WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1953

ENROLLED

HOUSE BILL No. 175

(By Mr. ______

PASSED March 7, 1953

In Effect Ninety day from Passage

[Signature]
ENROLLED

House Bill No. 175
(By Mr. Maxwell and Mr. Hubbard)

[Passed March 7, 1953; in effect ninety days from passage.]

AN ACT to amend article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, to be designated section four-a, relating to nonstock corporations.

Be it enacted by the Legislature of West Virginia:

That article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding a new section, to be designated section four-a, to read as follows:

Section 4-a. Nonstock Corporations; Policy and Purpose.—Nonstock corporations have no capital stock, no shares of stock, and no stockholders, and various provisions of this article are not appropriate for nonstock corporations where the interests of the members are
equal and not determined by the number of shares owned, and where numerous persons may be technically members but have no real interest in the management of the corporation, and this article does not make provision for certain other situations peculiar to nonstock corporations, and for these and other reasons the following provisions are made, relating only to nonstock corporations:

(1) The charter of any nonstock corporation may provide: (i) for the division of its members into classes with varying qualifications and requirements and with varying voting and other rights and privileges; and (ii) the number or proportion of its members or of a specified class or classes of its members, whose presence in person or by proxy shall be necessary to constitute a quorum at any meeting of members of the corporation; and (iii) that any specified action may be taken or authorized upon the concurrence of a specified number or proportion of the votes of all members or of all of a specified class or classes of members. Such provisions may be different from what is otherwise required under this
article; and any action taken or authorized in accordance
with any such charter provision shall be valid and effect-
tive.

(2) In any case in which the charter of any nonstock
corporation does not provide for members thereof as
such, and such corporation has in fact no members other
than the members of its governing body (by whatever
names they or it may be called), the members for the
time being of its governing body shall, for the purposes
of any statutory provision or rule of law relating to
members of a nonstock corporation, be considered to be
the members of such corporation, as well as members
of such governing body, and may meet as members of
such corporation and exercise all of the rights and powers
of members thereof.

(3) In any case in which the charter of any nonstock
corporation provides for a definite minimum number of
members, whenever the membership is reduced below the
prescribed number the corporation shall not on that
account be dissolved, but the vacancies shall be filled
either in the manner provided in its charter or by the
surviving or continuing members, so long as the number
thereof is one or more.

(4) A member of a nonstock corporation who is en-
titled to vote on any matter shall have but one vote,
and shall not be entitled to cumulate his vote in the
election of members of its governing body.

(5) In any case in which there shall be doubt concern-
ing the number and identity of the persons, firms and
corporations entitled to membership or to membership
in a class or classes of members, in a nonstock corpora-
tion, and the determination of those so entitled is deemed
necessary by its governing body, the circuit court of the
county in which the principal office of a nonstock corpora-
tion is located, or the judge thereof in vacation, shall
have jurisdiction in equity, on application by the corpora-
tion by petition in a summary way, notice of the hearing
on the application having been given as directed by the
court or judge, to determine who are at that time members
of the corporation or of such class or classes of members,
and to make such orders and decrees as may seem reason-
able and proper.
(6) If a meeting of the members of any nonstock corporation shall be duly called for any lawful purpose and at such meeting there is not present in person or by proxy the number of members entitled to vote required by the charter (or, in the absence of an applicable charter provision, by the provisions of this article) to constitute a quorum or to take the proposed action, then, if the notice of such meeting states that the procedure authorized by this subsection may be invoked, the members entitled to vote who are present at such meeting in person or by proxy may by majority vote call a further meeting of the members for the same purpose. A notice of the time, place and purpose of such further meeting shall be given by publication once a week for two weeks in a newspaper published and of general circulation in the county of the principal office of the corporation. At such further meeting the members entitled to vote who are present in person or by proxy shall constitute a quorum, and by majority vote may take the proposed action and may also take any other action which might have been taken at the original meeting if a sufficient
number of members entitled to vote had been present; and
the notice of such further meeting shall so state.

(7) The charter of a nonstock corporation may pro-
vide for the disposition of its assets upon its dissolution.

In any case in which a resolution to dissolve has been
adopted by the members of a nonstock corporation ent-
titled to vote thereon, or in any case in which a nonstock
corporation has been inactive for ten years except for
the holding of assets, or in any case in which the purpose,
for which a nonstock corporation has been formed, has
been attained, then in any such case the circuit court
of the county in which its principal office is located, or
the judge thereof in vacation, shall have jurisdiction in
equity, on the application by petition in a summary way
of the corporation or of any member thereof or of the
attorney general, notice of the hearing on the application
having been given as directed by the court or judge, to
determine the assets and liabilities of the corporation,
to provide for the payment of the liabilities, to direct the
disposition of the assets, to dissolve the corporation, and
to make such orders and decrees as may seem reasonable
and proper. The court shall consider the purposes for which the corporation was formed, any charter provision for the disposition of its assets upon dissolution, and the circumstances which have occurred since its incorporation. The clerk of such court shall promptly send to the secretary of state a certified copy of each order and decree made in such proceeding.

(8) Insofar as the provisions of this section are inconsistent with the provisions of any other law, the provisions of this section shall be controlling as to non-stock corporations. The provisions of this section are severable, and the unconstitutionality or invalidity of one portion shall not affect any other portion.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the House of Delegates

Takes effect upon passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within approved this the 16th day of March, 1953.

[Signature]
Governor

Not in the Office of the Secretary of State

[Signature]
D. Pitt O'Brien,
Secretary of State

MAR 16, 1953