

8116--C

Cal. No. 486

2015-2016 Regular Sessions

I N A S S E M B L Y

June 9, 2015

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22 deemed repealed one hundred eighty days after such date.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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