voting rights.** Removes “voting members” from definition.
- 2 **Written action.** Makes changes to the definition of “written action” to include a record and electronic communication.
- 3 **Role of incorporators.** Clarifies that upon election of a director, or filing of articles, the power of incorporators ceases.
- 4 **Meeting.** Clarifies that the election of directors is an action to be taken at the initial meeting of the incorporators or directors.
- 5 **Number.** Makes technical changes.
- 6 **Generally.** Clarifies that a board of directors can establish a special litigation committee through resolution, and that this type of committee is not subject to the direction and control of the board.
- 7 **Other officers.** Makes technical changes.
- 8 **Generally.** Makes technical changes.

Section

15 [317A.689] Effect of conversion.

Subd. 1. Effect on corporation; general. Provides that an entity is, for all purposes, the same entity that existed prior to conversion, including ownership rights, debts, actions, and rights.

Subd. 2. Effect on fiduciary capacity. Provides that, with exceptions, an entity has the same fiduciary obligations it had prior to conversion, after conversion.

Subd. 3. Foreign organization. Provides requirements and liabilities relating to foreign organizations.

16 When required. Makes technical changes.

17 Restriction on transfer. Makes technical changes.

18 Exception. Makes technical changes.

19 Revisor's instruction. Instructs revisor to change the term "voting member" to "member with voting rights" in certain sections of chapter 317A.