



General Assembly

January Session, 2005

Raised Bill No. 1357

LCO No. 4819

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Referred to Committee on Judiciary

Introduced by:
(JUD)

***AN ACT ADOPTING THE CONNECTICUT UNIFORM
UNINCORPORATED NONPROFIT ASSOCIATION ACT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2005*) Sections 1 to 15,
2 inclusive, of this act may be cited as the "Connecticut Uniform
3 Unincorporated Nonprofit Association Act".

4 Sec. 2. (NEW) (*Effective October 1, 2005*) As used in sections 1 to 15,
5 inclusive, of this act:

6 (1) "Member" means a person who, under the rules or practices of a
7 nonprofit association, may participate in (A) the selection of persons
8 authorized to manage the affairs of the nonprofit association, or (B) the
9 development of the nonprofit association;

10 (2) "Nonprofit association" means a voluntary association or
11 unincorporated organization, other than one created by a trust,
12 consisting of two or more members joined by mutual consent for a
13 common, lawful, nonprofit purpose, but does not include a religious
14 corporation or religious society formed pursuant to section 33-264a of

15 the general statutes. Holding an estate or interest in real or personal
16 property in joint tenancy, tenancy in common or tenancy by the
17 entireties does not, by itself, establish a nonprofit association, even if
18 the co-owners share use of the property for a nonprofit purpose;

19 (3) "Person" means an individual, corporation, business trust, estate,
20 trust, partnership, nonprofit association, joint venture, government,
21 governmental subdivision, agency or instrumentality or any other
22 legal or commercial entity; and

23 (4) "State" means a state of the United States, the District of
24 Columbia, the Commonwealth of Puerto Rico or any territory or
25 insular possession subject to the jurisdiction of the United States.

26 Sec. 3. (NEW) (*Effective October 1, 2005*) Unless displaced by
27 particular provisions of sections 1 to 15, inclusive, of this act, the
28 principles of law and equity supplement said sections.

29 Sec. 4. (NEW) (*Effective October 1, 2005*) A nonprofit association may
30 acquire, hold, encumber or transfer an estate or interest in real or
31 personal property in this state, whether or not the nonprofit
32 association or a member has any other relationship to this state.

33 Sec. 5. (NEW) (*Effective October 1, 2005*) (a) A nonprofit association is
34 a legal entity separate from its members for the purposes of acquiring,
35 holding, encumbering or transferring an estate or interest in real or
36 personal property.

37 (b) A nonprofit association in its own name may acquire, hold,
38 encumber or transfer an estate or interest in real or personal property.

39 (c) A nonprofit association may be a beneficiary of a trust or
40 contract, a legatee or a devisee.

41 Sec. 6. (NEW) (*Effective October 1, 2005*) (a) (1) A nonprofit
42 association may execute and record a statement of authority to transfer
43 an estate or interest in real property in the name of the nonprofit

44 association.

45 (2) A statement of authority shall include: (A) The name of the
46 nonprofit association; (B) the federal tax identification number of the
47 nonprofit association, if any; (C) the address in this state of the
48 nonprofit association or, if the nonprofit association does not have an
49 address in this state, its address out of state; (D) a statement that the
50 nonprofit association is an unincorporated nonprofit association; (E)
51 the name or title of a person authorized to transfer an estate or interest
52 in real property held in the name of the nonprofit association; and (F)
53 the action, procedure or vote of the nonprofit association that
54 authorized such person to transfer such estate or interest in real
55 property and that authorized the execution of the statement of
56 authority.

57 (3) A statement of authority shall be subscribed and sworn to by a
58 person who is not the person authorized to transfer the estate or
59 interest in real property.

60 (4) The town clerk of the town in which the real property is located
61 shall index a statement of authority in the grantor index in the name of
62 the nonprofit association.

63 (5) An amendment, including a cancellation, of a statement of
64 authority shall meet the requirements for execution and recording as
65 provided in this subsection. Unless canceled earlier, a recorded
66 statement of authority and any recorded amendment of such statement
67 is canceled by operation of law five years after the date of the most
68 recent recording.

69 (b) An estate or interest in real property held in the name of a
70 nonprofit association may be transferred by a person authorized to
71 transfer such estate or interest in a statement of authority recorded in
72 the land records of the town in which the real property is located.

73 (c) If the record title to real property is in the name of a nonprofit

74 association and a statement of authority is recorded in the land records
75 of the town in which the real property is located, the authority of the
76 person named in the statement to transfer an estate or interest in the
77 real property is conclusive in favor of a person who gives value
78 without notice that the person named in the statement lacks such
79 authority.

80 (d) An otherwise valid transfer of an estate or interest in real
81 property shall not be invalidated merely because a nonprofit
82 association did not record a statement of authority in accordance with
83 this section.

84 Sec. 7. (NEW) (*Effective October 1, 2005*) (a) A nonprofit association is
85 a legal entity separate from its members for the purposes of
86 determining and enforcing rights, duties and liabilities in contract and
87 tort.

88 (b) A person is not liable for a breach of a nonprofit association's
89 contract merely because the person is a member, is authorized to
90 participate in the management of the affairs of the nonprofit
91 association or is a person considered to be a member by the nonprofit
92 association.

93 (c) A person is not liable for a tortious act or omission for which a
94 nonprofit association is liable merely because the person is a member,
95 is authorized to participate in the management of the affairs of the
96 nonprofit association or is a person considered to be a member by the
97 nonprofit association.

98 (d) A tortious act or omission of a member or other person for
99 which a nonprofit association is liable is not imputed to any other
100 person merely because such other person is a member, is authorized to
101 participate in the management of the affairs of the nonprofit
102 association or is a person considered to be a member by the nonprofit
103 association.

104 (e) A member of, or a person considered to be a member by, a
105 nonprofit association may assert a claim against the nonprofit
106 association, except that employees represented for collective
107 bargaining by a labor organization, as defined in section 31-77 of the
108 general statutes, may not assert claims against labor organizations in
109 contravention of section 31-114 of the general statutes. A nonprofit
110 association may assert a claim against a member or a person
111 considered to be a member by the nonprofit association.

112 Sec. 8. (NEW) (*Effective October 1, 2005*) (a) A nonprofit association,
113 in its name, may sue or be sued and may institute, defend, intervene or
114 participate in judicial, administrative or other governmental
115 proceedings or in an arbitration, a mediation or any other form of
116 alternative dispute resolution.

117 (b) A nonprofit association may assert a claim in its name on behalf
118 of its members if (1) one or more members of the nonprofit association
119 have standing to assert a claim in their own right, (2) the interests the
120 nonprofit association seeks to protect are germane to its purposes, and
121 (3) neither the claim asserted nor the relief requested requires the
122 participation of a member.

123 (c) The property of a nonprofit association, whether held by the
124 nonprofit association or by a fiduciary for its benefit, shall be subject to
125 any judgment or order against either the nonprofit association or the
126 property.

127 Sec. 9. (NEW) (*Effective October 1, 2005*) A judgment or order against
128 a nonprofit association is not by itself a judgment or order against a
129 member, a person authorized to participate in the management of the
130 affairs of the nonprofit association or a person considered to be a
131 member by the nonprofit association, except as provided in
132 subdivision (1) of subsection (b) of section 47-259 of the general
133 statutes.

134 Sec. 10. (NEW) (*Effective October 1, 2005*) If a nonprofit association

135 has been inactive for three years or more, or for a longer or shorter
136 period specified in a controlling document of the nonprofit association,
137 a person in possession or control of personal property of the nonprofit
138 association may transfer custody of such property: (1) As provided by
139 law or by a controlling document of a nonprofit association, provided
140 the controlling document is consistent with applicable law; or (2) in the
141 absence of any applicable law or provision in a controlling document
142 of the nonprofit association, to another nonprofit association or
143 nonprofit corporation pursuing broadly similar purposes or to a
144 government or governmental subdivision, agency or instrumentality.

145 Sec. 11. (NEW) (*Effective October 1, 2005*) (a) Each nonprofit
146 association may have and maintain a statutory agent for service in this
147 state as provided in this section, except as otherwise required by
148 applicable law. A statutory agent for service shall be an individual
149 who is a resident of this state.

150 (b) (1) A nonprofit association's statutory agent for service shall be
151 appointed by filing with the Secretary of the State a written
152 appointment, in such form as the Secretary of the State shall prescribe,
153 setting forth: (A) The name of the nonprofit association; (B) the federal
154 tax identification number of the nonprofit association; (C) the address
155 in this state of the nonprofit association or, if the nonprofit association
156 does not have an address in this state, its address out of state; (D) the
157 name of the statutory agent for service; and (E) the business and
158 residence address of the statutory agent for service. Each address
159 required under this subdivision shall include the street name and
160 number or other particular designation. Each written appointment
161 shall be signed by the statutory agent for service therein appointed.

162 (2) An amendment to or cancellation of an appointment of a
163 statutory agent for service shall meet the requirements for an original
164 appointment as provided in this subsection.

165 (c) (1) A statutory agent for service may resign by filing with the
166 Secretary of the State a signed statement in duplicate to that effect. The

167 Secretary of the State shall forthwith file one copy and mail the other
168 copy of such statement to the nonprofit association at the address of
169 the nonprofit association designated in the appointment of the
170 statutory agent for service. Upon the expiration of thirty days after
171 such filing, the resignation shall be effective and the authority of such
172 statutory agent for service shall terminate.

173 (2) A nonprofit association may revoke the appointment of a
174 statutory agent for service by making a new appointment as provided
175 in this section, and any new appointment so made shall revoke all
176 appointments theretofore made.

177 (d) Any process, notice or demand in connection with any action or
178 proceeding required or permitted by law to be served upon a
179 nonprofit association may be served upon the nonprofit association's
180 statutory agent for service by any proper officer or other person
181 lawfully empowered to make service.

182 (e) If it appears from the records of the Secretary of the State that the
183 nonprofit association has not appointed or maintained a statutory
184 agent for service, or if the plaintiff or the plaintiff's attorney attach to
185 the process, notice or demand an affidavit stating that the plaintiff
186 does not know and, despite reasonable diligence, has been unable to
187 ascertain the address of the nonprofit association or the address of any
188 of its officers, or if it appears by affidavit endorsed on the return of the
189 officer or other proper person directed to serve the process, notice or
190 demand upon the nonprofit association's statutory agent for service
191 appearing on the records of the Secretary of the State that such agent
192 cannot, with reasonable diligence, be found at the address shown on
193 such records as the agent's address, service of the process, notice or
194 demand on the nonprofit association may, when timely made, be made
195 by such officer or other proper person by: (1) Leaving a true and
196 attested copy thereof together with the required fee at the office of the
197 Secretary of the State or depositing the same in the United States mail,
198 by registered or certified mail, postage prepaid, addressed to said

199 office; and (2) depositing in the United States mail, by registered or
200 certified mail, postage prepaid, a true and attested copy thereof,
201 together with a statement by such officer or other proper person that
202 service is being made pursuant to this section, addressed to the
203 nonprofit association at its last known address.

204 (f) The Secretary of the State shall file the copy of each process,
205 notice or demand received by the Secretary of the State pursuant to
206 subsection (e) of this section and keep a record of the date and hour of
207 such receipt. Service made as provided in said subsection shall be
208 effective as of such date and hour.

209 (g) The execution of any document to be filed with, or delivered to,
210 the Secretary of the State pursuant to this section shall constitute an
211 affirmation under the penalties of false statement by the person
212 signing the document that the facts stated therein are true.

213 (h) Nothing contained in this section shall limit or affect the right to
214 serve any process, notice or demand required or permitted by law to
215 be served upon a nonprofit association in any other manner required
216 or permitted by law.

217 (i) The Secretary of the State shall charge and collect a fee, and remit
218 such fee to the State Treasurer for the use of the state, for filing an
219 appointment of a statutory agent for service, an amendment or
220 cancellation of an appointment or a resignation of a statutory agent for
221 service pursuant to this section, in an amount charged for filing similar
222 documents with the Secretary of the State.

223 Sec. 12. (NEW) (*Effective October 1, 2005*) A claim for relief against a
224 nonprofit association does not abate merely because of a change in its
225 members or persons authorized to manage the affairs of the nonprofit
226 association.

227 Sec. 13. (NEW) (*Effective October 1, 2005*) For purposes of venue, a
228 nonprofit association is a resident of the judicial district in which it has

229 an office or in which it carries out its principal business or conducts its
230 affairs.

231 Sec. 14. (NEW) (*Effective October 1, 2005*) If any provision of sections
232 1 to 15, inclusive, of this act, or the application of any such provision to
233 any person or circumstances is held invalid, such invalidity does not
234 affect any other provision or application of said sections which can be
235 given effect without the invalid provision or application, and to this
236 end the provisions of said sections are severable.

237 Sec. 15. (NEW) (*Effective October 1, 2005*) Sections 1 to 15, inclusive,
238 of this act do not affect (1) any rights accrued before the effective date
239 of this section, or (2) any action or proceeding pending on said date.

240 Sec. 16. Section 47-6 of the general statutes is repealed and the
241 following is substituted in lieu thereof (*Effective October 1, 2005*):

242 Conveyances of real estate made to or by any corporation [,] or [the
243 trustees of any] voluntary association [,] may be attested by witnesses
244 interested therein, and may be acknowledged before properly
245 authorized persons who are so interested.

246 Sec. 17. Sections 52-76 and 52-292 of the general statutes are
247 repealed. (*Effective October 1, 2005*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	New section
Sec. 2	<i>October 1, 2005</i>	New section
Sec. 3	<i>October 1, 2005</i>	New section
Sec. 4	<i>October 1, 2005</i>	New section
Sec. 5	<i>October 1, 2005</i>	New section
Sec. 6	<i>October 1, 2005</i>	New section
Sec. 7	<i>October 1, 2005</i>	New section
Sec. 8	<i>October 1, 2005</i>	New section
Sec. 9	<i>October 1, 2005</i>	New section
Sec. 10	<i>October 1, 2005</i>	New section

Sec. 11	<i>October 1, 2005</i>	New section
Sec. 12	<i>October 1, 2005</i>	New section
Sec. 13	<i>October 1, 2005</i>	New section
Sec. 14	<i>October 1, 2005</i>	New section
Sec. 15	<i>October 1, 2005</i>	New section
Sec. 16	<i>October 1, 2005</i>	47-6
Sec. 17	<i>October 1, 2005</i>	52-76 and 52-292 repealed

Statement of Purpose:

To adopt the Connecticut Uniform Unincorporated Nonprofit Association Act in order to treat unincorporated associations in an integrated and consistent manner.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]