#77.100 2/14/77

Memorandum 77-9

Subject: Study 77.100 - Nonprofit Corporations (Religious Corporations)

Attached is a copy of a letter from Ralph K. Helge, Pasadena lawyer, concerning the application of the new Nonprofit Corporation Law to religious corporations. We think the letter brings up a point that merits serious consideration by the Commission.

Mr. Helge first suggests that the provision relating to the application of the new law to religious corporations should be revised so that the burden is not on the person seeking to avoid the application of a particular provision of the new law to establish that the application of the provision to a religious corporation would be unconstitutional under the Constitution of the United States or the Constitution of this state. Although the staff does not recommend that this revision be made, it could be accomplished by revising Section 5211 of the proposed legislation to read:

> 5211. The provisions of this division ~~do not~~ apply to a nonprofit corporation organized for religious purposes only to the extent that such application would be ~~unconstitutional~~ constitutional under the Constitution of the United States or the Constitution of this state.

We believe that this revision would place the burden on the person seeking to have the provision applied to a religious corporation to establish that the application of the provision would be constitutional. Under the language of Section 5211 as the section was approved by the Commission, the burden would be on the person seeking to avoid the application of the provision to establish that the application of the provision to a religious corporation would be unconstitutional.

The Comment to Section 5211 reads:

> Comment. Section 5211 recognizes that the First Amendment to the United States Constitution may limit the extent to which the state may regulate religous organizations where ecclesiastical matters are concerned. See, e.g., Serbian Eastern Orthodox Diocese for the United States & Canada v. Milivojevich, 96 S.Ct. 2372 (1976). See also Cal. Const., Art. I, § 4 (religious freedom).

The suggested revision of Mr. Helge noted above represents his view as to the minimum required. He would prefer that a separate statute be drafted for religious corporations so that the law would be clear as to what requirements apply to religious corporations (rather than the situation that will exist under the new law where there will be uncertainty as to which provisions constitutionally apply to religious corporations). See his letter for further discussion. There may be merit to this suggestion, but it would seem premature to devote any resources to drafting a separate statute for religious corporations before the general nonprofit corporation law has been enacted. We do not know what changes will be made in the proposed legislation before its enactment and, if the Commission were to propose a separate statute for religious corporations, it would appear desirable that the statute conform to the general nonprofit corporation law as enacted to the extent possible. An additional problem is that the extent to which any statute could be made applicable to religious corporations is not entirely clear under the United States Supreme Court decision so we probably cannot provide the certainty Mr. Helge desires even if we prepare a separate statute.

Section 5211, as approved by the Commission, takes the same approach as Section 7106 of the Pennsylvania Nonprofit Corporation Law of 1972. See Exhibit 2 (attached).

The New York scheme is more complex. Attached as Exhibit 3 are relevant portions of the New York Religious Corporations Law. The key section is Section 2-b (set out in Exhibit 3) which indicates the scope of application of the general New York not-for-profit corporation law to religious corporations. You should read that section. The Table of Contents of the New York Religious Corporations Law (also set out in Exhibit 3) indicates the extensive nature of the special provisions applicable to particular religious denominations. We have set out Article 19 (relating to Unitarian and Universalist Societies) in Exhibit 3 to illustrate the nature of the special provisions applicable to particular denominations.

Respectfully submitted,

John H. DeMoully
Executive Secretary

EXHIBIT 1

Memorandum 77-9

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February 7, 1977

Mr. John H. DeMoully
California Law Revision Committee
Stanford Law School
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Dear Mr. DeMoully:

Greetings once again from Pasadena.

I truly regret that other matters have prevented me from directing greater attention to the suggested nonprofit law as it pertains to religious organizations. Nevertheless, if the matter has not become mooted by this point by lapse of time, I would like to offer one more comment regarding the subject.

In your prior letter you stated that the committee suggested that a statement be inserted in the new nonprofit corporation law to the effect that the same would not be applicable to religious organizations to the extent that its application would be prohibited by the federal or state constitutions. I truly feel, Mr. DeMoully, after consideration and reflection that this is not really a just solution of the matter.

My reasons are that in the first instance, I feel that churches will be the basic proponents of this exemption. That claiming under the exemption would or could be construed as being akin to contending that the particular provision was unconstitutional. Therefore, the result would be that the proponent would be faced with overcoming the presumption that a legislative act is constitutional.

At minimum, it would seem that some additional statement should be added that such a presumption should not be invoked against a proponent of the exemption. This statement would be somewhat akin to the general legis-

lative statement that the rule of strict construction of a statute inderogation of the common law should not be applied.

It would seem further that the draftsman are running the calculated risk that in any specific case three, four or more of the provisions might be an issue and claimed as being exempted. A logical argument in my mind would be that, as a consequence, the legislative design is destroyed and, hence, the entire statute should be found unconstitutional as applicable to churches.

Another point that comes to mind, which I admittedly have not had the chance to refine or even test the reasonableness of, is stated in the question, "What power does the legislature possess to pass a statute which, admittedly, in certain portions, is in violation of the state and federal constitutions, and then absolve the statute from the possibility of being attacked from a constitutional standpoint by adding the clause suggested by the committee?"

With all due respect to the committee, Mr. DeMoully, after reviewing the matter in my mind, I am of the opinion that the only just alternative would be to have a separate nonprofit corporation law pertaining to religious organizations.

Churches which are organized under the general nonprofit corporation law could, then, perhaps be permitted to elect to be under the new religious corporation law. The requirements of such a law could be minimal and some of the information required in the bylaws could be suggested only, i.e. membership requirements or disfellowshipping of members. It would appear that the legislature would certainly have the right to impose certain reasonable requirements upon the church that was desirous of taking advantage of the state's laws of incorporation. The matter would, of course, require extensive planning and thinking. I am certain other states have a model that might be considered, New York being one. If the other states do not, it might again be possible for our state to again lead the way in enlightened legal procedure.

The committee's consideration of the foregoing would be truly appreciated. Also, would you please advise as to the legislative statutes of the prepared law?

Very sincerely yours,

Ralph K. Helge

RKH:cc

Memorandum 77-9

Exhibit 2

Pennsylvania Nonprofit Corporation Law of 1972

§ 7106. Subordination of part to canon law

If and to the extent canon law applicable to a corporation incorporated for religious purposes shall set forth provisions relating to the government and regulation of the affairs of the corporation which are inconsistent with the provisions of this part on the same subject, the provisions of canon law shall control to the extent, and only to the extent, required by the Constitution of the United States or the Constitution of Pennsylvania, or both.

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§ 2. Definitions

A "Religious Corporations Law corporation" is a corporation created for religious purposes to which this chapter applies under section two-a of this chapter. Unless the context otherwise requires, whenever "religious corporation" or "corporation" is used in this chapter, such term shall mean a "Religious Corporations Law corporation".

[*See main volume for text of second, third and fourth pars.*]

As amended L.1973, c. 329, § 1.

1973 Amendment. L.1973, c. 329, § 1, eff. Sept. 1, 1973, in the first paragraph, substituted "Religious Corporations Law" for "religious" and provided that "religious corporation" or "corporation" shall mean a "Religious Corporations Law Corporation" in this chapter unless the context requires otherwise.

Supplementary Index to Notes

Religious society 9

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1. Religious corporations—Nature and elements

Though some purposes of a membership corporation may be appropriately included as functions of a religious corporation, a critical distinction exists between such corporations, since there are governmental controls over lay corporations that would not be recognized as permissible, under Const. art. 1, § 8, over religious societies. Application of Basilio Scientific Spiritist Cult Ass'n, 1956, 9 Misc.2d 280, 170 N.Y.S.2d 679.

Proposed corporation for purpose, among others, of promulgating and promoting a spiritist cult, basically religious in purpose, whose major function was essentially religious in character, was to be in essence a religious corporation and hence should not be incorporated as a membership corporation. Id.

Distinction exists between church as religious corporation and church as religious society, in that former consists of trustees and all persons having right to vote at corporate meeting and has jurisdiction over all property and temporal affairs of church, while latter consists of the group of communicants, and has authority over spiritual matters. Metropolitan Baptist Church v. Braxton, 1954, 137 N.Y.S.2d 294, affirmed 285 App.Div. 1044, 141 N.Y.S.2d 509.

2. —— Determination of nature

On application for approval of proposed certificate of incorporation as a membership corporation for purpose, among others, of promulgating and promoting a cult basically religious in purpose, whose major function was primarily religious in character, court should determine whether proposed association was to be in essence truly a religious corporation, but court should not pass judgment on religious quality or spiritual probity of the faith sought to be promulgated and established. Application of Basilio Scientific Spiritist Cult Ass'n, 1956, 9 Misc.2d 281, 170 N.Y.S.2d 679.

9. Religious society

A religious society is not a legal entity and although it cannot hold property directly, such society through its members may control property held by others for its use. Lincoln Rochester Trust Co. v. Smith, 1956, 4 Misc.2d 304, 156 N.Y.S.2d 367.

§ 2-a. Application

This chapter applies (a) to every corporation heretofore or hereafter formed under this chapter, and (b) to every corporation formed under any other statute or special act of this state which would, if it were to be formed currently under the laws of this state, be formed under this chapter, and (c) to every corporation formed under laws other than the statutes of this state which is authorized to conduct or which conducts activities in this state and which would, if it were to be formed currently under the laws of this state, be formed under this chapter. Added L.1971, c. 956, § 2, eff. Sept. 1, 1972.

Library references

Religious Societies ⚷4.

C.J.S. Religious Societies §§ 4–10.

§ 2-b. Applicability of not-for-profit corporation law

1. The not-for-profit corporation law applies to every corporation to which this chapter applies, provided that:

(a) If any provision of the not-for-profit corporation law conflicts with any provision of this chapter, the provision of this chapter shall prevail and the conflicting provision of the not-for-profit corporation law shall not apply in such case. If any provision of this chapter relates to a matter embraced in the not-for-profit corporation law but is not in conflict therewith, both provisions shall apply.

(b) A corporation to which the not-for-profit corporation law is made applicable by this section shall be treated as a "corporation", "domestic corporation", or "foreign corporation" as such terms are used in the not-for-profit corporation law, except that the purposes for which any such corporation has been or may be formed under this chapter shall not thereby be extended.

(c) The following provisions of the not-for-profit corporation law shall not apply to religious corporations: subparagraphs (7) and (8) of paragraph (a) of section one hundred twelve, section one hundred thirteen, section one hundred fourteen, section two hundred one, section three hundred three, section three hundred five, article four except section four hundred one, that portion of section five hundred eleven (b) which reads "shall direct that notice of the application be given promptly to the attorney general, and", section six hundred five, section six hundred seven, section six hundred nine, section eight hundred four, article nine, article ten except as provided in section eleven hundred fifteen, section eleven hundred two, and article fourteen except paragraph (e) (a) of section fourteen hundred one.

(d) Any reference in the not-for-profit corporation law to the delivery of any certificate or other instrument to the department of state for filing refers to the filing or recording thereof in the office of the clerk of the county in which the corporation has its principal office or place of worship or otherwise as provided in this chapter.

2. Every corporation to which the not-for-profit corporation law is made applicable by this section is a type B corporation for all purposes of that law.

3. From and after the effective date of this section the general corporation law shall not apply to any corporation to which this chapter applies.

4. For the purpose of this section and elsewhere in this chapter the effective date of the not-for-profit corporation law as to corporations to which the not-for-profit corporation law is made applicable by this section shall be September first, nineteen hundred seventy-two.

Added L.1971, c. 956, § 3, eff. Sept. 1, 1972.

Library references

Religious Societies ⚷4.

C.J.S. Religious Societies §§ 4-10.

ARTICLE 19—UNITARIAN AND UNIVERSALIST SOCIETIES [NEW]

Sec.
400. Application of article.
401. Incorporation of an unincorporated society.
402. Meeting for incorporation of unincorporated society.
403. Certificate of incorporation.
404. Formation of a new society.
405. Re-incorporation of existing corporation.
406. Time, place and notice of corporate meetings.
407. Qualifications of members and voters.
408. Trustees.
409. Ministers.
410. By-laws.
411. Real estate.
412. Merger and consolidation.
413. Dissolution.
414. Amendment.

Article added L.1968, c. 763, eff. June 16, 1968.

§ 400. Application of article

1. This article applies to religious societies which are members of the Unitarian Universalist Association at the time of incorporation under this article.

The term "society" includes churches and fellowships.

2. Incorporation under this article does not confer any ecclesiastical or denominational authority upon the Unitarian Universalist Association in respect to the societies so incorporated.

3. The general provisions of this chapter shall be applicable only in those circumstances where the provisions of this article do not apply.
Added L.1968, c. 763, eff. June 16, 1968.

§ 401. Incorporation of an unincorporated society

Any five members of an unincorporated religious society, who are of full age, may call a meeting for the purpose of incorporating such society under this article. The notice of such meeting shall be mailed at least fourteen days prior to the date of the meeting. The notice shall state in substance that a meeting of the unincorporated society will be held at a specified place, day and hour for the purpose of incorporating the society, electing trustees and selecting a corporate name.
Added L.1968, c. 763, eff. June 16, 1968.

§ 402. Meeting for incorporation of unincorporated society

At a meeting for incorporation held pursuant to section four hundred one, the qualified voters, until otherwise decided as hereafter provided, shall be all persons of full age who are members of the unincorporated society, according to its rules or usages, for at least one year prior to the meeting or since it was formed.

At such meeting the presence of a majority of such qualified voters, in person, at least six in number, shall be necessary to constitute a quorum, and all matters or questions shall be decided by a majority of the qualified voters voting thereon. The meeting shall be called to order by one of the signers of the call. There shall be elected at such

meeting, from the qualified voters then present, a presiding officer, a clerk to keep the record of the proceedings of the meeting and two inspectors of election to receive the ballots cast. The presiding officer and the inspectors shall decide the result of the ballots cast on any matter, and shall be the judges of the qualifications of the voters.

If the meeting shall decide that such unincorporated society shall become incorporated, the meeting shall also decide upon the name of the proposed corporation, the number of the trustees thereof, which shall be not less than three and not more than twelve, and the date, not more than fifteen months thereafter, on which the first annual election of the trustees thereof shall be held.

Such meeting shall also adopt by-laws and then elect by ballot trustees in accordance with the provisions of such by-laws.

Thereafter, the officers of the corporation shall be elected in accordance by the by-laws.
Added L.1968, c. 763, eff. June 16, 1968.

§ 403. Certificate of incorporation

(a) If the meeting held pursuant to section four hundred two shall decide that the unincorporated society shall become incorporated, the presiding officer of such meeting and the two inspectors of election shall execute a certificate entitled "Certificate of Incorporation pursuant to article nineteen of the Religious Corporations Law." This certificate shall state:

(1) the name of the proposed corporation,

(2) a statement that it is a member of the Unitarian Universalist Association,

(3) the number of trustees thereof or that the number of trustees shall not be less than a stated minimum nor more than a stated maximum,

(4) the names and residences of the trustees until the first annual meeting,

(5) the terms of office for which the trustees were respectively elected,

(6) the county, town, city or village in which the principal place of worship or office is or is intended to be located.

(b) On the filing and recording of such certificate the persons qualified to vote at such meeting and those persons who shall thereafter from time to time be qualified voters at the corporate meetings thereof shall be a corporation by the name stated in such certificate and the persons therein stated to be elected trustees of such society shall be the trustees thereof for the terms for which they were respectively elected and until their respective successors shall be elected.
Added L.1968, c. 763, eff. June 16, 1968.

§ 404. Formation of a new society

Five or more persons of full age may form a corporation under this article by holding a meeting for incorporation in accordance with section four hundred two hereof, at which all of them shall be qualified voters. If the majority of those attending such meeting decide in favor of incorporation, a certificate of incorporation may be filed in accordance with section four hundred three hereof.
Added L.1968, c. 763, eff. June 16, 1968.

§ 405. Re-incorporation of existing corporation

Any previously incorporated society, to which this article is applicable, may re-incorporate it under the provisions of this article by the same procedure set forth for incorporation, substituting at appropriate places

the word "re-incorporate" for "incorporate" and by filing the certificate of incorporation in the office of the county clerk in the county in which its principal place of worship or office is located. Notwithstanding the provisions of section four hundred two of this article, the requirements for a quorum for the general transaction of business as set forth in the by-laws of the existing corporation, shall determine the requirements for a quorum at a meeting for re-incorporation pursuant to this section, unless there shall be no such provision in the said by-laws, in which case the requirements for a quorum set forth in section four hundred two shall govern.

The re-incorporated corporation shall be deemed a continuation of the previously organized corporation, but thereafter it shall have only such rights and powers and be subject only to such obligations as any other corporation created under this article nineteen, provided, however, that all property rights and liabilities of the previously organized corporation shall be vested in and assumed by the re-incorporated corporation. The corporate by-laws and officers of the re-incorporated corporation shall be the same as those of its predecessor until changed pursuant to the said by-laws.

Added L.1968, c. 783; amended L.1972, c. 109, § 1.

1972 Amendment. L.1972, c. 109, eff. Apr. 5, 1972, in par. beginning "Any previously incorporated" added sentence beginning "Notwithstanding the provisions", and in par. beginning "The re-incorporated" added sentence beginning "The corporate by-laws."

§ 406. Time, place and notice of corporate meetings

(a) The annual corporate meeting of every society incorporated under this article shall be held at the time and place fixed by its by-laws, or if no time and place be so fixed, then at a time and place to be first fixed by its trustees, but to be changed only by a by-law adopted at an annual meeting.

A special corporate meeting of any such society may be called by the board of trustees thereof, on its own motion, and shall be called on the written request of at least ten qualified voters of such society and in such other manner as the by-laws may prescribe.

(b) The notices of any annual or special meeting shall state the time and place where it is to be held and shall be mailed to each member entitled to vote not less than ten nor more than fifty days before the meeting. Notices shall be mailed to each member at the address which appears on the books or records of the corporation. The by-laws may provide for additional methods of giving notice.

(c) Notice of any special meeting shall state the purpose or purposes for which the meeting is called and no business shall be transacted at such special meeting except that contained in such notice.

(d) Any provision in the statute or a by-law that a particular action can be taken only at a meeting "called for that purpose" shall be deemed to require notice of such purpose as provided in this section four hundred six. This does not preclude the transaction of other business at the same meeting if the notice so states.

Added L.1968, c. 763, eff. June 16, 1968.

§ 407. Qualifications of members and voters

(a) Each person admitted to membership pursuant to the by-laws shall be a member of the corporation until his membership shall terminate by death, resignation or as otherwise provided in the by-laws.

(b) Every member of the society shall be entitled to vote unless otherwise provided in the by-laws. Every voting member shall be entitled to one vote. Voting shall be in person only and not by proxy.

Added L.1968, c. 763, eff. June 16, 1968.

§ 408. Trustees

(a) The society shall be administered by its trustees. The trustees shall be responsible to the members.

(b) The by-laws shall provide for the term of office of the trustees and may provide for the division of the trustees into classes.
Added L.1968, c. 763, eff. June 16, 1968.

§ 409. Ministers

Any minister shall be called or removed and the salary fixed or changed by a vote of the majority of the members present and voting at a meeting of such corporation called for that purpose, unless the by-laws provide otherwise.
Added L.1968, c. 763, eff. June 16, 1968.

§ 410. By-laws

(a) The initial by-laws of a society shall be adopted at the meeting for incorporation. By-laws may thereafter be amended, repealed or adopted as provided in the by-laws. But in the absence of such provision, by-laws may be amended, repealed or adopted by a vote of two-thirds of the members present and voting at a meeting of the members called for that purpose.

(b) The substance of any proposed by-law change shall be stated in the notice to members of the meeting.

(c) The by-laws may contain any provision relating to the business of the society, the conduct of its affairs and the rights or powers of its members, trustees and officers, not inconsistent with this article or any other applicable statute, or the certificate of incorporation.
Added L.1968, c. 763, eff. June 16, 1968.

§ 411. Real estate

(a) A society shall not sell or mortgage any of its real property without applying for and obtaining leave of the court therefor pursuant to the provisions of article five of the not-for-profit corporation law.

(b) If a sale or mortgage of any real property of any such society has been heretofore or shall be hereafter made and a conveyance or mortgage executed and delivered without the authority of a court of competent jurisdiction, obtained as required by law, or not in accordance with its directions, the court may, thereafter, upon the application of the corporation, or of the grantee or mortgagee in any such conveyance or mortgage or of any person claiming through or under any such grantee or mortgagee upon such notice to such corporation, or its successor, and such other person or persons as may be interested in such property, as the court may prescribe, confirm said previously executed conveyance or mortgage, and order and direct the execution and delivery of a confirmatory deed or mortgage, or the recording of such confirmatory order in the office where deeds and mortgages are recorded in the county in which the property is located; and upon compliance with the said order such original conveyance or mortgage shall be as valid and of the same force and effect as if it has been executed and delivered after due proceedings had in accordance with the statute and the direction of the court.

(c) The provisions of this section shall not apply to real property heretofore or hereafter acquired on a sale in an action or proceeding for the foreclosure of a mortgage owned by a society or held by a trustee for or in behalf of a society or to real property heretofore or hereafter acquired by a society or held by a trustee for or in behalf of a society by

deed in lieu of the foreclosure of a mortgage owned, either in whole or in part, whether in certificate form or otherwise, by a society.

Added L.1968, c. 763; amended L.1971, c. 956, § 6, eff. Sept. 1, 1972.

Subd. (a) amended L.1971, c. 956, § 6, eff. Sept. 1, 1972. L.1972 substituted "not-for-profit corporation law" for "general corporations law."

§ 412. Merger and consolidation

A. (a) Two or more societies incorporated under this article may enter into an agreement for consolidation or merger. No such agreement shall be valid unless approved by a vote of two-thirds of the members of each constituent society present and voting at a meeting called for that purpose.

(b) Any such agreement of merger or consolidation shall contain all the terms and conditions under which the constituent societies are to be merged or consolidated.

(c) After approval of the agreement of merger or consolidation by the members of the constituent societies, a certificate of merger or consolidation, entitled "Certificate of Merger (or Consolidation) of ..... and ..... into ..... (names of societies) under section four hundred twelve of the Religious Corporations Law" shall be signed and verified in behalf of each constituent society and shall be filed in the office of the county clerk in the county in which the certificate of incorporation of each constituent society was originally filed. Such certificate shall set forth:

(1) The agreement of merger or consolidation, and, in the case of consolidation, any statement required to be in a certificate of incorporation filed pursuant to section four hundred three of this article which is not contained in such agreement.

(2) The date and place of filing of the certificate of incorporation of each constituent society.

(3) A statement as to due compliance with the provisions of subsection (a) of this section as to approval of the agreement by the members of the constituent societies.

(d) The merger or consolidation shall be effected upon the filing of the certificate described in sub-section (c) above. When such merger or consolidation has been effected:

(1) Such surviving or consolidated corporation shall thereafter, in accordance with its certificate of incorporation as altered or established by the merger or consolidation, possess all the powers of each of the constituent societies.

(2) All the property of each of the constituent societies shall vest in such surviving or consolidated society without further act or deed.

(3) The surviving or consolidated society shall assume and be liable for all the obligations of each of the constituent societies. No obligation due or to become due, claim or demand for any cause existing against any such society shall be released or impaired by such merger or consolidation. Any action or proceeding then pending by or against any such constituent society may be enforced, prosecuted, settled or compromised as if such merger or consolidation had not occurred, or such surviving of consolidated society may be substituted in such action or special proceeding in place of any constituent society.

(4) In the case of a merger, the certificate of incorporation of the surviving society shall be automatically amended to the extent, if any, that changes in its certificate of incorporation are set forth in the plan of merger; and, in the case of a consolidation, the statements set forth in the certificate of consolidation and which are required or permitted to be set forth in a certificate of incorporation of a society under this article shall be its certificate of incorporation.

B. If a society, incorporated under this article, desires to consolidate with a religious corporation organized under any other article of this

chapter, section thirteen of this chapter shall apply, provided, however, that the Unitarian Universalist Association shall be given notice of the petition to the supreme court made in this connection, and shall have the privilege of appearing in the proceedings, although its consent to the consolidation shall not be required.
Added L.1968, c. 763, eff. June 16, 1968.

§ 413. Dissolution

(a) Whenever two-thirds of the voting members of the society, present at a meeting called for that purpose, decide to dissolve the corporation, they may, by its duly elected officers or trustees or such agents as may be elected at such meeting, make a petition to the supreme court for an order of dissolution.

(b) Such petition shall state:

(1) The particular reasons or causes why dissolution is sought.

(2) The location, extent and estimated value of the property of the society.

(3) The particular object or purposes to which it is proposed to devote any surplus of the proceeds of such property, such purposes to be consistent with the general purposes of the Unitarian Universalist Association.

(4) The due compliance with the provisions of this section as to the authorization of the filing of the certificate of amendment.

(c) Copy of the petition shall be mailed to all members of the corporation and shall be published at least once in a newspaper of general circulation in the county where the society is located.

(d) A copy of the petition shall also be mailed, by registered mail, to the Unitarian Universalist Association. The dissolution shall not require the consent of the Unitarian Universalist Association, but the Unitarian Universalist Association shall have a right to be heard in the proceedings.

(e) Proof of the notices required by subdivisions (c) and (d) hereof shall be filed with the supreme court and no hearing on the petition shall be held by the supreme court until four weeks have elapsed after the giving of all such notices.

(f) Upon consideration of the petition presented to the court, and after any hearing which the court may in its discretion deem to be necessary or appropriate to determine any facts pertinent to the relief requested in the petition, the court may order the dissolution of the society, and for that purpose and upon such terms and conditions deemed appropriate order and direct a sale and conveyance of any and all property belonging to such society. After providing for the ascertaining and payment of the debts of the society and the necessary costs and expenses of such sale and proceedings for dissolution, the court may direct any surplus of the proceeds of such sale remaining after paying such debts, costs and expenses, to be devoted and applied to any such religious, benevolent, educational or charitable objects or purposes consistent with the general purposes of the Unitarian Universalist Association as the petitioners may suggest and the court may approve.
Added L.1968, c. 763, eff. June 16, 1968.

§ 414. Amendment

A society may amend its certificate of incorporation at any time, provided that such amendment contains only such provisions as might be properly contained in an original certificate of incorporation filed at the time of making such amendment. Any such amendment must be authorized by vote of two thirds of the members of the society present and voting at a meeting called for that purpose. A certificate amending the certificate of incorporation shall be signed and verified by the president or chairman of the board of trustees, shall be filed

in the same manner as an original certificate of incorporation and shall contain the following:

(1) The name of the society and, if it has been changed, the name under which it was originally incorporated.

(2) The date and place of filing of the original certificate of incorporation and any subsequent amendments thereto.

(3) Each amendment effected thereby.

(4) A statement as to due compliance with the provisions in this section as to the authorization of the filing of the certificate of amendment.

Added L.1968, c. 763, eff. June 16, 1968.

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