

Introduced: 3/7/63  
Referred: Judiciary

1 IN THE SENATE

RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 146

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the nonprofit corporation  
7 act; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 10.20.010 is amended to read:

10 Sec. 10.20.010. ARTICLES OF INCORPORATION OF NONPROFIT  
11 CORPORATIONS. Three or more [RESIDENT ADULT] persons at  
12 least 21 years of age who are residents of the state for at  
13 least one year desiring [WHO DESIRE] to form a corporation  
14 for any lawful purpose, except the carrying on of a business,  
15 trade, avocation or profession for profit, [A COLLEGE,  
16 SEMINARY, CHURCH, LIBRARY, OR ANY OTHER BENEVOLENT, FRATER-  
17 NAL, SOCIAL, RELIGIOUS, EDUCATIONAL, CHARITABLE OR SCIEN-  
18 TIFIC ASSOCIATION, TRADE UNION OR OTHER LABOR ORGANIZATION,19 OR COMMERCIAL CLUB OR ASSOCIATION OF BUSINESS MEN, WHOSE  
20 CHIEF BUSINESS IS IN THE STATE,] shall make and subscribe  
21 written articles of incorporation in triplicate and acknow-  
22 ledge them before an officer authorized to acknowledge deeds.

23 \* Sec. 2. AS 10.20.080 is amended to read:

24 Sec. 10.20.080. CLASSIFICATION OF MEMBERS AND VOTING  
25 RIGHTS. Corporations organized under §§ 10--150 of this  
26 chapter may, in their articles of incorporation, classify  
27 their members according to their respective periodical con-  
28 tributions of fees or dues, or otherwise, and prescribe  
29 their respective voting rights and eligibility to hold

1 office in the organization. Nonprofit corporations shall  
2 not have capital stock, and may not issue shares in the  
3 corporation.

4 \* Sec. 3. AS 10.20 is amended by adding a new section to read  
5 Sec. 10.20.115. AMENDMENTS TO BYLAWS. The bylaws of  
6 the corporation shall prescribe the manner in which they may  
7 be amended.

8 \* Sec. 4. AS 10.20 is amended by adding a new section to read:  
9 Sec. 10.20.122. VOLUNTARY DISSOLUTION. Any corpora-  
10 tion formed under secs. 10--140 of this chapter may be dis-  
11 solved and its affairs wound up voluntarily by the written  
12 request of two-thirds of the members. Such request must be  
13 addressed to the corporate officers and specify reasons why  
14 the winding up of the affairs of the corporation is deemed  
15 advisable, and name three persons, members of the corporation,  
16 to act in liquidation. Upon the filing of the request with  
17 the corporate officers, and a copy being filed in the office  
18 of the Department of Commerce, and in the office of the  
19 clerk of the superior court in the judicial district where  
20 the principal place of business of the corporation is loca-  
21 ted, the power of the corporate officers shall cease and the  
22 persons appointed shall proceed to wind up the corporation,  
23 realize upon its assets, pay its debts and divide the residue  
24 of the money among the members in the proportion to which  
25 each member is entitled under the bylaws. This shall be done  
26 within the time designated in such request or such further  
27 time as may be granted in writing signed by two-thirds of  
28 the members and filed in the office of the Department of  
29 Commerce, and in the office of the clerk of the superior

1 court in the judicial district where the principal place of  
2 business of the corporation is located.

3 \* Sec. 5. AS 10.20 is amended by adding a new section to read:

4 Sec. 10.20.123. INVOLUNTARY DISSOLUTION. A corpora-  
5 tion formed under secs. 10--140 of this chapter may be dis-  
6 solved involuntarily by a decree of the superior court in an  
7 action filed by the attorney general if

8 (1) the corporation has failed to file its annual  
9 report as required by sec. 125 including an executed power  
10 of attorney as required by sec. 128; or

11 (2) the corporation procured its articles of  
12 incorporation through fraud; or

13 (3) the corporation has exceeded or abused the  
14 authority conferred upon it by law; or

15 (4) the corporation has failed for 30 days after  
16 change of its registered agent for service of process to file  
17 in the office of the commissioner a statement of the change;  
18 or

19 (5) the corporation's purpose or activity does  
20 not qualify as a nonprofit corporation under this chapter; or

21 (6) the corporation has failed to pay any fee,  
22 assessment or tax due and owing to the State of Alaska; or

23 (7) the corporation engages in any business,  
24 trade, avocation or profession for gain or enters into any  
25 agreement or combination in restraint of trade, or to fix or  
26 establish the price of any commodity, or to limit or regulate  
27 the production or distribution of any commodity, or which  
28 attempts to restrain trade, or fix or establish the price  
29 of any commodity, or limit or regulate the production or

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distribution of any commodity.

\* Sec. 6. AS 10.20 is amended by adding a new section to read

Sec. 10.20.124. REMOVAL OF GROUND FOR DISSOLUTION.

(a) If, before an action is filed, the corporation files its annual report or pays all fees, assessments and taxes due and owing to the State of Alaska, together with all penalties, or appoints or maintains a registered agent as provided in this chapter, or files with the commissioner the required statement of change of registered office or registered agent, the commissioner shall certify that fact to the attorney general and an action against the corporation shall not be filed.

(b) If, after the action is filed, the corporation files its annual report or pays all fees, assessments and taxes due and owing to the State of Alaska, together with all penalties, or appoints or maintains a registered agent as provided in this chapter, or files with the commissioner the required statement of change of registered office or registered agent, and pays all the costs of the action, the action abates.

\* Sec. 7. AS 10.20 is amended by adding a new section to read:

Sec. 10.20.125. ANNUAL REPORT OF NONPROFIT CORPORATIONS. Every nonprofit corporation organized under secs. 10--140 of this chapter shall file an annual report within the time prescribed by secs. 10--140 of this chapter.

\* Sec. 8. AS 10.20 is amended by adding a new section to read:

Sec. 10.20.126. CONTENTS OF ANNUAL REPORT. The annual report shall set out

- (1) the name of the corporation and the judicial district where it is incorporated;

1 (2) the address of the registered office of the  
2 corporation in the state, and the name and address of its  
3 registered agent for service of process in the state;

4 (3) a brief statement of the character of the  
5 activity in which the corporation is engaged in the state;

6 (4) the names and addresses of the officers of  
7 the corporation;

8 (5) an itemized statement, expressed in dollars,  
9 of the amount of real and personal property of the corpora-  
10 tion;

11 (6) a statement of the amount of net operating  
12 revenue and the disposition made of the net operating  
13 revenue.

14 \* Sec. 9. AS 10.20 is amended by adding a new section to read:

15 Sec. 10.20.127. FILING OF ANNUAL REPORT OF NONPROFIT  
16 CORPORATIONS. (a) The annual report of a nonprofit corpora-  
17 tion shall be delivered to the commissioner by August 15 of  
18 each year. However, the first annual report of a nonprofit  
19 corporation shall be filed by August 15 of the year succeed-  
20 ing the calendar year in which it was organized.

21 (b) A nonprofit corporation organized under this chap-  
22 ter whose fiscal year ends at a time other than at the end of  
23 the calendar year shall be allowed 60 days from the date of  
24 which its fiscal year ends within which to file its annual  
25 report.

26 (c) Proof to the satisfaction of the commissioner that  
27 before August 15 the report was deposited in the United  
28 States mail in a sealed envelope, properly addressed, with  
29 postage prepaid, is compliance with (a) of this section.

1 (d) If the commissioner finds that the report conforms  
2 to the requirements of this chapter, he shall file it. If  
3 he finds that it does not conform to the requirements of  
4 this chapter, he shall promptly return it to the corporation  
5 for necessary corrections. The corrected report must be  
6 returned to the commissioner within 30 days after it is  
7 mailed by him to the corporation.

8 \* Sec. 10. AS 10.20 is amended by adding a new section to read:

9 Sec. 10.20.128. DESIGNATION OF REGISTERED AGENT FOR  
10 SERVICE OF PROCESS; SERVICE UPON COMMISSIONER; TIME TO  
11 ANSWER. Every nonprofit corporation organized under secs.  
12 10--140 of this chapter shall file with the Department of  
13 Commerce a power of attorney appointing a person who is a  
14 citizen and resident of the State of Alaska as its registered  
15 agent upon whom process, notice or demand required or permit-  
16 ted by law to be served upon the nonprofit corporation may be  
17 served. A form for the power of attorney shall be furnished  
18 upon request by the Department of Commerce. The power of  
19 attorney must be signed by the principal corporate officer  
20 and the registered agent and must include the registered  
21 agent's address. If the designated agent removes from the  
22 states or the corporation fails continuously to maintain a  
23 registered agent, or after due diligence the agent is not  
24 found within the state, and when either of these facts ap-  
25 pears by the certificate of the magistrate of the judicial  
26 district where the agent last resided according to the re-  
27 cords in the office of the Department of Commerce, then ser-  
28 vice of the summonses, process, pleadings and papers in the  
29 action or suits may be made upon the commissioner of commerce.

1 The commissioner of commerce shall immediately notify the  
2 president or secretary or other officer of the corporation  
3 of such service and forward a copy of the papers served on  
4 him, by mail with postage prepaid, and directed to the  
5 officer's last known post office address as shown by the  
6 records in the office of the Department of Commerce. The  
7 corporation shall have 40 days from the date of mailing with-  
8 in which to appear and answer.

9 This power of attorney must be filed before the corpor-  
10 ation can be considered in existence under sec. 130 and must  
11 be filed as part of the annual statement required by sec.  
12 125.

13 A new power of attorney must be executed and filed with  
14 the Department of Commerce upon any change of registered  
15 agent within 30 days of the change.

16 \* Sec. 11. AS 10.20 is amended by adding a new section to  
17 read:

18 Sec. 10.20.147. FOREIGN NONPROFIT CORPORATIONS. Every  
19 foreign corporation organized under the laws of the United  
20 States, or the laws of a state or territory of the United  
21 States, or the laws of a foreign country, for the same  
22 purpose for which domestic corporations are organized under  
23 secs. 10--140 of this chapter which does business in this  
24 state, shall comply with secs. 20, 60, 125, 126, 127 and  
25 128 of this chapter. No foreign corporation may commence or  
26 maintain a suit, action or proceeding in a court in the  
27 state that has not complied with secs. 20, 60, 125, 126, 127  
28 and 128 of this chapter.

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\* Sec. 12. AS 10.20.150 is amended to read:

Sec. 10.20.150. INCORPORATION AND FILING FEES OF NON-PROFIT CORPORATIONS. Every corporation incorporated under §§ 10--140 of this chapter and every foreign corporation organized under the laws of the United States, or the laws of a state or territory of the United States, or under the laws of a foreign country, for the same purpose for which domestic corporations are organized under §§ 10--140 of this chapter, which does business in the state, shall pay to the Department of Commerce

(1) a fee of \$25 [\$5] for filing articles of incorporation; and

(2) a fee of \$5 [\$2.50] for filing amended articles of incorporation.

\* Sec. 13. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.