

HOUSE BILL No. 6204

November 5, 1992, Introduced by Rep. Jonker and referred to the Committee on Colleges and Universities.

A bill to amend Act No. 327 of the Public Acts of 1931, entitled

"An act to provide for the organization, regulation and classification of corporations; to provide their rights, powers and immunities; to prescribe the conditions on which corporations may exercise their powers; to provide for the inclusion of certain existing corporations within the provisions of this act; to prescribe the terms and conditions upon which foreign corporations may be admitted to do business within this state; to require certain annual reports to be filed by corporations; to prescribe penalties for the violations of the provisions of this act; and to repeal certain acts and parts of acts relating to corporations,"

as amended, being sections 450.98 to 450.192 of the Michigan Compiled Laws, by adding section 171a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 327 of the Public Acts of 1931, as
2 amended, being sections 450.98 to 450.192 of the Michigan
3 Compiled Laws, is amended by adding section 171a to read as
4 follows:

1 SEC. 171A. (1) AN EDUCATIONAL CORPORATION SHALL NOT
2 EFFECTUATE A CHANGE IN OWNERSHIP UNLESS IT PRESENTS TO THE CORPO-
3 RATION AND SECURITIES BUREAU A WRITTEN STATEMENT FROM THE STATE
4 BOARD OF EDUCATION THAT THE STATE BOARD OF EDUCATION HAS DETER-
5 MINED THAT, AFTER THE CHANGE IN OWNERSHIP, THE EDUCATIONAL CORPO-
6 RATION WILL CONTINUE TO MEET THE QUALIFICATIONS REQUIRED FOR INI-
7 TIAL INCORPORATION UNDER SECTION 171.

8 (2) AS USED IN THIS SECTION, "CHANGE IN OWNERSHIP" MEANS 1
9 OR MORE OF THE FOLLOWING:

10 (A) A CHANGE IN THE BOARD OF DIRECTORS OF MORE THAN 50% OF
11 ITS MEMBERSHIP.

12 (B) AMENDMENT OF THE ARTICLES OF INCORPORATION TO CHANGE THE
13 NAMES OF THE INCORPORATORS OR THE NAME OF THE CORPORATION OR EDU-
14 CATIONAL INSTITUTION OPERATED BY THE CORPORATION.