

317A.681 CONVERSION.

Subdivision 1. **Definitions.** (a) For the purposes of sections 317A.671 to 317A.689, the terms in this section have the meanings given.

(b) "Organizational document" means:

- (1) for a domestic or foreign limited liability company, its articles or certificate of organization;
- (2) for a trust, its agreement of trust or declaration of trust;
- (3) for a domestic or foreign corporation, its articles or certificate of incorporation; and
- (4) for any other organization, the basic record that creates the organization.

(c) "Converted organization" means the organization into which a converting organization converts pursuant to sections 317A.681 to 317A.689.

(d) "Converting organization" means an organization that converts into another organization pursuant to sections 317A.681 to 317A.689.

(e) "Converting corporation" means a corporation governed under this chapter.

Subd. 2. **Conversion requirements.** An organization other than a corporation may convert to a corporation, and a corporation may convert to another organization, pursuant to this section, sections 317A.683 to 317A.689, and a plan of conversion if:

- (1) the converting organization's governing statute authorizes the conversion;
- (2) the conversion is not prohibited by another law of this state or the law of the jurisdiction that enacted the converting organization's governing statute;
- (3) the converting organization complies with its governing statute in effecting the conversion;
- (4) the converting organization and the converted organization's governing statute prohibits the organization from:
 - (i) being formed for a purpose involving pecuniary gain to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government; and
 - (ii) paying dividends or other pecuniary remuneration, directly or indirectly, to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government; and
- (5) the attorney general has been notified, to the extent applicable under section 317A.811, and any applicable waiting periods under that section have expired.

Subd. 3. **Contents of plan of conversion.** A plan of conversion must include:

- (1) the name and form of the converting organization and the jurisdiction of the converting organization's governing statute before conversion;
- (2) the name and form of the converted organization and the jurisdiction of the converted organization's governing statute after conversion;

(3) the terms and conditions of the conversion, including the manner and basis for converting interests in the converting organization into interests in the converted organization; and

(4) the organizational documents of the converted organization as they are to be in effect upon completion of the conversion.

History: 2017 c 17 s 11