

Bill Summary
2nd Session of the 59th Legislature

Bill No.:	SB 1085
Version:	CS
Request No.:	1743
Author:	Sen. Howard
Date:	03/04/2025

Bill Analysis

SB 1085 creates the Uniform Unincorporated Nonprofit Association Act. The measure provides that any statute governing a specific type of unincorporated nonprofit association prevails over an inconsistent provision. Additionally, the measure specifies that such an association is distinct from its members and managers and shall have perpetual duration unless the governing principles specify otherwise. The measure provides that such an association may acquire, hold, or transfer in its name an interest in property. Such an interest may be transferred by a person authorized to do so in a statement of authority filed in the office in the county in which a transfer of the property would be filed. A statement of authority shall be executed in the same manner as an affidavit. The measure specifies that a debt, obligation, or other liability of an unincorporated nonprofit association is solely the liability of the association. Unincorporated nonprofit associations may also sue or be sued in their own name.

A member shall not be considered an agent of the association merely because of his or her membership. The measure also outlines general principles for approval or disapproval of a matter, selecting managers, voting power, quorum requirements, dissolution, managing debts, and taking actions without a meeting or casting ballots. A member shall not have a fiduciary duty to the association merely because of his or her membership. A member's interest or any right under the governing principles shall not be transferable. Managers shall be required to provide loyalty and care to the association. Managers shall manage the association in good faith. An unincorporated nonprofit association may indemnify a member or manager for any debt, obligation, or other liability incurred in the course of the member's or manager's activities on behalf of the association if the person seeking indemnification. If a person is named, the measure authorizes such a person to request advance payment, or reimbursement, by the association for all related costs incurred by the person.

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