

271B.11-025 Change of status from or to a public benefit corporation -- Conditions for.

- (1) Notwithstanding any other provisions of this chapter, a corporation that is not a public benefit corporation shall not, without the approval of ninety percent (90%) of the outstanding shares of each class of the stock of the corporation of which there are outstanding shares, whether voting or nonvoting:
 - (a) Amend its articles of incorporation to elect to be a public benefit corporation; or
 - (b) Merge with or into another entity if, as a result of the merger, the shares in the corporation would become, or be converted into or exchanged for the right to receive, shares or other equity interests in a domestic or foreign public benefit corporation or similar entity. The restrictions of this section shall not apply prior to the time that the corporation has received payment for any of its capital stock.
- (2) Any stockholder of a corporation that is not a public benefit corporation who:
 - (a) Holds shares of stock of the corporation immediately prior to the effective time of:
 1. An amendment to the corporation's articles of incorporation to become a public benefit corporation; or
 2. A merger that would result in the conversion of the corporation's stock into, or exchange of the corporation's stock for the right to receive, shares or other equity interests in a domestic or foreign public benefit corporation or similar entity; and
 - (b) Has not voted in favor of the amendment, merger, or consolidation or consented thereto in writing;shall be entitled to exercise dissenters' rights under Subtitle 13 of this chapter.
- (3) Notwithstanding any other provisions of this chapter, a corporation that is a public benefit corporation shall not, without the approval of two-thirds (2/3) of the outstanding shares of each class of the stock of the corporation of which there are outstanding shares, whether voting or nonvoting:
 - (a) Amend its articles of incorporation to delete the election to be a public benefit corporation; or
 - (b) Merge with or into another entity if, as a result of the merger, the shares in the corporation would become, or be converted into or exchanged for the right to receive, shares or other equity interests in a domestic or foreign corporation that is not a public benefit corporation or similar entity and the articles of incorporation of which does not contain the identical public benefit or public benefits as the public benefit corporation identified in its articles of incorporation.

Effective: June 29, 2017

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