

2020 -- S 2839

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS

Introduced By: Senator Roger Picard

Date Introduced: March 12, 2020

Referred To: Senate Commerce

(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.

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  
19 secretary of state or transferring a document to the secretary of state by electronic transmission

1 through a medium provided and authorized by the secretary of state.

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

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

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

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

12 ~~(10)~~(11) "Foreign corporation" means a nonprofit corporation organized under laws other  
13 than the laws of this state.

14 ~~(11)~~(12) "Insolvent" means inability of a corporation to pay its debts as they become due  
15 in the usual course of its affairs.

16 ~~(12)~~(13) "Member" means one having membership rights in a corporation in accordance  
17 with the provisions of its articles of incorporation or bylaws regardless of the name by which the  
18 person is designated.

19 ~~(13)~~(14) "Nonprofit corporation" means a corporation of which no part of the income or  
20 profit is distributable to its members, directors, or officers, except as otherwise expressly permitted  
21 by this chapter.

22 ~~(14)~~(15) "Signature" or "Signed" or "Executed" means an original signature, facsimile, or  
23 an electronically transmitted signature submitted through a medium provided and authorized by the  
24 secretary of state.

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

31 ~~(15)~~(17) "Volunteer" means an individual performing services for a nonprofit corporation  
32 without compensation.

33 **7-6-43. Procedure for merger.**

34 (a) Notwithstanding anything to the contrary contained in any general or public law, rule,

1 or regulation, any two (2) or more ~~corporations~~ entities whether defined in §§ 7-6-2, ~~or~~ § 7-1.2-  
2 106, 7-31-1, or 7-16-2 may merge into one of the ~~corporations~~ entities pursuant to a plan of merger  
3 approved in the manner provided in this chapter. This section does not apply to insurance holding  
4 company systems as defined in § 27-35-1.

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

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

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

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

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

14 **7-6-44. Procedure for consolidation.**

15 (a) Notwithstanding anything to the contrary contained in any general or public law, rule,  
16 or regulation, any two (2) or more ~~corporations~~ entities, whether defined in §§ 7-6-2, ~~or~~ § 7-1.2-  
17 106, 7-31-1, or 7-16-2 may consolidate into one of the ~~corporations~~ entities pursuant to a plan of  
18 consolidation approved in the manner provided in this chapter. This section does not apply to  
19 insurance holding company systems as defined in § 27-35-1.

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

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

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

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

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

29 **7-6-45. Approval of merger or consolidation.**

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

31 (1) If the members of any merging or consolidating corporation are entitled to vote on it,  
32 the board of directors of the corporation shall adopt a resolution approving the proposed plan and  
33 directing that it be submitted to a vote at a meeting of members entitled to vote on it, which may  
34 be either an annual or a special meeting. Written notice setting forth the proposed plan or a summary

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

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

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

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

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

19 **7-6-46. Articles of merger or consolidation.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **7-6-47. Effect of merger or consolidation.**

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

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

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

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

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

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

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

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

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

16 **7-6-48. Merger or consolidation of domestic and foreign corporations.**

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

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

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

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

33 (ii) An irrevocable appointment of the secretary of state of this state as its agent to accept  
34 service of process in any proceeding.

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

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

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

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

15 **7-6-48.1. Conversion of other entities to a domestic nonprofit corporation.**

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

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

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

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

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

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

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

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

34 (d) Upon the effective time of the certificate of conversion to corporation (nonprofit) and

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

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

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

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

32 (h) Prior to filing a certificate of conversion to corporation (nonprofit) with the office of  
33 the secretary of state, the conversion shall be approved in the manner provided for by the document,  
34 instrument, agreement or other writing, as the case may be, governing the internal affairs of the



1 other entity and the conduct of its business or by applicable law, as appropriate, and articles of  
2 incorporation shall be approved by the same authorization required to approve the conversion.

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

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

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

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; and

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

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

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

18 **7-6-48.3. Conversion of a domestic nonprofit corporation to other entities.**

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

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

33 (b) If any converting corporation has no members, or no members entitled to vote on it, a  
34 resolution for conversion shall be adopted at a meeting of the board of directors of the corporation

1 upon receiving the vote of a majority of the directors in office.

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

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

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

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

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

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

16 (6) The address to which a copy of the process referred to in subsection (c)(5) of this section  
17 shall be mailed to it by the secretary of state.

18 (i) In the event of such service upon the secretary of state in accordance with subsection  
19 (c)(5) of this section, the secretary of state shall forthwith notify such corporation that has converted  
20 out of the state of Rhode Island by letter, certified mail, return receipt requested, directed to such  
21 corporation that has converted out of the state of Rhode Island at the address so specified, unless  
22 such corporation shall have designated in writing to the secretary of state a different address for  
23 such purpose, in which case it shall be mailed to the last address designated. Such letter shall  
24 enclose a copy of the process and any other papers served on the secretary of state pursuant to this  
25 subsection. It shall be the duty of the plaintiff in the event of such service to serve process and any  
26 other papers in duplicate; to notify the secretary of state that service is being effected pursuant to  
27 this subsection; and to pay the secretary of state the sum of fifteen dollars (\$15.00) for the use of  
28 the state, which sum shall be taxed as part of the costs in the proceeding, if the plaintiff shall prevail  
29 therein.

30 (ii) The secretary of state shall maintain an alphabetical record of any such service setting  
31 forth the name of the plaintiff and the defendant; the title, docket number and nature of the  
32 proceeding in which process has been served; the fact that service has been effected pursuant to  
33 this subsection; the return date thereof; and the day and hour service was made. The secretary of  
34 state shall not be required to retain such information longer than five (5) years from receipt of the

1 service of process.

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

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

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

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

1 corporation, shall not be deemed, as a consequence of the conversion, to have been transferred to  
2 the other entity or business form to which such corporation has converted for any purposes of the  
3 laws of the state of Rhode Island.

4 **7-6-48.4. Filing of certificate of conversion to corporation (nonprofit).**

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

9 (1) Endorse on the original the word “Filed”, and the month, day, and year of the filing;

10 (2) File the original in the secretary of state’s office; and

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

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

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

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T  
RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS

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1           This act would allow nonprofit corporations to merge or consolidate with other business  
2 entities or to convert into an other business entity within or outside of this state. This act would also  
3 allow other business entities to convert to domestic nonprofit corporations.

4           This act would take effect upon passage.

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