

8116--C

Cal. No. 486

2015-2016 Regular Sessions

I N   A S S E M B L Y

June 9, 2015

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Introduced by M. of A. PERRY -- read once and referred to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported and referred to the Committee on Codes -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to allow certain entities to convert their status of filing as a not-for-profit organization to a for-profit entity; and providing for the repeal of such provisions upon expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Notwithstanding any provision of law to the contrary, a  
2     business incorrectly incorporated, as a not-for-profit corporation under  
3     section four hundred two of the not-for-profit corporation law shall be  
4     permitted to convert its status of filing as a not-for-profit corpo-  
5     ration to a for-profit corporation under section four hundred two of the  
6     business corporation law if the incorporator or incorporators submit to  
7     the attorney general sworn statements under the penalties of perjury  
8     certifying the following:  
9     (1) that legal advice had not been sought or received as to the appro-  
10    priate course of action that would have resulted in correct registration  
11    allowing for the intended for-profit operation of the entity;  
12    (2) the entity at no time received the benefits and/or privileges of  
13    being recognized as a not-for-profit corporation, such as being exempt  
14    from incurring any local, state, or federal taxes;  
15    (3) the entity throughout its operation as a not-for-profit corpo-  
16    ration did not at any time solicit and/or receive any private and/or  
17    public grants or charitable donations; and  
18    (4) the office of the attorney general has provided written indi-  
19    cations that either it does not object to, or it approves of, the  
20    proposed conversion.  
21    S 2. This act shall take effect immediately and shall expire and be  
22    deemed repealed one hundred eighty days after such date.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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