

2021 -- H 6064 SUBSTITUTE A

=====
LC002129/SUB A
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- MERGER
AND CONSOLIDATION

Introduced By: Representative Justine A. Caldwell

Date Introduced: March 03, 2021

Referred To: House Corporations

(Secretary of State)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 7-6-2, 7-6-43, 7-6-44, 7-6-45, 7-6-46, 7-6-47 and 7-6-48 of the
2 General Laws in Chapter 7-6 entitled "Rhode Island Nonprofit Corporation Act" are hereby
3 amended to read as follows:

4 **7-6-2. Definitions.**

5 As used in this chapter, unless the context otherwise requires, the term:

6 (1) "Articles of incorporation" means the original or restated articles of incorporation or
7 articles of consolidation and all amendments to it, including articles of merger and special acts of
8 the general assembly creating corporations [and/or entities](#).

9 (2) "Authorized representative" means a person who is duly authorized by a nonprofit
10 corporation's board of directors to act on behalf of the nonprofit corporation.

11 (3) "Board of directors" means the group of persons vested with the management of the
12 affairs of the corporation (including, without being limited to, a board of trustees) regardless of the
13 name by which the group is designated.

14 (4) "Bylaws" means the code or codes of rules adopted for the regulation or management
15 of the affairs of the corporation regardless of the name, or names, by which the rules are designated.

16 (5) "Corporation" or "Domestic corporation" means a nonprofit corporation subject to the
17 provisions of this chapter, except a foreign corporation.

18 (6) "Delivering/Delivered" means either physically transferring a paper document to the

1 secretary of state or transferring a document to the secretary of state by electronic transmission
2 through a medium provided and authorized by the secretary of state.

3 (7) "Director" means a member of a board of directors.

4 (8) "Electronic transmission" means any form of communication, not directly involving
5 the physical transmission of paper, that creates a record that may be retained, retrieved, and
6 reviewed by a recipient thereof and that may be directly reproduced in paper form by such a
7 recipient through an automated process.

8 (9) "Entity" includes a domestic or foreign business corporation, domestic or foreign
9 nonprofit corporation, domestic or foreign unincorporated entity, estate, trust, state, the United
10 States, foreign government, or governmental subdivision.

11 ~~(9)~~ (10) "Filing" means delivered to the secretary of state in either paper format or
12 electronic transmission through a medium provided and authorized by the secretary of state.

13 ~~(10)~~ (11) "Foreign corporation" means a nonprofit corporation organized under laws other
14 than the laws of this state.

15 ~~(11)~~ (12) "Insolvent" means inability of a corporation to pay its debts as they become due
16 in the usual course of its affairs.

17 ~~(12)~~ (13) "Member" means one having membership rights in a corporation in accordance
18 with the provisions of its articles of incorporation or bylaws regardless of the name by which the
19 person is designated.

20 ~~(13)~~ (14) "Nonprofit corporation" means a corporation of which no part of the income or
21 profit is distributable to its members, directors, or officers, except as otherwise expressly permitted
22 by this chapter.

23 ~~(14)~~ (15) "Signature" or "signed" or "executed" means an original signature, facsimile, or
24 an electronically transmitted signature submitted through a medium provided and authorized by the
25 secretary of state.

26 (16) "Unincorporated entity" means an organization or artificial legal person that either has
27 a separate legal existence or has the power to acquire an estate in real property in its own name and
28 that is not any of the following: a domestic or foreign business or nonprofit corporation, an estate,
29 a trust, a governmental subdivision, a state, the United States, or a foreign government. The term
30 includes a general partnership, limited liability company, limited partnership, business or statutory
31 trust, joint stock association, and unincorporated nonprofit association.

32 ~~(15)~~ (17) "Volunteer" means an individual performing services for a nonprofit corporation
33 without compensation.

34 **7-6-43. Procedure for merger.**

1 (a) Notwithstanding anything to the contrary contained in any general or public law, rule,
2 or regulation, any two (2) or more ~~corporations~~ entities whether defined in ~~§§§ 7-6-2, or § 7-1.2-~~
3 ~~106, 7-13-1, or 7-16-2,~~ may merge into one of the ~~corporations~~ entities pursuant to a plan of merger
4 approved in the manner provided in this chapter. This section does not apply to insurance holding
5 company systems as defined in § 27-35-1.

6 (b) Each ~~corporation~~ entity shall adopt a plan of merger setting forth:

7 (1) The names of the ~~corporations~~ entities proposing to merge, and the name of the
8 ~~corporations~~ entity into which they propose to merge, which is subsequently designated as the
9 surviving ~~corporations~~ entity;

10 (2) The terms and conditions of the proposed merger;

11 (3) A statement of any changes in the articles of incorporation of the surviving ~~corporations~~
12 entity to be effected by the merger; and

13 (4) Such other provisions regarding the proposed merger that are deemed necessary or
14 desirable.

15 **7-6-44. Procedure for consolidation.**

16 (a) Notwithstanding anything to the contrary contained in any general or public law, rule,
17 or regulation, any two (2) or more ~~corporations~~ entities, whether defined in ~~§§§ 7-6-2 or § 7-1.2-~~
18 ~~106, 7-13-1, or 7-16-2~~ may consolidate into one of the ~~corporations~~ entities pursuant to a plan of
19 consolidation approved in the manner provided in this chapter. This section does not apply to
20 insurance holding company systems as defined in § 27-35-1.

21 (b) Each ~~corporation~~ entity shall adopt a plan of consolidation setting forth:

22 (1) The names of the ~~corporations~~ entities proposing to consolidate, and the name of the
23 new ~~corporation~~ entity into which they propose to consolidate, which is subsequently designated
24 as the new ~~corporation~~ entity;

25 (2) The terms and conditions of the proposed consolidation;

26 (3) Regarding the new ~~corporation~~ entity, all of the statements required to be set forth in
27 articles of incorporation for ~~corporations~~ entities organized under this chapter; and

28 (4) Any other provisions regarding the proposed consolidation that are deemed necessary
29 or desirable.

30 **7-6-45. Approval of merger or consolidation.**

31 (a) A plan of merger or consolidation is adopted in the following manner:

32 (1) If the members of any merging or consolidating corporation are entitled to vote on it,
33 the board of directors of the corporation shall adopt a resolution approving the proposed plan and
34 directing that it be submitted to a vote at a meeting of members entitled to vote on it, which may

1 be either an annual or a special meeting. Written notice setting forth the proposed plan or a summary
2 of the plan shall be given to each member entitled to vote at the meeting within the time and in the
3 manner provided in this chapter for the giving of notice of meetings of members. The proposed
4 plan shall be adopted upon receiving at least a majority of the votes that members present at each
5 meeting or represented by proxy are entitled to cast.

6 (2) If any merging or consolidating corporation has no members, or no members entitled
7 to vote on it, a plan of merger or consolidation shall be adopted at a meeting of the board of directors
8 of the corporation upon receiving the vote of a majority of the directors in office.

9 (3) A limited-liability company party to a proposed merger or consolidation shall have the
10 plan of merger or consolidation authorized and approved in the manner and by the vote required
11 by § 7-16-21;

12 (4) A domestic limited partnership party to a proposed merger or consolidation shall have
13 the plan of merger or consolidation, unless otherwise provided in the limited partnership agreement,
14 authorized and approved in the manner and by the vote required by the laws of this state for mergers
15 or consolidations of a domestic limited partnership with other limited partnerships or other business
16 entities.

17 (b) After approval, and at any time prior to the filing of the articles of merger or
18 consolidation, the merger or consolidation may be abandoned pursuant to any provisions for
19 abandonment set forth in the plan of merger or consolidation.

20 **7-6-46. Articles of merger or consolidation.**

21 (a) Upon approval, articles of merger or articles of consolidation shall duly be executed ~~by~~
22 ~~each corporation by its president or a vice president and by its secretary or an assistant secretary,~~
23 and shall set forth:

24 (1) The plan of merger or the plan of consolidation;

25 (2) If the members of any merging or consolidating corporation are entitled to vote on the
26 plan, then as to each corporation:

27 (i) A statement setting forth the date of the meeting of members at which the plan was
28 adopted, that a quorum was present at the meeting, and that the plan received at least a majority of
29 the votes that members present at the meeting or represented by proxy were entitled to cast; or

30 (ii) A statement that the plan was adopted by a consent in writing signed by all members
31 entitled to vote on it;

32 (3) If any merging or consolidating corporation has no members, or no members entitled
33 to vote on the plan, then as to each corporation a statement of the fact, the date of the meeting of
34 the board of directors at which the plan was adopted, and a statement of the fact that the plan

1 received the vote of a majority of the directors in office.

2 (4) A statement that the plan of merger was authorized and approved by each other
3 constituent entity;

4 (5) The effective date of the merger or consolidation if later than the date of filing of the
5 articles of merger or consolidation;

6 (6) The identity of the surviving entity or the new entity by name, type and state or other
7 jurisdiction under whose laws it is organized or formed; and

8 (b) The articles of merger or articles of consolidation shall be delivered to the secretary of
9 state. If the secretary of state finds that the articles conform to law, he or she shall, when all fees
10 have been paid as prescribed in this chapter:

11 (1) Endorse on the original the word "Filed", and the month, day, and year of the filing;

12 (2) File the original in the secretary of state's office;

13 (3) Issue a certificate of merger or a certificate of consolidation.

14 (c) The certificate of merger or certificate of consolidation shall be delivered to the
15 surviving or new ~~corporation~~ entity, as the case may be, or its representative.

16 (d) The articles of merger or consolidation shall act as a certificate of cancellation for each
17 party to the merger or consolidation that is not the surviving entity or the new entity.

18 **7-6-47. Effect of merger or consolidation.**

19 (a) Upon the issuance of the certificate of merger, or the certificate of consolidation by the
20 secretary of state, the merger or consolidation is effected.

21 (b) When the merger or consolidation has been effected:

22 (1) The several ~~corporations~~ parties to the plan of merger or consolidation are a single
23 ~~corporation~~ entity, which, in the case of a merger, is that ~~corporation~~ entity designated in the plan
24 of merger as the surviving ~~corporation~~ entity, and, in the case of a consolidation, is the new
25 ~~corporation~~ entity provided for in the plan of consolidation.

26 (2) The separate existence of all ~~corporations~~ parties to the plan of merger or consolidation,
27 except the surviving or new ~~corporation~~ entity, ceases.

28 (3) The surviving or new ~~corporation~~ entity has all the rights, privileges, immunities, and
29 powers and is subject to all the duties and liabilities of ~~a corporation~~ an entity organized under this
30 chapter.

31 (4) The surviving or new ~~corporation~~ entity at that time and subsequently possesses all the
32 rights, privileges, immunities, and franchises, of a public as well as of a private nature, of each of
33 the merging or consolidating ~~corporations~~ entities; and all property, real, personal, and mixed, and
34 all debts due on any account, and all other choses in action. Every other interest, of or belonging to

1 or due to each of the ~~corporations~~ [entities](#) merged or consolidated, is deemed to be transferred to
2 and vested in the single ~~corporation~~ [entity](#) without further act or deed. The title to any real estate,
3 or any interest in it, vested in any of the ~~corporations~~ [entities](#) does not revert or become in any way
4 impaired because of the merger or consolidation.

5 (5) The surviving or new ~~corporation~~ [entity](#) is from that time on responsible and liable for
6 all the liabilities and obligations of each of the ~~corporations~~ [entities](#) merged or consolidated. Any
7 claim existing or action or proceeding pending by or against any of the ~~corporations~~ [entities](#) may
8 be prosecuted as if the merger or consolidation had not taken place, or the surviving or new
9 ~~corporation~~ [entity](#) may be substituted in its place. Neither the rights of creditors nor any liens upon
10 the property of any ~~corporation~~ [entity](#) is impaired by the merger or consolidation.

11 (6) In the case of a merger, the articles of incorporation of the surviving ~~corporation~~ [entity](#)
12 are deemed to be amended to the extent that changes in its articles of ~~incorporation~~ [formation](#) are
13 stated in the plan of merger. In the case of a consolidation, the statements set forth in the articles of
14 consolidation and that are required or permitted to be set forth in the articles of incorporation of
15 ~~corporations~~ [entities](#) organized under this chapter are deemed to be the articles of incorporation of
16 the new ~~corporation~~ [entity](#).

17 **7-6-48. Merger or consolidation of domestic and foreign corporations.**

18 (a) Notwithstanding anything to the contrary contained in any general or public law, rule,
19 or regulation, any two (2) or more ~~corporations~~ [entities](#), whether defined in ~~§§§ 7-6-2, or § 7-1.2-~~
20 ~~106, 7-13-1, or 7-16-2~~ may be merged or consolidated in the following manner, if the merger or
21 consolidation is permitted by the laws of the state under which each foreign ~~corporation~~ [entity](#) is
22 organized:

23 (1) Each domestic ~~corporation~~ [entity](#) shall comply with the provisions of this chapter
24 regarding the merger or consolidation of domestic ~~corporations~~ [entities](#) and each foreign
25 ~~corporation~~ [entity](#) shall comply with the applicable provisions of the laws of the state under which
26 it is organized.

27 (2) If the surviving or new ~~corporation~~ [entity](#) is to be governed by the laws of any state
28 other than this state, it shall comply with the provisions of this chapter with respect to foreign
29 ~~corporations~~ [entities](#) if it is to conduct affairs in this state, and in every case it shall file with the
30 secretary of state of this state:

31 (i) An agreement that it may be served with process in this state in any proceeding for the
32 enforcement of any obligation of any domestic ~~corporation~~ [entity](#) that is a party to the merger or
33 consolidation; and

34 (ii) An irrevocable appointment of the secretary of state of this state as its agent to accept

1 service of process in any proceeding.

2 (b) The effect of the merger or consolidation shall be the same as in the case of the merger
3 or consolidation of domestic ~~corporations~~ entities, if the surviving or new ~~corporation~~ entity is to
4 be governed by the laws of this state. If the surviving or new ~~corporation~~ entity is to be governed
5 by the laws of any state other than this state, the effect of the merger or consolidation is the same
6 as in the case of the merger or consolidation of domestic ~~corporations~~ entities except insofar as the
7 laws of the other state provide otherwise.

8 (c) After approval by the members or, if there are no members entitled to vote on it, by the
9 board of directors, and at any time prior to the filing of the articles of merger or consolidation, the
10 merger or consolidation may be abandoned pursuant to provisions for abandonment set forth in the
11 plan of merger or consolidation.

12 (d) This section does not apply to insurance holding company systems as defined in § 27-
13 35-1.

14 SECTION 2. Chapter 7-6 of the General Laws entitled "Rhode Island Nonprofit
15 Corporation Act" is hereby amended by adding thereto the following sections:

16 **7-6-48.1. Conversion of other entities to a domestic nonprofit corporation.**

17 (a) As used in this section, the term "other entity" means a foreign corporation or domestic
18 or foreign unincorporated entity no part of the income or profit of which is distributable to its
19 members, directors, or officers.

20 (b) Any other entity may convert to a nonprofit corporation of this state by complying with
21 subsection (h) of this section and filing in the office of the secretary of state:

22 (1) A certificate of conversion to corporation (nonprofit) that has been executed in
23 accordance with subsection (i) of this section and filed in the office of the secretary of state in
24 accordance with § 7-6-48.2; and

25 (2) Articles of incorporation that have been executed, acknowledged and filed in
26 accordance with § 7-6-35.

27 (c) The certificate of conversion to corporation (nonprofit) shall state:

28 (1) The date on which, and the jurisdiction where the other entity was first created,
29 incorporated, formed or otherwise came into being and, if it has changed, its jurisdiction
30 immediately prior to its conversion to a domestic corporation;

31 (2) The name and type of the other entity immediately prior to the filing of the certificate
32 of conversion to corporation (nonprofit); and

33 (3) The name of the corporation as set forth in its articles of incorporation filed in
34 accordance with subsection (b) of this section.

1 (d) Upon the effective time of the certificate of conversion to corporation (nonprofit) and
2 the articles of incorporation, the other entity shall be converted to a corporation of this state and the
3 corporation shall thereafter be subject to all of the provisions of this title, except that
4 notwithstanding § 7-6-36, the existence of the corporation shall be deemed to have commenced on
5 the date the other entity commenced its existence in the jurisdiction in which the other entity was
6 first created, formed, incorporated or otherwise came into being.

7 (e) The conversion of any other entity to a corporation of this state shall not be deemed to
8 affect any obligations or liabilities of the other entity incurred prior to its conversion to a
9 corporation of this state or the personal liability of any person incurred prior to such conversion.

10 (f) When another entity has been converted to a corporation of this state pursuant to this
11 section, the corporation of this state shall, for all purposes of the laws of the state, be deemed to be
12 the same entity as the converting other entity. When any conversion shall have become effective
13 under this section, for all purposes of the laws of the state, all of the rights, privileges and powers
14 of the other entity that has converted, and all property, real, personal and mixed, and all debts due
15 to such other entity, as well as all other things and causes of action belonging to such other entity,
16 shall remain vested in the domestic corporation to which such other entity has converted and shall
17 be the property of such domestic corporation and that title to any real property vested by deed or
18 otherwise in such other entity shall not revert to such other entity or be in any way impaired by
19 reason of this chapter; but all rights of creditors and all liens upon any property of such other entity
20 shall be preserved unimpaired, and all debts, liabilities and duties of the other entity that has
21 converted shall remain attached to the corporation of this state to which such other entity has
22 converted, and may be enforced against it to the same extent as if said debts, liabilities and duties
23 had originally been incurred or contracted by it in its capacity as a corporation of this state. The
24 rights, privileges, powers and interests in property of the other entity, as well as the debts, liabilities
25 and duties of the other entity, shall not be deemed, as a consequence of the conversion, to have
26 been transferred to the domestic corporation to which such other entity has converted for any
27 purpose of the laws of the state.

28 (g) Unless otherwise agreed for all purposes of the laws of the state, or as required under
29 applicable non-Rhode Island law, the converting other entity shall not be required to wind up its
30 affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to
31 constitute a dissolution of such other entity and shall constitute a continuation of the existence of
32 the converting other entity in the form of a corporation of this state.

33 (h) Prior to filing a certificate of conversion to corporation (nonprofit) with the office of
34 the secretary of state, the conversion shall be approved in the manner provided for by the document,

1 instrument, agreement or other writing, as the case may be, governing the internal affairs of the
2 other entity and the conduct of its business or by applicable law, as appropriate, and articles of
3 incorporation shall be approved by the same authorization required to approve the conversion.

4 (i) The certificate of conversion to corporation (nonprofit) shall be signed by any person
5 who is authorized to sign the certificate of conversion to corporation (nonprofit) on behalf of the
6 other entity.

7 **7-6-48.2. Filing of certificate of conversion to corporation (nonprofit).**

8 (a) The certificate of conversion to corporation (nonprofit) shall be delivered to the
9 secretary of state. If the secretary of state finds that the certificate of conversion to corporation
10 (nonprofit) conforms to law, the secretary of state shall, when all fees have been paid as prescribed
11 in subsection (b) of this section:

12 (1) Endorse on the original the word "Filed", and the month, day, and year of the filing;

13 (2) File the original in the secretary of state's office; and

14 (3) Issue a certificate of conversion to corporation (nonprofit).

15 (b) The secretary of state shall charge and collect for filing a certificate of conversion
16 (nonprofit), twenty-five dollars (\$25.00).

17 (c) The certificate of conversion to corporation (nonprofit) shall be delivered to the
18 corporation.

19 **7-6-48.3. Conversion of a domestic nonprofit corporation to other entities.**

20 (a) A nonprofit corporation of this state may, upon the authorization of such conversion in
21 accordance with this section, convert to a limited-liability company, business trust or association,
22 real estate investment trust, common-law trust, or any other unincorporated business or entity,
23 including a partnership (whether general or limited, including a registered limited-liability
24 partnership) or a foreign corporation.

25 (b) If the members of the converting corporation are entitled to vote on it, the board of
26 directors of the corporation shall adopt a resolution, specifying the type of entity into which the
27 corporation shall be converted, the terms and conditions of the conversion, and recommending the
28 approval of such conversion by directing that it be submitted to a vote at a meeting of members
29 entitled to vote on it, which may be either an annual or a special meeting. Written notice setting
30 forth the proposed conversion shall be given to each member entitled to vote at the meeting within
31 the time and in the manner provided in this chapter for the giving of notice of meetings of members.
32 The conversion shall be adopted upon receiving at least a majority of the votes that members present
33 at each meeting or represented by proxy are entitled to cast.

34 (c) If any converting corporation has no members, or no members entitled to vote on it, a

1 resolution for conversion shall be adopted at a meeting of the board of directors of the corporation
2 upon receiving the vote of a majority of the directors in office.

3 (d) The corporation shall file with the secretary of state a certificate of conversion to non-
4 Rhode Island entity, executed by its president and vice president and by its secretary or an assistant
5 secretary, that certifies:

6 (1) The name of the corporation, and if it has been changed, the name under which it was
7 originally incorporated;

8 (2) The date of filing of its original articles of incorporation with the secretary of state;

9 (3) The name and jurisdiction of the entity and type of entity to which the corporation shall
10 be converted;

11 (4) That the conversion has been approved in accordance with the provisions of this
12 section;

13 (5) The agreement of the corporation that it may be served with process in the state of
14 Rhode Island in any action, suit, or proceeding for enforcement of any obligation of the corporation
15 arising while it was a corporation of this state, and that it irrevocably appoints the secretary of state
16 as its agent to accept service of process in any such action, suit, or proceeding; and

17 (6) The address to which a copy of the process referred to in subsection (d)(5) of this section
18 shall be mailed to it by the secretary of state. In the event of such service upon the secretary of state
19 in accordance with subsection (d)(5) of this section, the secretary of state shall forthwith notify
20 such corporation that has converted out of the state of Rhode Island by letter, certified mail, return
21 receipt requested, directed to such corporation that has converted out of the state of Rhode Island
22 at the address so specified, unless such corporation shall have designated in writing to the secretary
23 of state a different address for such purpose, in which case it shall be mailed to the last address
24 designated. Such letter shall enclose a copy of the process and any other papers served on the
25 secretary of state pursuant to this subsection. It shall be the duty of the plaintiff in the event of such
26 service to serve process and any other papers in duplicate; to notify the secretary of state that service
27 is being effected pursuant to this subsection; and to pay the secretary of state the sum of fifteen
28 dollars (\$15.00) for the use of the state, which sum shall be taxed as part of the costs in the
29 proceeding, if the plaintiff shall prevail therein. The secretary of state shall maintain an alphabetical
30 record of any such service setting forth the name of the plaintiff and the defendant; the title, docket
31 number and nature of the proceeding in which process has been served; the fact that service has
32 been effected pursuant to this subsection; the return date thereof; and the day and hour service was
33 made. The secretary of state shall not be required to retain such information longer than five (5)
34 years from receipt of the service of process.

1 (e) Upon the filing in the office of the secretary of state of a certificate of conversion to
2 non-Rhode Island entity in accordance with subsection (d) of this section, or upon the future
3 effective date or time of the certificate of conversion to non-Rhode Island entity and payment to
4 the secretary of state of all fees prescribed under this title, the secretary of state shall certify that
5 the corporation has filed all documents and paid all fees required by this title, and thereupon the
6 corporation shall cease to exist as a corporation of this state at the time the certificate of conversion
7 becomes effective. Such certificate of the secretary of state shall be prima facie evidence of the
8 conversion by such corporation out of the state.

9 (f) The conversion of a corporation out of the state in accordance with this section and the
10 resulting cessation of its existence as a corporation of this state pursuant to a certificate of
11 conversion to non-Rhode Island entity shall not be deemed to affect any obligations or liabilities of
12 the corporation incurred prior to such conversion or the personal liability of any person incurred
13 prior to such conversion, nor shall it be deemed to affect the choice of law applicable to the
14 corporation with respect to matters arising prior to such conversion.

15 (g) Unless otherwise provided in a resolution of conversion adopted in accordance with
16 this section, the converting corporation shall not be required to wind up its affairs or pay its
17 liabilities and distribute its assets, and the conversion shall not constitute a dissolution of such
18 corporation.

19 (h) When a corporation has been converted to another entity or business form pursuant to
20 this section, the other entity or business form shall, for all purposes of the laws of the state, be
21 deemed to be the same entity as the corporation. When any conversion shall have become effective
22 under this section, for all purposes of the laws of the state, all of the rights, privileges and powers
23 of the corporation that has converted, and all property, real, personal and mixed, and all debts due
24 to such corporation, as well as all other things and causes of action belonging to such corporation,
25 shall remain vested in the other entity or business form to which such corporation has converted
26 and shall be the property of such other entity or business form, and the title to any real property
27 vested by deed or otherwise in such corporation shall not revert to such corporation or be in any
28 way impaired by reason of this chapter; but all rights of creditors and all liens upon any property
29 of such corporation shall be preserved unimpaired, and all debts, liabilities and duties of the
30 corporation that has converted shall remain attached to the other entity or business form to which
31 such corporation has converted, and may be enforced against it to the same extent as if said debts,
32 liabilities and duties had originally been incurred or contracted by it in its capacity as such other
33 entity or business form. The rights, privileges, powers and interest in property of the corporation
34 that has converted, as well as the debts, liabilities and duties of such corporation, shall not be

1 deemed, as a consequence of the conversion, to have been transferred to the other entity or business
2 form to which such corporation has converted for any purposes of the laws of the state.

3 **7-6-48.4. Filing of certificate of conversion to corporation (nonprofit).**

4 (a) The certificate of conversion to corporation (nonprofit) shall be delivered to the
5 secretary of state. If the secretary of state finds that the certificate of conversion to corporation
6 (nonprofit) conforms to law, the secretary of state shall, when all fees have been paid as prescribed
7 in subsection (b) of this section:

8 (1) Endorse on the original the word "Filed", and the month, day, and year of the filing;

9 (2) File the original in the secretary of state's office; and

10 (3) Issue a certificate of conversion to corporation (nonprofit).

11 (b) The secretary of state shall charge and collect for filing a certificate of conversion
12 (nonprofit), twenty-five dollars (\$25.00).

13 (c) The certificate of conversion to corporation (nonprofit) shall be delivered to the
14 corporation.

15 SECTION 3. This act shall take effect upon passage.

=====
LC002129/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- MERGER
AND CONSOLIDATION

- 1 This act would amend the Rhode Island nonprofit corporation act regarding consolidation
- 2 and merger.
- 3 This act would take effect upon passage.

=====
LC002129/SUB A
=====