

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 168*

Short Title: Corporate Asset Transfers.

(Public)

Sponsors: Representative Culpepper.

Referred to: Judiciary II.

February 20, 2001

A BILL TO BE ENTITLED

1 AN ACT TO PERMIT A CORPORATION TO TRANSFER ASSETS TO A
2 WHOLLY OWNED UNINCORPORATED ENTITY, AS RECOMMENDED BY
3 THE GENERAL STATUTES COMMISSION.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 55-12-01 reads as rewritten:

7 "**§ 55-12-01. Sale of assets in regular course of business and mortgage of assets.**

8 (a) A mortgage of or other security interest in all or any part of the property of a
9 corporation may be made by authority of the board of directors without approval of the
10 shareholders, unless otherwise provided in the articles of incorporation or in bylaws
11 adopted by the shareholders.

12 (b) Unless otherwise provided in the articles of incorporation or in bylaws
13 adopted by the shareholders, a corporation may, on the terms and conditions and for the
14 consideration determined by the board of directors, and without approval by the
15 shareholders:

- 16 (1) Sell, lease, exchange, or otherwise dispose of all, or substantially all,
17 of its property in the usual and regular course of business; or
18 (2) Transfer any or all of its property to a corporation or an unincorporated
19 entity all the shares or ownership interests of which are owned by the
20 corporation."

21 **SECTION 2.** This act is effective when it becomes law and applies to
22 transfers occurring on or after that date.