

**As Reported by the House Civil and Commercial Law Committee**

**126th General Assembly**

**Regular Session**

**2005-2006**

**H. B. No. 42**

**Representatives Schaffer, McGregor, Reidelbach, Hoops, Taylor, Seitz,  
Raussen, J. Stewart, C. Evans, Beatty, Carano, D. Evans, Hartnett, Perry,  
Willamowski, Gilb, Allen, Hagan, Buehrer, Harwood, Mason, Wagoner, Coley,  
Latta, Oelslager, Book**

—

**A B I L L**

To amend sections 1702.01, 1702.02, 1702.08, 1702.11, 1  
1702.17, 1702.18, 1702.19, 1702.20, 1702.22, 2  
1702.25, 1702.27, 1702.31, 1702.33, 1702.38, 3  
1702.39, 1702.42, 1702.47, and 1702.58 of the 4  
Revised Code relating to the use of authorized 5  
communications equipment, including electronic or 6  
telephonic transmissions, in certain meetings and 7  
votings of nonprofit corporations and the 8  
authority to take action on behalf of a nonprofit 9  
corporation without a meeting of incorporators, 10  
directors, or members. 11

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 1702.01, 1702.02, 1702.08, 1702.11, 12  
1702.17, 1702.18, 1702.19, 1702.20, 1702.22, 1702.25, 1702.27, 13  
1702.31, 1702.33, 1702.38, 1702.39, 1702.42, 1702.47, and 1702.58 14  
of the Revised Code be amended to read as follows: 15

**Sec. 1702.01.** As used in this chapter, unless the context 16  
otherwise requires: 17

(A) "Corporation" or "domestic corporation" means a nonprofit corporation formed under the laws of this state, or a business corporation formed under the laws of this state that, by amendment to its articles as provided by law, becomes a nonprofit corporation.

(B) "Foreign corporation" means a nonprofit corporation formed under the laws of another state.

(C) "Nonprofit corporation" means a domestic or foreign corporation that is formed otherwise than for the pecuniary gain or profit of, and whose net earnings or any part of them is not distributable to, its members, directors, officers, or other private persons, except that the payment of reasonable compensation for services rendered and the distribution of assets on dissolution as permitted by section 1702.49 of the Revised Code is not pecuniary gain or profit or distribution of net earnings. In a corporation all of whose members are nonprofit corporations, distribution to members does not deprive it of the status of a nonprofit corporation.

(D) "State" means the United States; any state, territory, insular possession, or other political subdivision of the United States, including the District of Columbia; any foreign country or nation; and any province, territory, or other political subdivision of a foreign country or nation.

(E) "Articles" includes original articles of incorporation, agreements of merger or consolidation if and only to the extent that articles of incorporation are adopted or amended in the agreements, amended articles, and amendments to any of these, and, in the case of a corporation created before September 1, 1851, the special charter and any amendments to it made by special act of the General Assembly or pursuant to general law.

(F) "Incorporator" means a person who signed the original

articles of incorporation.	49
(G) "Member" means one having membership rights and	50
privileges in a corporation in accordance with its articles or	51
regulations.	52
(H) "Voting member" means a member possessing voting rights,	53
either generally or in respect of the particular question	54
involved, as the case may be.	55
(I) "Person" includes, but is not limited to, a nonprofit	56
corporation, a business corporation, a partnership, an	57
unincorporated society or association, and two or more persons	58
having a joint or common interest.	59
(J) The location of the "principal office" of a corporation	60
is the place named as such in its articles.	61
(K) "Directors" means the persons vested with the authority	62
to conduct the affairs of the corporation irrespective of the	63
name, such as trustees, by which they are designated.	64
(L) "Insolvent" means that the corporation is unable to pay	65
its obligations as they become due in the usual course of its	66
affairs.	67
(M)(1) Subject to division (M)(2) of this section,	68
"volunteer" means a director, officer, or agent of a corporation,	69
or another person associated with a corporation, who satisfies	70
both of the following:	71
(a) Performs services for or on behalf of, and under the	72
authority or auspices of, that corporation;	73
(b) Does not receive compensation, either directly or	74
indirectly, for performing those services.	75
(2) For purposes of division (M)(1) of this section,	76
"compensation" does not include any of the following:	77

(a) Actual and necessary expenses that are incurred by a 78  
volunteer in connection with the services performed for a 79  
corporation, and that are reimbursed to the volunteer or otherwise 80  
paid; 81

(b) Insurance premiums paid on behalf of a volunteer, and 82  
amounts paid or reimbursed, pursuant to division (E) of section 83  
1702.12 of the Revised Code; 84

(c) Modest perquisites. 85

(N) "Business corporation" means any entity, as defined in 86  
section 1701.01 of the Revised Code, other than a public benefit 87  
corporation or a mutual benefit corporation, that is organized 88  
pursuant to Chapter 1701. of the Revised Code. 89

(O) "Mutual benefit corporation" means any corporation 90  
organized under this chapter other than a public benefit 91  
corporation. 92

(P) "Public benefit corporation" means a corporation that is 93  
recognized as exempt from federal income taxation under section 94  
501(c)(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 95  
26 U.S.C. 1, as amended, or is organized for a public or 96  
charitable purpose and that upon dissolution must distribute its 97  
assets to a public benefit corporation, the United States, a state 98  
or any political subdivision of a state, or a person that is 99  
recognized as exempt from federal income taxation under section 100  
501(c)(3) of the "Internal Revenue Code of 1986," as amended. 101  
"Public benefit corporation" does not include a nonprofit 102  
corporation that is organized by one or more municipal 103  
corporations to further a public purpose that is not a charitable 104  
purpose. 105

(Q) "Authorized communications equipment" means any 106  
communications equipment to which both of the following apply: 107

(1) The articles, regulations, or bylaws, or the regulations, constitution, or other fundamental agreement if section 1702.08 of the Revised Code applies, permit the use of the communications equipment for the purpose of giving notice of meetings or any notice required by this chapter, attending and participating in meetings, giving a copy of any document or transmitting any writing required or permitted under this chapter, or voting.

(2) The communications equipment provides a transmission, including, but not limited to, by telephone, telecopy, or any electronic means, from which it can be determined that the transmission was authorized by, and accurately reflects the intention of, the member or director involved and, with respect to meetings, allows all persons participating in the meeting to contemporaneously communicate with each other.

**Sec. 1702.02.** (A) Unless another form of notice is required by the articles, the regulations, the bylaws, or by applicable law, any notice required by this chapter shall be in writing and shall be delivered personally or sent by telegram, ~~telecopy, or electronic mail transmission~~ by the use of authorized communications equipment, or by United States mail, express mail, or courier service, with postage or fees prepaid.

(B) In computing the period of time for the giving of a notice required or permitted under this chapter, or under the articles, the regulations, or the bylaws of a corporation, or a resolution of its members or directors, the day on which the notice is given shall be excluded, and the day when the act for which notice is given is to be done shall be included, unless the instrument calling for the notice otherwise provides. If notice is given by personal delivery or transmitted by telegram, ~~telecopy,~~ or ~~electronic mail~~ by the use of authorized communications equipment, the notice shall be deemed to have been given when

delivered or transmitted. If notice is sent by United States mail, 139  
express mail, or courier service, the notice shall be deemed to 140  
have been given when deposited in the mail or with the courier 141  
service. 142

(C) A written notice or report delivered as part of a 143  
newsletter, magazine, or other publication regularly sent to 144  
members shall constitute a written notice or report if addressed 145  
or delivered to the member's address shown in the corporation's 146  
current list of members, or, in the case of members who are 147  
residents of the same household and who have the same address in 148  
the corporation's current list of members, if addressed or 149  
delivered to one of ~~such~~ those members at the address appearing on 150  
the corporation's current list of members. 151

**Sec. 1702.08.** (A) When an unincorporated society or 152  
association, organized for any of the purposes for which a 153  
corporation could be formed under this chapter, authorizes the 154  
incorporation of ~~such~~ that society or association, by the same 155  
procedure and affirmative vote of its voting members ~~as~~ that the 156  
regulations, constitution, or other fundamental agreement of ~~such~~ 157  
the society or association requires for an amendment to ~~such~~ that 158  
fundamental agreement or, if no such vote is specified, by a 159  
majority vote of the voting members present in person or, if 160  
permitted, by mail ~~or~~, by proxy, or by the use of authorized 161  
communications equipment, at a duly convened meeting the purpose 162  
of which is stated in the notice of the meeting, then upon the 163  
filing of the articles under section 1702.04 of the Revised Code 164  
setting forth ~~such~~ those facts and that ~~such~~ the required vote has 165  
been obtained, ~~such~~ that society or association shall become a 166  
corporation, and the members of ~~such~~ the society or association 167  
shall become members of ~~such~~ that corporation in accordance with 168  
provisions in the articles to that effect. 169

(B) All the rights, privileges, immunities, powers, 170  
franchises, and authority, and all the property and obligations of 171  
~~such~~ that unincorporated society or association, shall thereupon 172  
pass to, vest in, and (in the case of liabilities and obligations) 173  
be obligations of the corporation so formed. 174

**Sec. 1702.11.** (A) Without limiting the generality of such 175  
authority, the regulations, whether designated a constitution or 176  
rules, or by some other term, may include provisions with respect 177  
to the following: 178

(1) The ~~time and place, if any, and time~~ for holding, the 179  
manner of and authority for calling, giving notice of, and 180  
conducting, and the requirements of a quorum for, meetings of 181  
members, or their elected representatives or delegates; 182

(2) The qualifications, admission, voluntary withdrawal, 183  
censure, and suspension of members, and the termination of 184  
membership; 185

(3) The fees and dues of members; 186

(4) The rights of members or classes of members, or of their 187  
elected representatives or delegates, to vote; the manner of 188  
conducting votes of members on matters, including any right to 189  
vote by mail, by the use of authorized communications equipment, 190  
if permitted by this chapter, or by proxy; the specification of 191  
the relative rights and privileges among members and in the 192  
property of the corporation; and limitations upon or regulations 193  
governing the right of members to examine the books and records of 194  
the corporation; 195

(5) The election of representatives or delegates of members 196  
and their authority, rights, and privileges; 197

(6) The number, classification, manner of fixing or changing 198  
the number, qualifications, term of office, voting rights, 199

compensation or manner of fixing compensation, and the removal of  
directors; 200  
201

(7) ~~The time and place, if any, and time~~ for holding, the 202  
manner of and authority for calling, giving notice of, and 203  
conducting, and the requirements of a quorum for, meetings of the 204  
directors; 205

(8) The appointment of an executive and other committees of 206  
the directors or of members, their authority, and the method by 207  
which they take action; 208

(9) The titles, qualifications, duties, term of office, 209  
compensation or manner of fixing compensation, and the removal, of 210  
officers; 211

(10) Defining, limiting, or regulating the exercise of the 212  
authority of the corporation, the directors, the officers, the 213  
members, or any class of members; 214

(11) The method by which voting members may change the 215  
regulations; 216

(12) Providing for the use of authorized communications 217  
equipment. 218

(B)(1) In the absence of provisions in the articles or the 219  
regulations with respect to the method of changing the 220  
regulations, the regulations may be amended, or new regulations 221  
may be adopted, by the voting members at a meeting held for such 222  
purpose, if a quorum is present, by the affirmative vote of a 223  
majority of the voting members present in person or, if permitted, 224  
by mail, by the use of authorized communications equipment, or by 225  
proxy, if a quorum is present. 226

(2) For purposes of division (B)(1) of this section, 227  
participation by a member in a meeting through the use of any of 228  
the means of communication described in that division constitutes 229



presence in person of that member at the meeting for purposes of 230  
determining a quorum. 231

(C) The members of a nonprofit corporation may adopt or 232  
authorize the directors to adopt, either before or during an 233  
emergency, as defined in division (U) of section 1701.01 of the 234  
Revised Code, emergency regulations operative only during an 235  
emergency. The emergency regulations may include ~~such~~ those 236  
provisions ~~as~~ that are authorized to be included in regulations by 237  
divisions (A) and (B) of this section. In addition, unless 238  
expressly prohibited by the articles or regulations, and 239  
notwithstanding any different provisions in this chapter and any 240  
different provision in the articles or regulations that are not 241  
expressly stated to be operative during an emergency, the 242  
emergency regulations may make any provision that may be practical 243  
or necessary with respect to meetings, committees, vacancies, and 244  
temporary appointments of the directors, and the rank and 245  
succession of officers, the same as may be done by corporations 246  
for profit under division (C) of section 1701.11 of the Revised 247  
Code. 248

(D) Any change in the regulations made in accordance with 249  
their provisions or pursuant to division (B) of this section shall 250  
be binding on all members. 251

(E) If, ~~pursuant to the regulations, such regulations~~ are 252  
amended or new regulations adopted without a meeting of the voting 253  
members, the secretary of the corporation shall send by mail, 254  
overnight delivery service, or authorized communications equipment 255  
a copy of the amendment or the new regulations to each voting 256  
member who would have been entitled to vote on the amendment or 257  
new regulations and did not participate in the adoption of the 258  
amendment or new regulations. If the secretary of the corporation 259  
mails the copy or sends it by overnight delivery service, the 260  
secretary shall send the copy of the amendment or the new 261

regulations to the voting member at the voting member's address as 262  
it appears on the records of the corporation. If the secretary 263  
sends the copy by means of authorized communications equipment, 264  
the secretary shall send the copy of the amendment or the new 265  
regulations to the address provided by the voting member for 266  
transmissions by authorized communications equipment. 267

(F) No person dealing with the corporation shall be charged 268  
with constructive notice of the regulations. 269

(G) Unless expressly prohibited by the articles or 270  
regulations, or unless otherwise provided by the emergency 271  
regulations, and notwithstanding any different provision in this 272  
chapter, the special rules provided for corporations for profit 273  
under division (F) of section 1701.11 of the Revised Code are 274  
applicable to a nonprofit corporation during an emergency, as 275  
defined in division (U) of section 1701.01 of the Revised Code. 276

**Sec. 1702.17.** (A) Meetings of voting members may be called by 277  
any of the following: 278

(1) The chairperson of the board, the president, or, in case 279  
of the president's absence, death, or disability, the 280  
vice-president authorized to exercise the authority of the 281  
president; 282

(2) The directors by action at a meeting, or a majority of 283  
the directors acting without a meeting; 284

(3) The lesser of (a) ten per cent of the voting members or 285  
(b) twenty-five of ~~such~~ the voting members, unless the articles or 286  
the regulations specify for such purpose a smaller or larger 287  
proportion or number, but not in excess of fifty per cent of ~~such~~ 288  
the voting members; 289

(4) ~~Such~~ Any other officers or persons ~~as that~~ the articles 290  
or the regulations authorize to call such meetings. 291

(B) ~~Meetings~~ If so provided in the articles or the 292  
regulations, meetings of voting members may be held either within 293  
or without this state ~~if so provided in the articles or the~~ 294  
~~regulations~~ or solely by means of authorized communications 295  
equipment. In the absence of any such provision, all meetings 296  
~~shall be held at the principal office of the corporation in this~~ 297  
~~state.~~ 298

(C) If authorized by the directors, the voting members and 299  
proxyholders who are not physically present at a meeting of voting 300  
members may attend the meeting by the use of authorized 301  
communications equipment that enables the voting members and 302  
proxyholders an opportunity to participate in the meeting and to 303  
vote on matters submitted to the voting members, including an 304  
opportunity to read or hear the proceedings of the meeting, 305  
participate in the proceedings, and contemporaneously communicate 306  
with the persons who are physically present at the meeting. Any 307  
voting member who uses authorized communications equipment under 308  
this division is deemed to be present in person at the meeting 309  
whether the meeting is held at a designated place or solely by 310  
means of authorized communications equipment. The directors may 311  
adopt procedures and guidelines for the use of authorized 312  
communications equipment in connection with a meeting of voting 313  
members to permit the corporation to verify that a person is a 314  
voting member or proxyholder and to maintain a record of any vote 315  
or other action taken at the meeting. 316

**Sec. 1702.18.** Unless the articles or the regulations provide 317  
for notice of meetings otherwise than as provided in this section, 318  
written notice stating the ~~time and place, if any, and the time~~ of 319  
a meeting ~~of~~ and the means, if any, by which the voting members 320  
can be present and vote at the meeting through the use of 321  
authorized communications equipment, and, in case of a special 322

meeting, the purpose or purposes for which the meeting is called, 323  
shall be given in the manner described in section 1702.02 of the 324  
Revised Code, not less than ten or not more than sixty days before 325  
the date of the meeting: (A) to each member entitled to notice of 326  
the meeting; (B) by or at the direction of the president or the 327  
secretary or any other person required or permitted by the 328  
regulations to give notice or the officers or persons calling the 329  
meeting. If mailed or sent by overnight delivery service, such 330  
that notice shall be addressed to the member at the member's 331  
address as it appears on the records of the corporation. If sent 332  
by means of authorized communications equipment, that notice shall 333  
be sent to the address furnished by the voting member for 334  
transmissions by authorized communications equipment. Notice of 335  
adjournment of a meeting need not be given if the ~~time and place,~~ 336  
if any, and the time to which it is adjourned and the procedure by 337  
which the voting members can be present and vote at the adjourned 338  
meeting through the use of authorized communications equipment are 339  
fixed and announced at ~~such~~ the meeting. 340

**Sec. 1702.19.** (A) Notice of the ~~time,~~ place, if any, the 341  
time, and the purposes of any meeting of voting members or 342  
directors, as the case may be, whether required by law, the 343  
articles, the regulations, or (in the case of directors) the 344  
bylaws, may be waived in writing, either before or after the 345  
holding of such meeting, by any member, or by any director, which 346  
writing shall be filed with or entered upon the records of the 347  
meeting. ~~The attendance of any member or any director at any such~~ 348  
~~meeting~~ A transmission by authorized communications equipment that 349  
contains a waiver is a writing for purposes of this division. 350

(B) If a member or director attends a meeting described in 351  
division (A) of this section without protesting, prior to or at 352  
the commencement of the meeting, then the lack of proper notice 353

shall be deemed to be a waiver by the member or director of notice 354  
of ~~such~~ the meeting. 355

(C) A member or director shall be considered in attendance at 356  
a meeting described in division (A) of this section, if the member 357  
or director is present in person or, if permitted by the 358  
regulations, is present by the use of authorized communications 359  
equipment. 360

**Sec. 1702.20.** (A) Except as otherwise provided in the 361  
articles or the regulations, each member, regardless of class, 362  
shall be entitled to one vote on each matter properly submitted to 363  
the members for their vote, consent, waiver, release, or other 364  
action. ~~The~~ 365

(B) The articles or the regulations may provide that voting 366  
at elections and votes on other matters may be conducted by mail 367  
or by the use of authorized communications equipment. Unless 368

(C) Participation by a member in a meeting through the use of 369  
any of the means of communication described in division (B) of 370  
this section constitutes presence in person of that member at the 371  
meeting. The directors may adopt procedures and guidelines for the 372  
use of authorized communications equipment to permit the 373  
corporation to verify that a person is a voting member and to 374  
maintain a record of any vote. 375

(D) Unless the articles or the regulations otherwise provide, 376  
no member who is a natural person shall vote or act by proxy. 377  
378

**Sec. 1702.22.** Unless the articles or the regulations 379  
otherwise provide: 380

(A)(1) The voting members present in person or, if permitted, 381  
by mail ~~or~~, by proxy, or by the use of authorized communications 382  
equipment at any meeting of voting members shall constitute a 383

quorum for ~~such~~ the meeting. The 384

(2) The affirmative vote of a majority of the voting members 385  
present at a meeting at which a quorum is present as provided in 386  
division (A)(1) of this section shall be necessary for the 387  
authorization or taking of any action voted upon by the members, 388  
except that no action required by law, the articles, or the 389  
regulations to be authorized or taken by a specified proportion or 390  
number of the voting members or of any class of voting members may 391  
be authorized or taken by a lesser proportion or number. 392

(B) A majority of the voting members present at a meeting, 393  
whether or not a quorum is present, may adjourn ~~such~~ the meeting 394  
from time to time. 395

**Sec. 1702.25.** (A) Unless the articles or the regulations 396  
prohibit the authorization or taking of any action of the 397  
incorporators, the members, or the directors without a meeting, 398  
any action that may be authorized or taken at a meeting of the 399  
incorporators, the members, or the directors, as the case may be, 400  
may be authorized or taken without a meeting with the affirmative 401  
vote or approval of, and in a writing or writings signed by, all 402  
of the incorporators, all of the members, or all of the directors, 403  
as the case may be, who would be entitled to notice of a meeting 404  
for ~~such~~ that purpose, or, in the case of members, ~~such~~ any other 405  
proportion or number of voting members, not less than a majority, 406  
~~as~~ that the articles or the regulations permit. Any such writing 407  
shall be filed with or entered upon the records of the 408  
corporation. Any certificate with respect to the authorization or 409  
taking of any ~~such~~ action described in this division that is 410  
required to be filed in the office of the secretary of state shall 411  
recite that the authorization or taking of ~~such~~ that action was in 412  
a writing or writings approved and signed as specified in this 413  
section. 414

(B) Any transmission by authorized communications equipment 415  
that contains an affirmative vote or approval of the person 416  
described in division (A) of this section is a signed writing for 417  
purposes of this section. The date on which that transmission by 418  
authorized communications equipment is sent is the date on which 419  
the writing is signed. 420

**Sec. 1702.27.** (A) Except as provided in division (B) of this 421  
section and section 1702.521 of the Revised Code: 422

(1) The number of directors as fixed by the articles or the 423  
regulations shall be not less than three or, if not so fixed, the 424  
number shall be three, except that if there are only one or two 425  
members of the corporation, the number of directors may be less 426  
than three but not less than the number of members. 427

(2) ~~Unless~~ (a) Subject to division (A)(2)(c) of this section, 428  
unless the articles or the regulations fix the number of directors 429  
or provide the manner in which ~~such~~ that number may be fixed or 430  
changed by the voting members, the number may be fixed or changed 431  
at a meeting of the voting members called for the purpose of 432  
electing directors, if a quorum is present, by the affirmative 433  
vote of a majority of the voting members present in person or, if 434  
permitted, by mail, by the use of authorized communications 435  
equipment, or by proxy, ~~if.~~ 436

(b) For purposes of division (A)(2)(a) of this section, 437  
participation by a voting member in a meeting through the use of 438  
any of the means of communication described in that division 439  
constitutes presence in person of that voting member at the 440  
meeting for purposes of determining a quorum is present, but no. 441

(c) No reduction in the number of directors shall of itself 442  
have the effect of shortening the term of any incumbent director. 443

(3) The director shall have ~~such~~ the qualifications, if any, 444

~~as~~ that are stated in the articles or the regulations. 445

(4) The articles or the regulations may provide that persons 446  
occupying certain positions within or without the corporation 447  
shall be ex officio directors, but, unless otherwise provided in 448  
the articles or the regulations, such ex officio directors shall 449  
not be considered for quorum purposes and shall have no vote. 450

(B) The court of common pleas of the county in which the 451  
corporation maintains its principal office may, pursuant to 452  
division (A) of section 1702.521 of the Revised Code, order the 453  
appointment of a provisional director for the corporation without 454  
regard to the number or qualifications of directors stated in the 455  
articles or regulations of the corporation. 456

**Sec. 1702.31.** Unless otherwise provided in the articles, 457  
regulations, or bylaws, and subject to the exceptions applicable 458  
during an emergency for which provision is made in division (G) of 459  
section 1702.11 of the Revised Code: 460

(A) Meetings of the directors may be called by the 461  
chairperson of the board, the president, any vice-president, or 462  
any two directors~~+~~. 463

(B) Meetings of the directors may be held at any place within 464  
or without the state ~~and~~, including by means of authorized 465  
communications equipment, unless the articles or regulations 466  
prohibit participation by directors at a meeting by means of 467  
authorized communications equipment, ~~meetings of the directors may~~ 468  
~~be held through any communications equipment if all persons~~ 469  
~~participating can hear each other and participation.~~ Participation 470  
in a meeting pursuant to this division ~~shall constitute~~ 471  
constitutes presence at ~~such~~ that meeting~~+~~. 472

(C) ~~Written notice~~ Notice of the ~~time and place, if any, and~~ 473  
time of each meeting of the directors shall be given to each 474



director either by personal delivery or by mail, ~~telegram by~~ 475  
overnight delivery service, or ~~eablegram~~ by means of authorized 476  
communications equipment at least two days before the meeting~~7~~ 477  
~~which.~~ That notice need not specify the purposes of the meeting~~7~~. 478

(D) Notice of adjournment of a meeting need not be given if 479  
the time and place to which it is adjourned are fixed and 480  
announced at ~~such~~ that meeting. 481

**Sec. 1702.33.** (A) The regulations may provide for the 482  
creation by the directors of an executive committee or any other 483  
committee of the directors, to consist of one or more directors, 484  
and may authorize the delegation to any such committee of any of 485  
the authority of the directors, however conferred. 486

(B) The directors may appoint one or more directors as 487  
alternate members of any ~~such~~ committee described in division (A) 488  
of this section, who may take the place of any absent member or 489  
members at any meeting of the particular committee. 490

(C) Each ~~such~~ committee described in division (A) of this 491  
section shall serve at the pleasure of the directors, shall act 492  
only in the intervals between meetings of the directors, and shall 493  
be subject to the control and direction of the directors. 494

(D) Unless otherwise provided in the regulations or ordered 495  
by the directors, any ~~such~~ committee described in division (A) of 496  
this section may act by a majority of its members at a meeting or 497  
by a writing or writings signed by all of its members. 498

(E) ~~Unless~~ Meetings of committees described in division (A) 499  
of this section may be held by any means of authorized 500  
communications equipment, unless participation by members of ~~any~~ 501  
~~such~~ the committee at a meeting by means of authorized 502  
communications equipment is prohibited by the articles, the 503  
regulations, or an order of the directors, ~~meetings of the~~ 504

~~particular committee may be held through any communications~~ 505  
~~equipment if all persons participating can hear each other.~~ 506  
Participation in a meeting pursuant to this division constitutes 507  
presence at the meeting. 508

(F) An act or authorization of an act by any ~~such~~ committee 509  
described in division (A) of this section within the authority 510  
delegated to it shall be as effective for all purposes as the act 511  
or authorization of the directors. 512

**Sec. 1702.38.** (A) The articles may be amended from time to 513  
time in any respect if the articles as amended set forth all ~~such~~ 514  
the provisions as that are required in, and only ~~such~~ those 515  
provisions ~~as that~~ may properly be in, original articles filed at 516  
the time of adopting the amendment, other than with respect to the 517  
initial directors, except that a public benefit corporation shall 518  
not amend its articles in such manner that it will cease to be a 519  
public benefit corporation. 520

(B) Without limiting the generality of ~~such~~ the authority 521  
described in division (A) of this section, the articles may be 522  
amended to: 523

(1) Change the name of the corporation; 524

(2) Change the place in this state where its principal office 525  
is to be located; 526

(3) Change, enlarge, or diminish its purpose or purposes; 527

(4) Change any provision of the articles or add any provision 528  
that may properly be included ~~therein~~ in the articles. 529

(C)(1) The voting members present in person or, if permitted, 530  
by mail ~~or~~, by proxy, or by use of authorized communications 531  
equipment, at a meeting held for ~~such~~ that purpose, may adopt an 532  
amendment by the affirmative vote of a majority of the voting 533  
members present if a quorum is present, or, if the articles or the 534

regulations provide or permit, by the affirmative vote of a 535  
greater or lesser proportion or number of the voting members, and 536  
by ~~such~~ the affirmative vote of the voting members of any 537  
particular class ~~as~~ that is required by the articles or the 538  
regulations. 539

(2) For purposes of division (C)(1) of this section, 540  
participation by a voting member at a meeting through the use of 541  
any of the means of communication described in that division 542  
constitutes presence in person of that voting member at the 543  
meeting for purposes of determining a quorum. 544

(D) In addition to or in lieu of adopting an amendment to the 545  
articles, the voting members may adopt amended articles by the 546  
same action or vote as that required to adopt the amendment. 547

(E) The directors may adopt amended articles to consolidate 548  
the original articles and all previously adopted amendments to the 549  
articles that are in force at the time, or the voting members at a 550  
meeting held for ~~such~~ that purpose may adopt ~~such~~ the amended 551  
articles by the same vote as that required to adopt an amendment. 552

(F) Amended articles shall set forth all ~~such~~ the provisions 553  
~~as~~ that are required in, and only ~~such~~ the provisions ~~as~~ that may 554  
properly be in, original articles filed at the time of adopting 555  
the amended articles, other than with respect to the initial 556  
directors, and shall contain a statement that they supersede the 557  
existing articles. 558

(G) Upon the adoption of any amendment or amended articles, a 559  
certificate containing a copy of the resolution adopting the 560  
amendment or amended articles, a statement of the manner of its 561  
adoption, and, in the case of adoption of the resolution by the 562  
directors, a statement of the basis for such adoption, shall be 563  
filed with the secretary of state, and ~~thereupon~~ upon that filing 564  
the articles shall be amended accordingly, and the amended 565

articles shall supersede the existing articles. The certificate 566  
shall be signed by any authorized officer of the corporation. 567

(H) A copy of an amendment or amended articles changing the 568  
name of a corporation or its principal office in this state, 569  
certified by the secretary of state, may be filed for record in 570  
the office of the county recorder of any county in this state, and 571  
for ~~such that~~ recording the county recorder shall charge and 572  
collect the same fee as provided for in division (A) of section 573  
317.32 of the Revised Code. ~~Such That~~ copy shall be recorded in 574  
the records of deeds. 575

**Sec. 1702.39.** (A)(1) Unless the articles or the regulations, 576  
or the terms of any trust on which the corporation holds any 577  
particular property, otherwise provide, a lease, sale, exchange, 578  
transfer, or other disposition of any assets of a mutual benefit 579  
corporation may be made without the necessity of procuring 580  
authorization from the court under section 1715.39 of the Revised 581  
Code, upon ~~such the~~ terms and for ~~such the~~ consideration, which 582  
may consist, in whole or in part, of money or other property, 583  
including shares or other securities or promissory obligations of 584  
any business corporation, domestic or foreign, ~~as that~~ may be 585  
authorized by the directors, except that a lease, sale, exchange, 586  
transfer, or other disposition of all, or substantially all, the 587  
assets may be made only when ~~such that~~ transaction is also 588  
authorized (either before or after authorization by the directors) 589  
by the voting members present in person or, if permitted, by mail, 590  
by proxy, or by the use of authorized communications equipment, at 591  
a meeting held for ~~such that~~ purpose, by the affirmative vote of a 592  
majority of the voting members present as described in this 593  
division, if a quorum is present, or, if the articles or the 594  
regulations provide or permit, by the affirmative vote of a 595  
greater or lesser proportion or number of the voting members, and 596  
by ~~such the~~ affirmative vote of the voting members of any 597

particular class ~~as~~ that is required by the articles or the 598  
regulations. Notice of the meeting of the members shall be given 599  
to all members entitled to vote ~~thereat~~ at the meeting. Such 600  
notice shall be accompanied by a copy or summary of the terms of 601  
~~such~~ that transaction. 602

(2) For purposes of division (A)(1) of this section, 603  
participation by a voting member at a meeting through the use of 604  
any of the means of communication described in that division 605  
constitutes presence in person of that voting member at the 606  
meeting for purposes of determining a quorum. 607

(B)(1) A public benefit corporation may not dispose of its 608  
assets with value equal to more than fifty per cent of the fair 609  
market value of the net tangible and intangible assets, including 610  
goodwill, of the corporation over a period of thirty-six 611  
consecutive months in a transaction or series of transactions, 612  
including the lease, sale, exchange, transfer, or other 613  
disposition of those assets, that are outside the ordinary course 614  
of its business or that are not in accordance with the purpose or 615  
purposes for which the corporation was organized, as set forth in 616  
its articles or the terms of any trust on which the corporation 617  
holds such assets, unless one or more of the following apply: 618

(a) The transaction has received the prior approval of the 619  
court of common pleas of the county in this state in which the 620  
principal office of the corporation is located, in a proceeding of 621  
which the attorney general's charitable law section has been given 622  
written notice by certified mail within three days of the 623  
initiation of the proceeding, and in which proceeding the attorney 624  
general may intervene as of right. 625

(b)(i) The corporation has provided written notice of the 626  
proposed transaction, including a copy or summary of the terms of 627  
such transaction, at least twenty days before consummation of the 628

lease, sale, exchange, transfer, or other disposition of the 629  
assets, to the attorney general's charitable law section and to 630  
the members of the corporation, and the proposed transaction has 631  
been approved by the voting members present in person or, if 632  
permitted, by mail, by proxy, or by the use of authorized 633  
communications equipment, at a meeting held for ~~such~~ that purpose, 634  
by the affirmative vote of a majority of the voting members 635  
present as described in this division, if a quorum is present, or, 636  
if the articles or regulations provide or permit, by the 637  
affirmative vote of a greater or lesser proportion or number of 638  
the voting members, and if the articles or regulations require, by 639  
the affirmative vote of the voting members of any particular 640  
class. 641

(ii) For purposes of division (B)(1)(b)(i) of this section, 642  
participation by a voting member at a meeting through the use of 643  
any of the means of communication described in that division 644  
constitutes presence in person of that voting member at the 645  
meeting for purposes of determining a quorum. 646

(c) The transaction is in accordance with the purpose or 647  
purposes for which the corporation was organized, as set forth in 648  
its articles or the terms of any trust on which the corporation 649  
holds the assets, and the lessee, purchaser, or transferee of the 650  
assets is also a public benefit corporation or a foreign 651  
corporation that would qualify under the Revised Code as a public 652  
benefit corporation. 653

(2) The attorney general may require, pursuant to section 654  
109.24 of the Revised Code, the production of the documents 655  
necessary for review of a proposed transaction under division 656  
(B)(1) of this section. The attorney general may retain, at the 657  
expense of the public benefit corporation, one or more experts, 658  
including an investment banker, actuary, appraiser, certified 659  
public accountant, or other expert, that the attorney general 660

considers reasonably necessary to provide assistance in reviewing 661  
a proposed transaction under division (B)(1) of this section. 662

(C) The attorney general may institute a civil action to 663  
enforce the requirements of division (B)(1) of this section in the 664  
court of common pleas of the county in this state in which the 665  
principal office of the corporation is located or in the Franklin 666  
county court of common pleas. In addition to any civil remedies 667  
that may exist under common law or the Revised Code, a court may 668  
rescind the transaction or grant injunctive relief or impose any 669  
combination of these remedies. 670

(D) The corporation by its directors may abandon the proposed 671  
lease, sale, exchange, transfer, or other disposition of the 672  
assets of the corporation pursuant to division (A) or (B) of this 673  
section, subject to the contract rights of other persons, if ~~such~~ 674  
that power of abandonment is conferred upon the directors either 675  
by the terms of the transaction or by the same vote of voting 676  
members and at the same meeting of members as that referred to in 677  
division (A) or (B) of this section, as applicable, or at any 678  
subsequent meeting. 679

(E) An action to set aside a conveyance by a corporation, on 680  
the ground that any section of the Revised Code applicable to the 681  
lease, sale, exchange, transfer, or other disposition of the 682  
assets of such corporation has not been complied with, shall be 683  
brought within one year after ~~such~~ that transaction, or the action 684  
shall be forever barred. 685

**Sec. 1702.42.** (A) The directors of each constituent 686  
corporation, upon approving an agreement of merger or 687  
consolidation, shall direct that the agreement be submitted to the 688  
voting members entitled to vote on it at a meeting of voting 689  
members of such corporation held for that purpose, and notice of 690  
~~such~~ the meeting shall be given to all members of ~~such~~ the 691

constituent corporation entitled to vote ~~thereat~~ at the meeting. 692  
The notice shall be accompanied by a copy or summary of the 693  
agreement. 694

(B)(1) At each ~~such~~ meeting described in division (A) of this 695  
section, a vote of the members shall be taken on the proposed 696  
agreement. In order to be adopted, the agreement (including any 697  
amendments or additions ~~thereto~~ to the agreement proposed at each 698  
such meeting) must receive the affirmative vote of a majority of 699  
the voting members of each constituent corporation present at that 700  
meeting in person or, if permitted, by mail ~~or~~, by proxy, ~~at each~~ 701  
~~such meeting~~ or by the use of authorized communications equipment, 702  
if a quorum is present, or, if the articles or the regulations of 703  
~~such~~ that corporation provide or permit, the affirmative vote of a 704  
greater or lesser proportion or number of the voting members, and 705  
~~such~~ the affirmative vote of the voting members of any particular 706  
class ~~as~~ that is required by the articles or the regulations of 707  
such corporation. If the agreement would authorize any particular 708  
corporate action that, under any applicable provision of law or 709  
under the existing articles of one or more of the constituent 710  
corporations, could be authorized only by or pursuant to a 711  
specified vote of voting members, ~~such~~ the agreement (including 712  
any amendments or additions ~~thereto~~ to the agreement proposed at 713  
each such meeting) in order to be adopted must receive the 714  
affirmative vote so specified. 715

(2) For purposes of division (B)(1) of this section, 716  
participation by a voting member at a meeting through the use of 717  
any of the means of communication described in that division 718  
constitutes presence in person of that voting member at the 719  
meeting for purposes of determining a quorum. 720

(C) At any time prior to the filing of the agreement, the 721  
merger or consolidation may be abandoned by the directors of one 722



or more of the constituent corporations, if the power of  
abandonment is conferred upon ~~such~~ those directors either by the  
agreement or by the same vote of voting members of each of the  
constituent corporations and at the same meetings as those  
referred to in division (B) of this section or at subsequent  
meetings.

**Sec. 1702.47.** (A) A corporation may be dissolved voluntarily  
in the manner provided in this section.

(B) A resolution of dissolution for a corporation shall set  
forth:

(1) That the corporation elects to be dissolved;

(2) Any additional provision deemed necessary with respect to  
the proposed dissolution and winding up.

(C) The directors may adopt a resolution of dissolution in  
the following cases:

(1) When the corporation has been adjudged bankrupt or has  
made a general assignment for the benefit of creditors;

(2) By leave of the court, when a receiver has been appointed  
in a general creditors' suit or in any suit in which the affairs  
of the corporation are to be wound up;

(3) When substantially all of the assets have been sold at  
judicial sale or otherwise;

(4) When the period of existence of the corporation specified  
in its articles has expired.

(D) (1) The voting members at a meeting held for ~~such~~ that  
purpose may adopt a resolution of dissolution by the affirmative  
vote of a majority of the voting members present in person or, if  
permitted, by mail ~~or~~, by proxy, or by the use of authorized  
communications equipment, if a quorum is present or, if the

articles or the regulations provide or permit, by the affirmative 752  
vote of a greater or lesser proportion or number of the voting 753  
members, and by ~~such~~ the affirmative vote of the voting members or 754  
the affirmative vote of the voting members of any particular class 755  
~~as~~ that is required by the articles or the regulations. Notice of 756  
the meeting of the members shall be ~~given~~ sent to all the members 757  
who would be entitled to vote ~~thereat~~ at the meeting by mail, 758  
overnight delivery service, or any authorized communications 759  
equipment. 760

(2) For purposes of division (D)(1) of this section, 761  
participation by a voting member at a meeting through the use of 762  
any of the means of communication described in that division 763  
constitutes presence in person of that voting member at the 764  
meeting for purposes of determining a quorum. 765

(E) Upon the adoption of a resolution of dissolution, a 766  
certificate shall be prepared, on a form prescribed by the 767  
secretary of state, setting forth the following: 768

(1) The name of the corporation; 769

(2) A statement that a resolution of dissolution has been 770  
adopted; 771

(3) A statement of the manner of adoption of ~~such~~ that 772  
resolution, and, in the case of its adoption by the directors, a 773  
statement of the basis for ~~such~~ the adoption; 774

(4) The place in this state where its principal office is or 775  
is to be located; 776

(5) The names and addresses of its directors and officers; 777

(6) The name and address of its statutory agent; 778

(7) The date of dissolution, if other than the filing date. 779

(F) ~~Such~~ The certificate described in division (E) of this 780  
section shall be signed by any authorized officer, unless the 781

officer fails to execute and file ~~such~~ the certificate within 782  
thirty days after the adoption of the resolution, or upon any date 783  
specified in the resolution as the date upon which ~~such~~ the 784  
certificate is to be filed, or upon the expiration of any period 785  
specified in the resolution as the period within which ~~such~~ the 786  
certificate is to be filed, whichever is latest, in which event 787  
the certificate of dissolution may be signed by any three voting 788  
members and shall set forth a statement that the persons signing 789  
the certificate are voting members and are filing the certificate 790  
because of the failure of the officers to do so. 791

(G) A certificate of dissolution, filed with the secretary of 792  
state, shall be accompanied by: 793

(1) An affidavit of one or more of the persons executing the 794  
certificate of dissolution or of an officer of the corporation 795  
containing a statement of the counties, if any, in this state in 796  
which the corporation has personal property subject to personal 797  
property taxes or a statement that the corporation is of a type 798  
required to pay personal property taxes to state authorities only; 799

(2) A receipt, certificate, or other evidence showing the 800  
payment of all personal property taxes accruing up to the date of 801  
such filing or, if applicable, to the later date specified in the 802  
certificate of dissolution in accordance with division (E) of this 803  
section, unless the affidavit provided for in division (G)(1) of 804  
this section states that the corporation has in this state no 805  
personal property subject to personal property taxes; 806

(3) A receipt, certificate, or other evidence from the 807  
director of job and family services showing that all contributions 808  
due from the corporation as an employer have been paid, ~~or~~ that 809  
such payment has been adequately guaranteed, or that the 810  
corporation is not subject to such contributions; 811

(4) A receipt, certificate, or other evidence showing the 812

payment of all sales, use, and highway use taxes accruing up to 813  
the date of such filing or, if applicable, to the later date 814  
specified in the certificate of dissolution in accordance with 815  
division (E) of this section, or that such payment has been 816  
adequately guaranteed; 817

(5) In lieu of the receipt, certificate, or other evidence 818  
described in division (G)(2), (3), or (4) of this section, an 819  
affidavit of one or more of the persons executing the certificate 820  
of dissolution or of an officer of the corporation containing a 821  
statement of the date upon which the particular department, 822  
agency, or authority was advised in writing of the scheduled 823  
effective date of the dissolution and was advised in writing of 824  
the acknowledgement by the corporation of the applicability of 825  
section 1702.55 of the Revised Code. 826

(H) Upon the filing of a certificate of dissolution and ~~such~~ 827  
those accompanying documents or on a later date specified in the 828  
certificate that is not more than ninety days after the filing, 829  
the corporation shall be dissolved. 830

**Sec. 1702.58.** (A) Except as provided in sections 1702.01 to 831  
1702.58 of the Revised Code, the provisions of those sections 832  
shall apply only to domestic corporations, and except as otherwise 833  
provided in this section, the provisions of those sections shall 834  
apply to all domestic corporations, whether formed under those 835  
sections or under previous laws of this state. 836

(B) Special provisions in the Revised Code for the 837  
organization, conduct, or government of designated classes of 838  
corporations shall govern to the exclusion of the provisions of 839  
sections 1702.01 to 1702.58 of the Revised Code on the same 840  
subject, except where it clearly appears that a special provision 841  
is cumulative, in which case, that provision and the provisions of 842  
those sections on the same subject shall apply. 843

(C) A corporation incorporated prior to June 9, 1927, with authority to issue shares may continue to issue and reissue shares in accordance with its articles, but shall be without authority to amend its articles in order to increase the authorized number of shares.

(D) A corporation created before September 1, 1851, that (1) has expressly elected to be governed by the laws passed since that date; (2) subsequent to that date has taken such action under laws then in effect as to make it subject, as a matter of law, to the Constitution of 1851 and laws passed ~~thereunder~~, under the Constitution of 1851; or (3) subsequent to October 1, 1955, takes any action under sections 1702.01 to 1702.58 of the Revised Code ~~or any of them~~, that but for those sections it would not be authorized to take, shall be deemed to be a corporation exercising its corporate privileges under the Constitution of this state and the laws passed in pursuance ~~thereof~~ of the Constitution of this state, and not otherwise.

(E)(1) A corporation created before September 1, 1851, and actually carrying on its activities in this state, and which prior to October 11, 1955, has not taken action described in division (D) of this section, may accept the provisions of sections 1702.01 to 1702.58 of the Revised Code at a meeting of voting members held for ~~such that~~ purpose, by a resolution to that effect adopted by the affirmative vote of a majority of the voting members present in person or, if permitted, by mail ~~or~~, by proxy, or by the use of authorized communications equipment, if a quorum is present, and by filing in the office of the secretary of state a copy of the resolution certified by any authorized officer of the corporation, for which filing the secretary of state shall charge and collect a fee of five dollars. Thereafter the corporation shall be deemed to exercise its corporate privileges under the Constitution of this state and the laws passed in pursuance ~~thereof~~ of the Constitution

of this state, and not otherwise. 876

(2) For purposes of division (E)(1) of this section, 877  
participation by a voting member at a meeting through the use of 878  
any of the means of communication described in that division 879  
constitutes presence in person of that voting member at the 880  
meeting for purposes of determining a quorum. 881

(F) Except as provided in divisions (D) and (E) of this 882  
section, a corporation created before September 1, 1851, shall be 883  
governed by the laws in force on that date as modified since that 884  
date. 885

(G) A domestic business corporation, upon compliance with the 886  
provision of the Revised Code ~~as~~ that is in effect from time to 887  
time relating to ~~such~~ that business corporation's becoming a 888  
nonprofit corporation upon amendment to its articles or upon 889  
adoption of amended articles, as provided by law, shall, upon 890  
filing the prescribed certificate in the office of the secretary 891  
of state, become a corporation subject to the provisions of, and 892  
entitled to all the rights, privileges, immunities, powers, 893  
franchises, and authority granted by, this chapter. 894

**Section 2.** That existing sections 1702.01, 1702.02, 1702.08, 895  
1702.11, 1702.17, 1702.18, 1702.19, 1702.20, 1702.22, 1702.25, 896  
1702.27, 1702.31, 1702.33, 1702.38, 1702.39, 1702.42, 1702.47, and 897  
1702.58 of the Revised Code are hereby repealed. 898