May 16, 2006

H 2017. UNIFORM UNINCORPORATED NONPROFIT ASSOC. ACT. Filed 5/16/06. *TO ENACT THE UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION*. Enacts new Chapter 59B of the General Statutes as title indicates. Defines "nonprofit association" as unincorporated organization, other than one created by a trust and other than a limited liability company, consisting of two or more members joined by mutual consent for a common, nonprofit purpose. However, joint tenancy, tenancy in common, or tenancy by the entireties does not by itself establish a nonprofit association, even if the co-owners share use of the property for a nonprofit purpose. GS 59B-4 provides that real and personal property in this State may be acquired, held, encumbered, and transferred by a nonprofit association, whether or not the nonprofit association or a member has any other relationship to this State. GS 53B-5 provides that a nonprofit association is a legal entity separate from its members for the purpose of acquiring, holding, encumbering, and transferring real and personal property. GS 53B-6 provides that an estate or interest in real property in the name of a nonprofit association may be transferred by a person authorized in a statement of authority (described in act) recorded in the office of the register of deeds in the county in which a transfer of the property would be recorded. GS 53B-7 provides that a nonprofit association is a legal entity separate from its members in determining and enforcing rights, duties, and liabilities. Act contains provisions concerning a nonprofit association's capacity to assert and defend; standing; effect of judgment or order; disposition of personal property of inactive association; and appointment of agent to receive service of process. Repeals GS 39-24 (voluntary association's authority to acquire and hold real estate) and GS 39-25 (title vesting, conveyance, and probate involving voluntary association). Recodifies GS 39-26 (effect as to conveyance by trustees) and 39-27 (prior deeds validated) as new GS 53B-15 and makes conforming changes. Amends GS 1-69.1 (suit by or against unincorporated associations and partnerships) to make clear that nonprofit associations are subject to GS Chapter 59B and not this section. Effective January 1, 2007.

Intro. by Ross. GS 1, 39, 47C, 59B