

April 13, 1948

LAW LIBRARY
ARIZONA ATTORNEY GENERAL

des
Mr. Yale McFate
Commissioner
Arizona Corporation Commission
Capitol Annex
Phoenix, Arizona

Dear Mr. McFate:

We have before us your letter of March 31, 1948 in which you ask:

"Whether or not a non-profit corporation organized under the Arizona statutes must state in its Articles of Incorporation, the highest amount of indebtedness or liability, direct or contingent, to which the corporation is at any time to subject itself."

It is the opinion of this office that a non-profit corporation is exempted by statute from the requirement of stating indebtedness limits in its articles of incorporation. Section 53-411, A.C.A., 1939, states in part:

"Corporations organized for purposes other than for profit, may in their by-laws, constitutions or articles of incorporation provide forlimiting the amount of their indebtedness...."
(Emphasis Supplied)

We believe that the underscored word "may" in the above statute clearly implies "may not", or a choice.

Nor do we believe the above quoted statute is contradictory to 53-301(6). 53-301(6) does require such debt limitation to be filed with articles of incorporation but that section and those immediately following obviously refer to profit corporations whereas the quoted, and we believe controlling, section 53-411 appears under "Article 4--Private Corporations Not For Pecuniary Profit".

Mr. Yale McFate
Commissioner
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For these reasons it is our opinion that no debt limitations
need be included in the articles of a non-profit corporation.

Very truly yours,

EVO De CONCINI
Attorney General

EDWARD JACOBSON
Assistant Attorney General

EJ:lh