

**As Passed by the House**

**135th General Assembly**

**Regular Session**

**2023-2024**

**Sub. H. B. No. 301**

**Representative Swearingen**

**Cosponsors: Representatives Hillyer, Schmidt, Abrams, Brennan, Callender, Carruthers, Cross, Dell'Aquila, Dobos, Isaacsohn, Jarrells, Jones, Kick, Lampton, Lorenz, Mathews, Oelslager, Robb Blasdel, Rogers, Russo, Seitz, Williams, Young, T.**

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**A BILL**

To amend sections 1701.86, 1702.27, 1702.30, 1  
1702.33, 1702.38, 1702.521, 1702.53, 1702.55, 2  
and 1745.05 and to enact sections 1702.341 and 3  
1702.531 of the Revised Code to amend the 4  
Nonprofit Corporation Law and the law governing 5  
dissolving corporations. 6

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

**Section 1.** That sections 1701.86, 1702.27, 1702.30, 7  
1702.33, 1702.38, 1702.521, 1702.53, 1702.55, and 1745.05 be 8  
amended and sections 1702.341 and 1702.531 of the Revised Code 9  
be enacted to read as follows: 10

**Sec. 1701.86.** (A) A corporation may be dissolved 11  
voluntarily in the manner provided in this section, provided the 12  
provisions of Chapter 1704. of the Revised Code do not prevent 13  
the dissolution from being effected. 14

(B) A resolution of dissolution for a corporation shall 15  
set forth that the corporation elects to be dissolved. The 16

resolution also may include any of the following:	17
(1) The date on which the certificate of dissolution is to be filed or the conditions or events that will result in the filing of the certificate;	18 19 20
(2) Authorization for the officers or directors to abandon the proposed dissolution before the filing of the certificate of dissolution;	21 22 23
(3) Any additional provision considered necessary with respect to the proposed dissolution and winding up.	24 25
(C) If an initial stated capital is not set forth in the articles then before the corporation begins business, or if an initial stated capital is set forth in the articles then before subscriptions to shares shall have been received in the amount of that initial stated capital, the incorporators or a majority of them may adopt, by a writing signed by each of them, a resolution of dissolution.	26 27 28 29 30 31 32
(D) The directors may adopt a resolution of dissolution in any of the following cases:	33 34
(1) When the corporation has been adjudged bankrupt or has made a general assignment for the benefit of creditors;	35 36
(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;	37 38 39
(3) When substantially all of the assets have been sold at judicial sale or otherwise;	40 41
(4) When the articles have been canceled for failure to file annual franchise or excise tax returns or for failure to pay franchise or excise taxes and the corporation has not been	42 43 44

reinstated or does not desire to be reinstated; 45

(5) When the period of existence of the corporation 46  
specified in its articles has expired. 47

(E) The shareholders at a meeting held for such purpose 48  
may adopt a resolution of dissolution by the affirmative vote of 49  
the holders of shares entitling them to exercise two-thirds of 50  
the voting power of the corporation on such proposal or, if the 51  
articles provide or permit, by the affirmative vote of a greater 52  
or lesser proportion, though not less than a majority, of such 53  
voting power, and by such affirmative vote of the holders of 54  
shares of any particular class as is required by the articles. 55  
Notice of the meeting of the shareholders shall be given to all 56  
the shareholders whether or not entitled to vote at it. 57

(F) Upon the adoption of a resolution of dissolution, a 58  
certificate shall be prepared, on a form prescribed by the 59  
secretary of state, setting forth all of the following: 60

(1) The name of the corporation; 61

(2) A statement that a resolution of dissolution has been 62  
adopted; 63

(3) A statement of the manner of adoption of such 64  
resolution, and, in the case of its adoption by the 65  
incorporators or directors, a statement of the basis for such 66  
adoption; 67

(4) The place in this state where its principal office is 68  
or is to be located; 69

(5) The internet address of each domain name held or 70  
maintained by or on behalf of the corporation; 71

(6) The name and address of its statutory agent; 72

(7) The date of dissolution, if other than the filing 73  
date. The date of dissolution shall not be more than ninety days 74  
after the filing of the certificate of dissolution. 75

(G) When the resolution of dissolution is adopted by the 76  
incorporators, the certificate shall be signed by not less than 77  
a majority of them. In all other cases, the certificate shall be 78  
signed by any authorized officer, unless the officer fails to 79  
execute and file such certificate within thirty days after the 80  
date upon which such certificate is to be filed. In that latter 81  
event, the certificate of dissolution may be signed by any three 82  
shareholders or, if there are less than three shareholders, all 83  
of the shareholders and shall set forth a statement that the 84  
persons signing the certificate are shareholders and are filing 85  
the certificate because of the failure of the officers to do so. 86

(H) Except as otherwise provided in division (I) of this 87  
section, a certificate of dissolution, filed with the secretary 88  
of state, shall be accompanied by all of the following: 89

(1) An affidavit of one or more of the persons executing 90  
the certificate of dissolution or of an officer of the 91  
corporation containing a statement of the counties, if any, in 92  
this state in which the corporation has personal property or a 93  
statement that the corporation is of a type required to pay 94  
personal property taxes to state authorities only; 95

(2) A certificate or other evidence from the department of 96  
taxation showing that the corporation has paid all taxes 97  
administered by and required to be paid to the tax commissioner 98  
that are or will be due from the corporation on the date of the 99  
dissolution, ~~or that the department has received an adequate~~ 100  
~~guarantee for the payment of all such taxes;~~ 101

(3) A certificate or other evidence showing the payment of 102  
all personal property taxes accruing up to the date of 103  
dissolution or showing that such payment has been adequately 104  
guaranteed, or an affidavit of one or more of the persons 105  
executing the certificate of dissolution or of an officer of the 106  
corporation containing a statement that the corporation is not 107  
required to pay or the department of taxation has not assessed 108  
any tax for which such a certificate or other evidence is not 109  
provided; 110

(4) A receipt, certificate, or other evidence from the 111  
director of job and family services showing that all 112  
contributions due from the corporation as an employer have been 113  
paid, or that such payment has been adequately guaranteed, or 114  
that the corporation is not subject to such contributions; 115

(5) A receipt, certificate, or other evidence from the 116  
bureau of workers' compensation showing that all premiums due 117  
from the corporation as an employer have been paid, or that such 118  
payment has been adequately guaranteed, or that the corporation 119  
is not subject to such premium payments. 120

(I) In lieu of the receipt, certificate, or other evidence 121  
described in division ~~(H) (3)~~ (H) (2), (3), (4), or (5) of this 122  
section, a certificate of dissolution shall be accompanied by an 123  
affidavit of one or more persons executing the certificate of 124  
dissolution or of an officer of the corporation containing a-all 125  
of the following: 126

(1) A statement of the date upon which the particular 127  
department, agency, or authority was advised in writing of the 128  
scheduled effective date of the dissolution and was advised in 129  
writing of the acknowledgment by the corporation of the 130  
applicability of the provisions of section 1701.95 of the 131

Revised Code;	132
<u>(2) Acknowledgment by the corporation that the</u>	133
<u>dissolution, consolidation, merger, or conversion of the</u>	134
<u>corporation, as applicable, does not in and of itself</u>	135
<u>automatically relieve the corporation from payment of tax</u>	136
<u>liabilities;</u>	137
<u>(3) A statement confirming that the corporation has</u>	138
<u>submitted to the department of taxation information regarding</u>	139
<u>the Ohio tax circumstances of the corporation on a form</u>	140
<u>prescribed by the tax commissioner. Such form shall not include</u>	141
<u>any covenants, agreements, or certifications by the corporation</u>	142
<u>regarding payment of taxes, filing of returns, closing of tax</u>	143
<u>accounts, or any other matter, except that the form may require</u>	144
<u>the corporation to certify that the information provided in the</u>	145
<u>form is accurate.</u>	146
(J) Upon the filing of a certificate of dissolution and	147
such accompanying documents or on a later date specified in the	148
certificate that is not more than ninety days after the filing,	149
the corporation shall be dissolved.	150
<b>Sec. 1702.27.</b> (A) Except as provided in division (B) of	151
this section and section 1702.521 of the Revised Code:	152
(1) The number of directors as fixed by the articles or	153
the regulations shall be not less than three or, if not so	154
fixed, the number shall be three, except that if there are only	155
one or two members of the corporation, the number of directors	156
may be less than three but not less than the number of members.	157
(2) (a) Subject to division (A) (2) (c) of this section,	158
unless the articles or the regulations fix the number of	159
directors or provide the manner in which that number may be	160

fixed or changed by the voting members, the number may be fixed 161  
or changed at a meeting of the voting members called for the 162  
purpose of electing directors, if a quorum is present, by the 163  
affirmative vote of a majority of the voting members present in 164  
person, by the use of authorized communications equipment, by 165  
mail, or, if permitted, by proxy. 166

(b) For purposes of division (A) (2) (a) of this section, 167  
participation by a voting member in a meeting through the use of 168  
any of the means of communication described in that division 169  
constitutes presence in person of that voting member at the 170  
meeting for purposes of determining a quorum. 171

(c) No reduction in the number of directors shall of 172  
itself have the effect of shortening the term of any incumbent 173  
director. 174

(3) ~~The~~ Each director shall be a natural person and shall 175  
have the qualifications, if any, that are stated in the articles 176  
or the regulations. 177

(4) The articles or the regulations may provide that 178  
persons occupying certain positions within or without the 179  
corporation shall be ex officio directors, but, unless otherwise 180  
provided in the articles or the regulations, such ex officio 181  
directors shall not be considered for quorum purposes and shall 182  
have no vote. 183

(B) The court of common pleas of the county in which the 184  
corporation maintains its principal office may, pursuant to 185  
division (A) of section 1702.521 of the Revised Code, order the 186  
appointment of a provisional director for the corporation 187  
without regard to the number or qualifications of directors 188  
stated in the articles or regulations of the corporation. 189

Sec. 1702.30. (A) Except where the law, the articles, or 190  
the regulations require that action be otherwise authorized or 191  
taken, all of the authority of a corporation shall be exercised 192  
by or under the direction of its directors. For their own 193  
government, the directors may adopt bylaws that are not 194  
inconsistent with the articles or the regulations. 195

(B) A director shall perform the director's duties ~~of as a~~ 196  
director, including the duties as a member of any committee of 197  
the directors upon which the director may serve, in good faith, 198  
in a manner the director reasonably believes to be in or not 199  
opposed to the best interests of the corporation, and with the 200  
care that an ordinarily prudent person in a like position would 201  
use under similar circumstances. A director serving on a 202  
committee of directors is acting as a director. 203

(C) In performing ~~the duties of a director~~ director's 204  
duties, a director is entitled to rely on information, opinions, 205  
reports, or statements, including financial statements and other 206  
financial data, that are prepared or presented by any of the 207  
following: 208

(1) One or more directors, officers, or employees of the 209  
corporation who the director reasonably believes are reliable 210  
and competent in the matters prepared or presented; 211

(2) Counsel, public accountants, or other persons as to 212  
matters that the director reasonably believes are within the 213  
person's professional or expert competence; 214

(3) A committee of the directors upon which the director 215  
does not serve, duly established in accordance with a provision 216  
of the articles or the regulations, as to matters within its 217  
designated authority, which committee the director reasonably 218



believes to merit confidence. 219

(D) For purposes of division (B) of this section, the 220  
following apply: 221

(1) A director shall not be found to have ~~failed to~~ 222  
~~perform~~ violated the director's duties ~~in accordance with that~~ 223  
under division (B) of this section, unless it is proved, by 224  
clear and convincing evidence, ~~in an action brought against the~~ 225  
~~director~~ that the director has not acted in good faith, in a 226  
manner the director reasonably believes to be in or not opposed 227  
to the best interests of the corporation, or with the care that 228  
an ordinarily prudent person in a like position would use under 229  
similar circumstances. ~~Such an action includes, but is not~~ 230  
~~limited to, an action that involves or affects~~ in any action 231  
brought against a director, including actions involving or 232  
affecting any of the following: 233

(a) A change or potential change in control of the 234  
corporation; 235

(b) A termination or potential termination of the 236  
director's service to the corporation as a director; 237

(c) The director's service in any other position or 238  
relationship with the corporation. 239

(2) A director shall not be considered to be acting in 240  
good faith if the director has knowledge concerning the matter 241  
in question that would cause reliance on information, opinions, 242  
reports, or statements that are prepared or presented by the 243  
persons described in divisions (C) (1) to (3) of this section, to 244  
be unwarranted. 245

(3) ~~The provisions of~~ Nothing in this division do not 246  
~~limit~~ limits relief available under section 1702.301 of the 247

Revised Code.	248
<del>(E) (1) Subject to divisions (E) (2) and (3) of this</del>	249
<del>section, a</del> <u>(E) A director is shall be liable in damages for any</u>	250
<del>act</del> <u>action</u> that the director takes or fails to take as a <u>a</u>	251
director only if it is proved, by clear and convincing evidence,	252
in a court <del>with</del> <u>of competent jurisdiction that the director's</u>	253
<del>action or failure to act involved an act or omission of the</del>	254
<del>director was one</del> undertaken with a deliberate intent to cause	255
injury to the corporation or <del>was one</del> undertaken with a reckless	256
disregard for the best interests of the corporation.	257
<del>(2) Division (E) (1) of this section does not affect</del>	258
<u>Nothing in this division affects the liability of a director</u>	259
<u>directors</u> under section 1702.55 of the Revised Code.	260
<del>(3) Subject to This division (E) (2) of this section,</del>	261
<del>division (E) (1) of this section</del> does not apply if, and only to	262
the extent that, at the time of <del>an</del> <u>a director's</u> act or omission	263
<del>of a director</del> that is the subject of complaint, the articles or	264
the regulations of the corporation state, by specific reference	265
to <del>that</del> <u>this</u> division, that <del>its</del> <u>the provisions of this division</u>	266
do not apply to the corporation.	267
(F) For purposes of this section, <u>a director, in</u>	268
determining what <del>a</del> <u>the</u> director reasonably believes to be in <del>or</del>	269
<del>not opposed to</del> the best interests of the corporation, <del>a director</del>	270
shall consider the purposes of the corporation and, <u>in the</u>	271
<u>director's discretion,</u> may consider any of the following:	272
(1) The interests of the <u>corporation's</u> employees,	273
suppliers, creditors, and customers <del>of the corporation;</del>	274
(2) The economy of this state and <del>of the</del> nation;	275
(3) Community and societal considerations;	276

(4) The long-term ~~and as well as~~ short-term ~~best~~ interests 277  
of the corporation, including, ~~but not limited to,~~ the 278  
possibility that ~~these~~ these interests may be best served by the 279  
continued independence of the corporation. 280

(G) ~~Divisions~~ 281

Nothing in division (D) and or (E) ~~of this section do not~~ 282  
~~affect~~ affects the duties of a director who acts in any capacity 283  
other than in the capacity as a director. 284

**Sec. 1702.33.** (A) The regulations may provide for the 285  
creation by the directors of an executive committee or any other 286  
committee of the directors, to consist of one or more directors, 287  
and may authorize the delegation to any such committee of any of 288  
the authority of the directors, however conferred. 289

(B) The directors may appoint one or more directors as 290  
alternate members of any committee described in division (A) of 291  
this section, who may take the place of any absent member or 292  
members at any meeting of the particular committee. 293

(C) Each committee described in division (A) of this 294  
section shall serve at the pleasure of the directors, shall act 295  
only in the intervals between meetings of the directors, and 296  
shall be subject to the control and direction of the directors. 297

(D) Unless otherwise provided in the regulations or 298  
ordered by the directors, any committee described in division 299  
(A) of this section may act by a majority of its members at a 300  
meeting or by a writing or writings signed by all of its 301  
members. 302

(E) Meetings of committees described in division (A) of 303  
this section may be held by any means of authorized 304  
communications equipment, unless participation by members of the 305

committee at a meeting by means of authorized communications 306  
equipment is prohibited by the articles, the regulations, or an 307  
order of the directors. Participation in a meeting pursuant to 308  
this division constitutes presence at the meeting. 309

(F) An act or authorization of an act by any committee 310  
described in division (A) of this section within the authority 311  
delegated to it shall be as effective for all purposes as the 312  
act or authorization of the directors. 313

(G) Unless otherwise provided in the articles, the 314  
regulations, or the resolution of the directors creating a 315  
committee described in division (A) of this section, a committee 316  
described in division (A) of this section may do both of the 317  
following: 318

(1) Create one or more subcommittees, each of which 319  
consists of one or more members of the committee; 320

(2) Delegate to a subcommittee any or all of the powers 321  
and authority of the committee. 322

**Sec. 1702.341.** (A) Unless the articles, the regulations, 323  
or a written agreement with an officer establishes additional 324  
fiduciary duties, the only fiduciary duties of an officer are 325  
the duties to the corporation set forth in division (B) of this 326  
section. 327

(B) An officer shall perform the officer's duties to the 328  
corporation in good faith, in a manner the officer reasonably 329  
believes to be in or not opposed to the best interests of the 330  
corporation, and with the care that an ordinarily prudent person 331  
in a like position would use under similar circumstances. In 332  
performing an officer's duties, an officer is entitled to rely 333  
on information, opinions, reports, or statements, including 334

financial statements and other financial data, that are prepared 335  
or presented by any of the following: 336

(1) One or more directors, officers, or employees of the 337  
corporation who the officer reasonably believes are reliable and 338  
competent in the matters prepared or presented; 339

(2) Counsel, public accountants, or other persons as to 340  
matters that the officer reasonably believes are within the 341  
person's professional or expert competence. 342

(C) For purposes of this section, both of the following 343  
apply: 344

(1) In any action brought against an officer, the officer 345  
shall not be found to have violated the officer's duties under 346  
division (B) of this section unless it is proved by clear and 347  
convincing evidence that the officer has not acted in good 348  
faith, in a manner the officer reasonably believes to be in or 349  
not opposed to the best interests of the corporation, or with 350  
the care that an ordinarily prudent person in a like position 351  
would use under similar circumstances. 352

(2) An officer shall not be considered to be acting in 353  
good faith if the officer has knowledge concerning the matter in 354  
question that would cause reliance on information, opinions, 355  
reports, or statements that are prepared or presented by any of 356  
the persons described in division (B) (1) or (2) of this section 357  
to be unwarranted. 358

(D) An officer shall be liable in damages for a violation 359  
of the officer's duties under division (B) of this section only 360  
if it is proved by clear and convincing evidence in a court of 361  
competent jurisdiction that the officer's action or failure to 362  
act involved an act or omission undertaken with deliberate 363

intent to cause injury to the corporation or undertaken with 364  
reckless disregard for the best interests of the corporation. 365  
This division does not apply if, and only to the extent that, at 366  
the time of an officer's act or omission that is the subject of 367  
the complaint, either of the following is true: 368

(1) The articles or the regulations of the corporation 369  
state by specific reference to division (D) of this section that 370  
the provisions of division (D) of this section do not apply to 371  
the corporation. 372

(2) A written agreement between the officer and the 373  
corporation states by specific reference to division (D) of this 374  
section that the provisions of division (D) of this section do 375  
not apply to the officer. 376

(E) Nothing in this section affects the duties of an 377  
officer who acts in any capacity other than the officer's 378  
capacity as an officer. Nothing in this section affects any 379  
contractual obligations of an officer to the corporation. 380

**Sec. 1702.38.** (A) The articles may be amended from time to 381  
time in any respect if the articles as amended set forth all the 382  
provisions that are required in, and only those provisions that 383  
may properly be in, original articles filed at the time of 384  
adopting the amendment, other than with respect to the initial 385  
directors, except that a public benefit corporation shall not 386  
amend its articles in such manner that it will cease to be a 387  
public benefit corporation. 388

(B) Without limiting the generality of the authority 389  
described in division (A) of this section, the articles may be 390  
amended to: 391

(1) Change the name of the corporation; 392

(2) Change the place in this state where its principal office is to be located;	393 394
(3) Change, enlarge, or diminish its purpose or purposes;	395
(4) Change any provision of the articles or add any provision that may properly be included in the articles.	396 397
(C) (1) <u>If initial directors are not named in the articles, at any time prior to a meeting of voting members and before the incorporators have elected directors, the incorporators or a majority of them, at a meeting, may adopt an amendment.</u>	398 399 400 401
<u>(2)</u> The voting members present in person, by use of authorized communications equipment, by mail, or, if permitted, by proxy at a meeting held for that purpose, may adopt an amendment by the affirmative vote of a majority of the voting members present if a quorum is present or, if the articles or the regulations provide or permit, by the affirmative vote of a greater or lesser proportion or number of the voting members, and by the affirmative vote of the voting members of any particular class that is required by the articles or the regulations.	402 403 404 405 406 407 408 409 410 411
<del>(2)</del> <u>(3)</u> For purposes of division (C) (1) <u>or (2)</u> of this section, participation by a voting member at a meeting through the use of any of the means of communication described in that division constitutes presence in person of that voting member at the meeting for purposes of determining a quorum.	412 413 414 415 416
(D) In addition to or in lieu of adopting an amendment to the articles, the voting members may adopt amended articles by the same action or vote as that required to adopt the amendment.	417 418 419
(E) The directors may adopt amended articles to consolidate the original articles and all previously adopted	420 421

amendments to the articles that are in force at the time, or the 422  
voting members at a meeting held for that purpose may adopt the 423  
amended articles by the same vote as that required to adopt an 424  
amendment. 425

(F) Amended articles shall set forth all the provisions 426  
that are required in, and only the provisions that may properly 427  
be in, original articles filed at the time of adopting the 428  
amended articles, other than with respect to the initial 429  
directors, and shall contain a statement that they supersede the 430  
existing articles. 431

(G) Upon the adoption of any amendment or amended 432  
articles, a certificate containing a copy of the resolution 433  
adopting the amendment or amended articles, a statement of the 434  
manner of its adoption, and, in the case of adoption of the 435  
resolution by the directors, a statement of the basis for such 436  
adoption, shall be filed with the secretary of state, and upon 437  
that filing the articles shall be amended accordingly, and the 438  
amended articles shall supersede the existing articles. The 439  
certificate shall be signed by any authorized officer of the 440  
corporation. 441

(H) A copy of an amendment or amended articles changing 442  
the name of a corporation or its principal office in this state, 443  
certified by the secretary of state, may be filed for record in 444  
the office of the county recorder of any county in this state, 445  
and for that recording the county recorder shall charge and 446  
collect the same fee as provided for in division (A) (1) of 447  
section 317.32 of the Revised Code. That copy shall be recorded 448  
in the official records of the county recorder. 449

**Sec. 1702.521.** (A) Upon the complaint of not less than 450  
one-fourth of the directors of the corporation or upon the 451



complaint of not less than one-fourth of the voting members of 452  
the corporation, the court of common pleas of the county in 453  
which the corporation maintains its principal office may order 454  
the appointment of a provisional director for that corporation 455  
if the articles or regulations of the corporation expressly 456  
provide for such an appointment. No appointment shall be made 457  
until a hearing is held by the court. Notice of the hearing 458  
shall be given to each director and the secretary of the 459  
corporation in any manner that the court directs. The 460  
complainants shall establish at the hearing that, because of 461  
irreconcilable differences among the existing directors or 462  
because there are no directors and the voting members are unable 463  
to elect any directors, the continued operation of the 464  
corporation has been substantially impeded or made impossible. 465

(B) A provisional director shall have the same rights and 466  
duties as other directors and shall serve until removed by the 467  
appointing court or by the members of the corporation entitled 468  
to exercise a majority of the voting power of the corporation in 469  
the election of directors or until the provisional director's 470  
earlier resignation or death. If the provisional director dies 471  
or resigns, the court, pursuant to division (A) of this section, 472  
may appoint a replacement provisional director, upon its own 473  
motion and without the filing of a complaint for the appointment 474  
of a provisional director. If the appointing court finds that 475  
the irreconcilable differences no longer exist, it shall order 476  
the removal of the provisional director. 477

(C) No person shall be appointed as a provisional director 478  
unless the person is generally conversant with corporate 479  
affairs, has no legal or equitable interest in the obligations 480  
of the corporation of which the person is to be appointed a 481  
director, and is not indebted to such corporation. The 482

compensation of a provisional director shall be determined by 483  
agreement with the corporation for which the provisional 484  
director is serving, subject to the approval of the appointing 485  
court, except that the appointing court may fix the provisional 486  
director's compensation in the absence of agreement or in the 487  
event of disagreement between the provisional director and the 488  
corporation. 489

(D) A proceeding concerning the appointment of a 490  
provisional director of a corporation is a special proceeding, 491  
and final orders issued in the proceeding may be vacated, 492  
modified, or reversed on appeal pursuant to the Rules of 493  
Appellate Procedure and, to the extent not in conflict with 494  
those rules, Chapter 2505. of the Revised Code. 495

**Sec. 1702.53.** (A) A copy of the articles or amended 496  
articles filed in the office of the secretary of state, 497  
certified by the secretary of state, shall be conclusive 498  
evidence, except as against the state, that the corporation has 499  
been incorporated under the laws of this state; and a copy duly 500  
certified by the secretary of state of any certificate of 501  
amendment or other certificate filed in the secretary of state's 502  
office shall be prima-facie evidence of such amendment or of the 503  
facts stated in any such certificate, and of the observance and 504  
performance of all antecedent conditions necessary to the action 505  
which such certificate purports to evidence. 506

(B) A copy of amended articles filed in the office of the 507  
secretary of state, certified by the secretary of state, shall 508  
be accepted in this state and other jurisdictions in lieu of the 509  
original articles, amendments thereto, and prior amended 510  
articles. 511

(C) The original or a copy of the record of minutes of the 512

proceedings of the incorporators of a corporation, or of the 513  
proceedings or meetings of the members or any class of members, 514  
or of the directors, or of any committee thereof, including any 515  
written consent, waiver, release, or agreement entered in such 516  
record or minutes, or the original or a copy of a statement that 517  
no specified proceeding was had or that no specified consent, 518  
waiver, release, or agreement exists, shall, when certified to 519  
be true by the secretary or an assistant secretary of a 520  
corporation, be received in the courts as prima-facie evidence 521  
of the facts stated therein. Every meeting referred to in such 522  
certified original or copy shall be deemed duly called and held, 523  
and all motions and resolutions adopted and proceedings had at 524  
such meeting shall be deemed duly adopted and had, and all 525  
elections of directors and all elections or appointments of 526  
officers chosen at such meeting shall be deemed valid, until the 527  
contrary is proved; and whenever a person who is not a member of 528  
a corporation has acted in good faith in reliance upon any such 529  
certified original or copy, it is conclusive in the person's 530  
favor. 531

(D) (1) A certificate issued by the secretary of state 532  
confirming that a corporation is in good standing is, for seven 533  
days after the date on the certificate, conclusive evidence of 534  
both of the following: 535

(a) That the authority of a domestic corporation has not 536  
been limited as described in section 1702.49 or 1702.52 of the 537  
Revised Code, provided that both of the following apply: 538

(i) The person relying on the certificate had no knowledge 539  
that the corporation's articles had been canceled. 540

(ii) The certificate is not presented as evidence against 541  
the state. 542

(b) That the license authorizing a foreign corporation to 543  
transact business in this state has not expired, been canceled, 544  
or been surrendered. 545

(2) For purposes of division (D) of this section, "good 546  
standing" means that the authority of the corporation to carry 547  
on business is not limited by section 1702.49 of the Revised 548  
Code. 549

**Sec. 1702.531.** (A) Absent an express agreement to the 550  
contrary, a person providing goods to or performing services for 551  
a domestic or foreign corporation owes no duty to, incurs no 552  
liability or obligation to, and is not in privity with the 553  
members or creditors of the corporation by reason of providing 554  
goods to or performing services for the corporation. 555

(B) Absent an express agreement to the contrary, a person 556  
providing goods to or performing services for a member or group 557  
of members of a domestic or foreign corporation owes no duty to, 558  
incurs no liability or obligation to, and is not in privity with 559  
the corporation, any other members of the corporation, or the 560  
creditors of the corporation by reason of providing goods to or 561  
performing services for the member or group of members. 562

**Sec. 1702.55.** (A) The members, the directors, and the 563  
officers of a corporation shall not be personally liable for any 564  
obligation of the corporation. 565

(B) ~~Directors who~~ In addition to any other liabilities 566  
imposed by law upon directors of a corporation and except as 567  
provided in division (D) of this section, directors shall be 568  
jointly and severally liable to the corporation as provided in 569  
division (C) of this section if they vote for or assent to any 570  
of the following: 571

(1) A distribution of assets to members contrary to law or the articles; 572  
573

(2) A distribution of assets to persons other than 574  
creditors during the winding up of the affairs of the 575  
corporation, on dissolution or otherwise, without the payment of 576  
all known obligations of the corporation, or without making 577  
adequate provision therefor; 578

(3) The making of loans, other than in the usual conduct 579  
of its affairs or in accordance with provisions therefor in the 580  
articles, to an officer, ~~or~~ director, ~~or member~~ of the 581  
corporation; ~~shall be jointly and severally liable to the~~ 582  
~~corporation as follows: in~~ other than if, at the time of the 583  
making of the loan, a majority of the disinterested directors of 584  
the corporation voted for the loan and, taking into account the 585  
terms and provisions of the loan and other relevant factors, 586  
determined that the making of the loan could reasonably be 587  
expected to benefit the corporation. 588

(C) (1) In cases under division (B) (1) of this section, up 589  
to the amount of such distribution in excess of the amount that 590  
could have been distributed without violation of law or the 591  
articles, but not in excess of the amount that would inure to 592  
the benefit of the creditors of the corporation if it was 593  
insolvent at the time of the distribution or there was 594  
reasonable ground to believe that by such action it would be 595  
rendered insolvent, or to the benefit of the members other than 596  
members of the class in respect of which the distribution was 597  
made; ~~and in~~ 598

(2) In cases under division (B) (2) of this section, to the 599  
extent that such obligations (not otherwise barred by statute) 600  
are not paid, or for the payment of which adequate provision has 601

not been made; ~~and in~~ 602

(3) In cases under division (B) (3) of this section, for 603  
the amount of the loan with interest thereon at the rate ~~of six~~ 604  
~~per cent per annum until such~~ specified in section 1343.03 of 605  
the Revised Code until the amount has been paid, ~~except that a.~~ 606

(D) A director shall not be liable under ~~division~~ 607  
divisions (B) (1) and (C) (1) or (2) ~~divisions (B) (2) and (C) (2)~~ 608  
of this section if in determining the amount available for any 609  
such distribution, the director in good faith relied on a 610  
financial statement of the corporation prepared by an officer or 611  
employee of the corporation in charge of its accounts or 612  
certified by a public accountant or firm of public accountants, 613  
or in good faith the director considered the assets to be of 614  
their book value, or the director followed what the director 615  
believed to be sound accounting and business practice. 616

~~(C)~~ (E) A director who is present at a meeting of the 617  
directors or a committee thereof at which action on any matter 618  
is authorized or taken and who has not voted for or against such 619  
action shall be presumed to have voted for the action unless the 620  
director's written dissent therefrom is filed either during the 621  
meeting or within a reasonable time after the adjournment 622  
thereof, with the person acting as secretary of the meeting or 623  
with the secretary of the corporation. 624

~~(D)~~ (F) A member who knowingly receives any distribution 625  
made contrary to law or the articles shall be liable to the 626  
corporation for the amount received by the member that is in 627  
excess of the amount that could have been distributed without 628  
violation of law or the articles. 629

~~(E)~~ (G) A director against whom a claim is asserted under 630

or pursuant to this section and who is held liable thereon shall 631  
be entitled to contribution, on equitable principles, from other 632  
directors who also are liable; and in addition, any director 633  
against whom a claim is asserted under or pursuant to this 634  
section or who is held liable shall have a right of contribution 635  
from the members who knowingly received any distribution made 636  
contrary to law or the articles, and such members as among 637  
themselves shall also be entitled to contribution in proportion 638  
to the amounts received by them respectively. 639

~~(F)~~ (H) The fact that a loan is made in violation of this 640  
section does not affect the borrower's liability on the loan. 641

(I) No action shall be brought by or on behalf of a 642  
corporation upon any cause of action arising under division (B) 643  
(1) or (2) of this section at any time after two years from the 644  
day on which the violation occurs. 645

~~(G)~~ (J) Nothing contained in this section shall preclude 646  
any creditor whose claim is unpaid from exercising such rights 647  
as the creditor otherwise would have by law to enforce the 648  
creditor's claim against assets of the corporation distributed 649  
to members or other persons. 650

**Sec. 1745.05.** As used in this chapter, unless the context 651  
otherwise requires: 652

(A) "Authorized communications equipment" means any 653  
communications equipment that provides a transmission, 654  
including, but not limited to, by telephone, telecopy, or any 655  
electronic means, from which it can be determined that the 656  
transmission was authorized by, and accurately reflects the 657  
intention of, the member or manager involved and, with respect 658  
to meetings, allows all persons participating in the meeting to 659

contemporaneously communicate with each other. 660

(B) (1) "Entity" means any of the following: 661

(a) An unincorporated nonprofit association existing under 662  
the laws of this state or any other state; 663

(b) A nonprofit corporation existing under the laws of 664  
this state or any other state; 665

(c) A for profit corporation existing under the laws of 666  
this state or any other state; 667

(d) Any of the following organizations existing under the 668  
laws of this state, the United States, or any other state: 669

(i) An unincorporated business or for profit organization, 670  
including a general or limited partnership; 671

(ii) A limited liability company; 672

(iii) Any other legal or commercial entity the formation 673  
and operation of which is governed by statute. 674

(2) "Entity" includes a domestic or foreign entity. 675

(C) "Established practices" means the practices used by an 676  
unincorporated nonprofit association without material change 677  
during the most recent five years of its existence or, if it has 678  
existed for less than five years, during its entire existence. 679

(D) "Governing principles" means all agreements, whether 680  
oral, in a record, or implied from its established practices, or 681  
any combination of them, that govern the purpose or operation of 682  
an unincorporated nonprofit association and the rights and 683  
obligations of its members and managers. "Governing principles" 684  
includes any amendment or restatement of the agreements 685  
constituting the governing principles. 686



(E) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended.	687 688
(F) "Manager" means a person, irrespective of the person's designation as director or other designation, that is responsible, alone or in concert with others, for the management of an unincorporated nonprofit association as stated in division (E) of section 1745.32 of the Revised Code.	689 690 691 692 693
(G) "Member" means a person that, under the governing principles of an unincorporated nonprofit association, is entitled to participate in the selection of persons authorized to manage the affairs of the association or in the adoption of the policies and activities of the association.	694 695 696 697 698
(H) "Mutual benefit association" means any unincorporated nonprofit association organized under this chapter other than a public benefit association.	699 700 701
(I) "Person" means an individual, corporation, business trust, statutory entity trust, estate, trust, partnership, limited liability company, cooperative, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, two or more persons having a joint or common interest, or any other legal or commercial entity.	702 703 704 705 706 707 708
(J) "Public benefit association" means an unincorporated nonprofit association that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code or is organized for a public or charitable purpose and that upon dissolution must distribute its assets to a public benefit association, the United States, a state or any political subdivision of a state, or a person that is recognized as exempt	709 710 711 712 713 714 715

from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

(K) "Public benefit entity" means an entity that is recognized as exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code or is organized for a public or charitable purpose and that upon dissolution must distribute its assets to a public benefit entity, the United States, a state or any political subdivision of a state, or a person that is recognized as exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code. "Public benefit entity" does not include an entity that is organized by one or more municipal corporations to further a public purpose that is not a charitable purpose.

(L) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(M) "Unincorporated nonprofit association" means an unincorporated organization, consisting of two or more members joined by mutual consent pursuant to an agreement, written, oral, or inferred from conduct, for one or more common, nonprofit purposes. "Unincorporated nonprofit association" does not include any of the following:

(1) A trust;

(2) A marriage, domestic partnership, common law relationship, or other domestic living arrangement;

(3) An organization that is formed under any other statute that governs the organization and operation of unincorporated associations;

(4) A joint tenancy, tenancy in common, or tenancy by the

entireties notwithstanding that the co-owners share use of the 745  
property for a nonprofit purpose; 746

(5) A religious organization that operates according to 747  
the rules, regulations, canons, discipline, or customs 748  
established by the organization, including any ministry, 749  
apostolate, committee, or group within that organization, unless 750  
the governing principles of such organization specifically 751  
provide that division (M) (5) of this section does not apply to 752  
such organization. 753

(N) (1) Subject to division (N) (2) of this section, 754  
"volunteer" means a manager, officer, member, or agent of an 755  
unincorporated nonprofit association, or another person acting 756  
for the association, who satisfies both of the following: 757

(a) Performs services for or on behalf of, and under the 758  
authority or auspices of, that unincorporated nonprofit 759  
association; 760

(b) Does not receive compensation, either directly or 761  
indirectly, for performing those services. 762

(2) For purposes of division (N) (1) of this section, 763  
"compensation" does not include any of the following: 764

(a) Actual and necessary expenses that are incurred by a 765  
volunteer in connection with the services performed for an 766  
unincorporated nonprofit association and that are reimbursed to 767  
the volunteer or otherwise paid; 768

(b) Insurance premiums paid on behalf of a volunteer, and 769  
amounts paid or reimbursed, pursuant to divisions (A) and (G) of 770  
section 1745.43 of the Revised Code; 771

(c) Modest perquisites. 772

<b>Section 2.</b> That existing sections 1701.86, 1702.27,	773
1702.30, 1702.33, 1702.38, 1702.521, 1702.53, 1702.55, and	774
1745.05 of the Revised Code are hereby repealed.	775