



2025-2026 General Assembly

HOUSE BILL 517: Modify Nonprofit Corporations Act/Charitable Organizations, Part III: Authorize Domestication

Analysis of: S.L. 2026-52, Part III

Date: August 14, 2026

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Part III of S.L. 2026-52 (House Bill 517) creates a new Article Chapter 55A of the North Carolina General Statutes that establishes domestication procedures for the following:

- A foreign nonprofit corporation to become a domestic nonprofit corporation if the domestication is permitted by the law of the jurisdiction of the foreign corporation.
- A domestic nonprofit corporation to become a foreign nonprofit corporation under a plan of domestication if the domestication is permitted by the law of the jurisdiction of the foreign corporation.

A domestic nonprofit corporation can become a foreign nonprofit corporation by approving a plan of domestication that contains all of the required information, including the terms and conditions of the domestication. This Part sets out the following:

- The requirements for eligibility for domestication.
- The requirements for plans of domestication.
- Procedures for approving and adopting a plan of domestication.
- The procedure for amending and abandoning a plan of domestication.
- Effects of being a domesticated nonprofit corporation.

This Part modifies the Secretary of State's fee schedule to add filing fees for Articles of Domestication (\$25) and Articles of Abandonment of Domestication (\$10) and makes other conforming changes.

Additionally, this Part clarifies that if a protected agreement of a domestic domesticating nonprofit corporation that is in effect immediately before the domestication has become effective both (i) contains a provision applying to a merger of the corporation and (ii) does not refer to a domestication of the corporation, the provision applies to a domestication of the corporation as if the domestication were a merger until the provision is first amended after October 1, 2026.

A protected agreement is any of the following in effect immediately before October 1, 2026:

- A document evidencing indebtedness of a domestic nonprofit corporation and any related agreement.
- An agreement that is binding on a domestic nonprofit corporation.
- The articles of incorporation or bylaws of a domestic nonprofit corporation.
- An agreement that is binding on any of the interest holders or directors of a domestic nonprofit corporation in their capacities as interest holders or directors.

The statutory changes in this Part become effective October 1, 2026, while the remainder of the Part became law on July 7, 2026.

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