



## WHY YOUR STATE SHOULD ADOPT THE UNIFORM BUSINESS ORGANIZATIONS CODE

The Uniform Business Organizations Code 2013 (UBOC) is a state-of-the-art Code, which offers an integrated, organized statutory structure for all unincorporated business and nonprofit entities. The UBOC follows a “hub and spoke” structure: provisions common to all of the individual entity laws are placed in the “hub” (Article 1), and other provisions are left in the individual entity laws, which are the “spokes.” For-profit and non-profit corporation acts can also be integrated into the UBOC.

Why should states adopt the Uniform Business Organizations Code? There are a number of reasons:

- ***Flexibility.*** States can choose to enact the entire UBOC, or only portions of it. For example, a state may choose to enact particular Articles together in one bill, or enact the individual stand-alone harmonized entity acts separately.
- ***A complete compilation of unincorporated business entity laws.*** The UBOC contains Articles governing all existing types of unincorporated business entities, including some entity types that your state may not have, such as the Uniform Limited Cooperative Association Act, the Uniform Unincorporated Nonprofit Association Act, or the Uniform Statutory Trust Entity Act. A state can choose to include these Articles at the time the UBOC is enacted or consider their enactment at a later time.
- ***Transitional provisions.*** The UBOC includes provisions to facilitate the transition of your existing unincorporated entities statutes into the equivalent UBOC Article.
- ***A simple amendment process.*** Moreover, because the language in parallel provisions is the same in all the Articles dealing with specific entities, it is a simple process to make sure that amendments to one provision are made in all the Articles with similar provisions. Similarly, if a state has enacted the UBOC, an amendment can be made in the filing provisions or in the other provisions in Article 1 and it will no longer be necessary to make sure that the amendment is made in all the state’s other entity acts.
- ***A more efficient review process.*** The issues warranting specific review are basically the same in all the UBOC Articles. Thus, one bar association or legislative study review committee can review all the Articles of the UBOC that are included in the proposed bill. This review process is much more efficient than having separate review committees for each uniform act.

Enacting the UBOC is not difficult, particularly in a state that already has one or more of the stand-alone entity acts, such as the Uniform Partnership Act. The UBOC provides states with an organized and comprehensive Code that will provide a state-of-the-art statutory structure for a

state's unincorporated business entity laws. It should be enacted in every state as soon as possible.

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