

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 642
Version:	INT
Request No.:	803
Author:	Sen. Montgomery
Date:	01/27/2019

Bill Analysis

SB 642 amends portions of the Oklahoma General Corporation Act to apply certain provisions to nonstock and non-profit corporations. The measure creates new terms, “members” and “governing body,” to apply to nonstock corporations and non-profit corporations. A nonstock corporation is not authorized to issue stock and must contain a statement to that effect in its certificate of incorporation. The measure also provides guidance to nonstock corporations with respect to calling special meetings, instances wherein a nonstock may conduct a short term merger, changing the governing bylaws, and the required vote to take action.

A nonstock corporation is further prohibited from redeeming its membership interests unless authorized to do so in its certificate of incorporation. Members of a nonstock corporation possess the same inspection rights as shareholders. Nonstock corporations may create classes or groups of members having relative rights, powers and duties, and may make provision for the future creation of additional classes or groups of members. The measure further requires notice to be given to the Attorney General if a judicial application is made regarding a charitable, nonstock corporation.

Prepared by: Kalen Taylor

Fiscal Analysis

FY’20 Impact: None

Full Year Impact: None

Prepared by: Fiscal Staff