

# SENATE BILL 41

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(PRE-FILED)

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By: **Chair, Judicial Proceedings Committee (By Request – Departmental – Assessments and Taxation)**

Requested: October 11, 2017

Introduced and read first time: January 10, 2018

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Domestic and Foreign Nonstock Corporations – Consolidations, Mergers, and**  
3 **Conversions**

4 FOR the purpose of specifying that certain authority of a nonstock corporation to  
5 consolidate, merge, or convert applies only to a domestic nonstock corporation;  
6 altering the authority of a certain nonstock corporation to consolidate or merge;  
7 authorizing a foreign nonstock corporation to convert into a domestic nonstock  
8 corporation; and generally relating to domestic and foreign nonstock corporations.

9 BY repealing and reenacting, with amendments,  
10 Article – Corporations and Associations  
11 Section 5–207  
12 Annotated Code of Maryland  
13 (2014 Replacement Volume and 2017 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
15 That the Laws of Maryland read as follows:

16 **Article – Corporations and Associations**

17 5–207.

18 (a) A **DOMESTIC** nonstock corporation may:

19 (1) Consolidate or merge only with another **DOMESTIC** nonstock  
20 corporation; and

21 (2) Convert only into a foreign corporation that does not have the authority

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 to issue stock.

2 **(B) A FOREIGN NONSTOCK CORPORATION MAY CONVERT INTO A DOMESTIC**  
3 **NONSTOCK CORPORATION.**

4 **[(b)] (C)** A consolidation, merger, transfer of assets, or conversion of a nonstock  
5 corporation shall be effected as provided in Title 3 of this article.

6 **[(c)] (D)** Notwithstanding § 3-105(e) of this article, a proposed consolidation,  
7 merger, transfer of assets, or conversion of a nonstock corporation organized to hold title to  
8 property for a labor organization, and for related purposes, shall be approved by the same  
9 affirmative vote of the members of the corporation that the constitution or bylaws of the  
10 labor organization requires for the same action.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
12 1, 2018.