

FOR APPROVAL

**REVISED UNIFORM UNINCORPORATED NONPROFIT  
ASSOCIATION ACT**

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NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS

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MEETING IN ITS ONE-HUNDRED-AND-SEVENTEENTH YEAR  
BIG SKY, MONTANA  
JULY 18 - 25, 2008

**REVISED UNIFORM UNINCORPORATED NONPROFIT  
ASSOCIATION ACT**

# REVISED UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT

**SECTION 1. SHORT TITLE.** This act may be cited as the Revised Uniform Unincorporated Nonprofit Association [Act.]

**SECTION 2. DEFINITIONS.** In this [act]:

(1) “Established practices” means the practices used by an unincorporated nonprofit association without material change during the most recent five years of its existence, or if it has existed for less than five years, during its entire existence.

(2) “Governing principles” means the agreements, whether oral, in a record, or implied from its established practices, that govern the purpose or operation of an unincorporated nonprofit association and the rights and obligations of its members and managers. The term includes any amendment or restatement of the agreements constituting the governing principles.

(3) “Manager” means a person that is responsible, alone or in concert with others, for the management of an unincorporated nonprofit association.

(4) “Member” means a person that, under the governing principles, may participate in the selection of persons authorized to manage the affairs of the unincorporated nonprofit association or in the development of the policies and activities of the association.

(5) “Person” means an individual, corporation, business trust, statutory entity trust, estate, trust, partnership, limited liability company, cooperative, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(6) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(7) “State” means a state of the United States, the District of Columbia, Puerto Rico, United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(8) “Unincorporated nonprofit association” means an unincorporated organization, consisting of [two] or more members joined by mutual consent pursuant to an agreement that is oral, in a record, or implied from conduct, for one or more common, nonprofit purposes that is not: (A) a trust; (B) a marriage, domestic partnership, common law relationship, civil union, or other domestic living arrangement; (C) an organization that is formed under any other statute that

governs the organization and operation of unincorporated associations; (D) joint tenancy, tenancy in common, or tenancy by the entireties even if the co-owners share use of the property for a nonprofit purpose; or (E) an agreement in a record that expressly provides that the relationship between the parties does not create an unincorporated nonprofit association.

### **SECTION 3. RELATION TO OTHER LAW.**

(a) Principles of law and equity supplement this [act] unless displaced by a particular provision of it.

(b) A statute governing a specific type of unincorporated nonprofit association prevails over an inconsistent provision in this [act], to the extent of the inconsistency.

(c) This [act] supplements this state's laws that are applicable to nonprofit associations operating in this state. If a conflict exists, those other laws prevail.

### **SECTION 4. GOVERNING LAW.**

(a) Except as otherwise provided in subsection (b), the law of this state governs the operation in this state of all unincorporated nonprofit associations formed or operating in this state.

(b) Unless the governing principles specify a different jurisdiction, the law of the jurisdiction in which an unincorporated nonprofit association has its main place of activities governs the internal affairs of the association.

### **SECTION 5. LEGAL ENTITY; PERPETUAL EXISTENCE; POWERS.**

(a) An unincorporated nonprofit association is a legal entity distinct from its members and managers.

(b) An unincorporated nonprofit association has perpetual duration unless the governing principles otherwise specify.

(c) An unincorporated nonprofit association has the same powers as an individual to do all things necessary or convenient to carry on its purposes.

(d) An unincorporated nonprofit association may engage in profit-making activities but profits from any activities must be used or set aside for the association's nonprofit purposes.

### **SECTION 6. OWNERSHIP AND TRANSFER OF PROPERTY.**

(a) An unincorporated nonprofit association may acquire, hold, encumber, or transfer in its name an estate or interest in real or personal property.

(b) An unincorporated nonprofit association may be a legatee, a devisee, or a beneficiary

of a trust or contract.

**SECTION 7. STATEMENT OF AUTHORITY AS TO REAL PROPERTY.**

(a) In this section, “statement of authority” means a statement authorizing a person to transfer an estate or interest in real property in the name of an unincorporated nonprofit association.

(b) An estate or interest in real property in the name of an unincorporated nonprofit association may be transferred by a person so authorized in a statement of authority [filed] [recorded] by the association in the office in the [county] in which a transfer of the property would be [filed] [recorded].

(c) A statement of authority must set forth:

- (1) the name of the unincorporated nonprofit association;
- (2) the address in this state, including the street address, if any, of the association, or, if the association does not have an address in this state, its out-of-state address;
- (3) that the association is an unincorporated nonprofit association; and
- (4) the name, title, or position of a person authorized to transfer an estate or interest in real property held in the name of the association.

(d) A statement of authority must be executed in the same manner as [a deed] [an affidavit] by a person other than the person authorized in the statement to transfer the estate or interest.

(e) A filing officer may collect a fee for [filing] [recording] a statement of authority in the amount authorized for [filing] [recording] a transfer of real property.

(f) A document amending, revoking, or canceling a statement of authority or stating that the statement is unauthorized or erroneous must meet the requirements for execution and [filing] [recording] of an original statement.

(g) Unless canceled earlier, a [filed] [recorded] statement of authority and its most recent amendment are canceled by operation of law [five] years after the date of the most recent [filing] [recording].

(h) If the record title to real property is in the name of an unincorporated nonprofit association and the statement of authority is [filed] [recorded] in the office of the [county] in which a transfer of real property would be [filed] [recorded], the authority of the person named in the statement to transfer is conclusive in favor of a person that gives value without notice that

the person lacks authority.

**SECTION 8. LIABILITY.**

(a) A debt, obligation, or other liability of an unincorporated nonprofit association, whether arising in contract, tort, or otherwise:

(1) is solely the debt, obligation, or other liability of the association; and

(2) does not become a debt, obligation, or other liability of a member or manager solely because the member acts as a member or the manager acts as a manager.

(b) A person's status as a member or a manager of an unincorporated nonprofit association does not prevent or restrict law other than this [act] from imposing liability on the person or the association because of the person's conduct.

**SECTION 9. ASSERTION AND DEFENSE OF CLAIMS.**

(a) An unincorporated nonprofit association may sue or be sued in its own name.

(b) A member or manager may assert a claim the member or manager has against the unincorporated nonprofit association. An association may assert a claim it has against a member or manager.

**SECTION 10. EFFECT OF JUDGMENT OR ORDER.** A judgment or order against an unincorporated nonprofit association by itself is not a judgment or order against a member or manager.

**SECTION 11. APPOINTMENT OF AGENT TO RECEIVE SERVICE OF PROCESS.**

(a) An unincorporated nonprofit association may file in the office of the [Secretary of State] a statement appointing an agent authorized to receive service of process.

(b) A statement appointing an agent must set forth:

(1) the name of the unincorporated nonprofit association; and

(2) the name of the person in this state authorized to receive service of process and the person's address, including the street address, in this state.

(c) A statement appointing an agent must be signed and [acknowledged] [sworn to] by a person authorized to manage the affairs of the unincorporated nonprofit association. The statement must also be signed and acknowledged by the person appointed agent, that thereby accepts the appointment. The appointed agent may resign by filing a resignation in the office of the [Secretary of State] and giving notice to the association.

(d) The [Secretary of State] may collect a fee for filing a statement appointing an agent to receive service of process, an amendment, a cancellation, or a resignation in the amount charged for filing similar documents.

(e) An amendment to or cancellation of a statement appointing an agent to receive service of process must meet the requirements for execution of an original statement.

**[SECTION 12. SERVICE OF PROCESS.** In an action or proceeding against an unincorporated nonprofit association, a summons and complaint or other process may be served on an agent authorized by appointment to receive service of process or a manager of the association or in any other manner authorized by the law of this state.]

**SECTION 13. ACTION OR PROCEEDING NOT ABATED BY CHANGE.** An action or proceeding against an unincorporated nonprofit association does not abate merely because of a change in its members or managers.

**[SECTION 14. VENUE.** Unless otherwise provided by law other than this [act], venue of an action against an unincorporated nonprofit association brought in this state is determined under the statutes applicable to an action brought in this state against a corporation.]

**SECTION 15. MEMBER NOT AN AGENT.** A member of an unincorporated nonprofit association is not an agent of the association solely by reason of being a member.

**SECTION 16. APPROVAL BY MEMBERS.** Except as otherwise provided in the governing principles, an unincorporated nonprofit association must have the approval of its members to:

- (1) admit, suspend, dismiss, or expel a member;
- (2) select or dismiss a manager;
- (3) adopt, amend, or repeal the governing principles;
- (4) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the association's property, with or without the association's goodwill, outside the ordinary course of its activities;
- (5) dissolve under Section 28 or merge under Section 30;
- (6) undertake any other act outside the ordinary course of the association's activities;
- (7) determine the policy and purposes of the association; or
- (8) do any other act or exercise a right that the governing principles require approval by members.

**SECTION 17. MEMBER MEETING, VOTING, NOTICE, AND QUORUM REQUIREMENTS.**

(a) Unless the governing principles otherwise provide:

(1) approval of a matter by members of an unincorporated nonprofit association requires an affirmative majority of the votes cast at a properly called and convened member meeting; and

(2) each member is entitled to one vote on each matter that is submitted for approval by members.

(b) Notice and quorum requirements for meetings and the conduct of meetings of members of an unincorporated nonprofit association are determined by the governing principles.

**SECTION 18. DUTIES OF MEMBER.**

(a) A member does not have a fiduciary duty to an unincorporated nonprofit association or to another member of the association solely by being a member.

(b) A member shall discharge the duties to the unincorporated nonprofit association and the other members under this [act] and exercise any rights consistent with the governing principles and the obligation of good faith and fair dealing.

**SECTION 19. ADMISSION, SUSPENSION, DISMISSAL, OR EXPULSION OF MEMBERS.**

(a) A person becomes a member of an unincorporated nonprofit association and may be suspended, dismissed, or expelled in accordance with the association's governing principles. If there are no applicable governing principles, a person may become a member or be suspended, dismissed, or expelled from an association by a vote of its members. A person may not be admitted as a member without the person's consent.

(b) Unless the governing principles otherwise provide, the suspension, dismissal, or expulsion of a member of an unincorporated nonprofit association does not relieve the member from any unpaid capital contribution, dues, assessments, fees, or other obligation incurred or commitment made by the member before the suspension, dismissal, or expulsion.

**SECTION 20. MEMBER'S RESIGNATION.**

(a) A member may resign from membership in an unincorporated nonprofit association in accordance with the governing principles. In the absence of applicable governing principles, a member may resign at any time.

(b) Unless the governing principles otherwise provide, resignation of a member of an unincorporated nonprofit association does not relieve the member from any unpaid capital contribution, dues, assessments, fees, or other obligation incurred or commitment made by the member before resignation.

**SECTION 21. MEMBERSHIP INTEREST NOT TRANSFERABLE.** Except as otherwise provided in the governing principles, a member's interest or any right under the governing principles is not transferable.

**SECTION 22. SELECTION OF MANAGERS; MANAGEMENT RIGHTS OF MANAGERS.** Except as otherwise provided in this [act] or the governing principles:

- (1) the members of an association may select the manager, or managers;
- (2) a manager may be a member of the association;
- (3) if no manager is selected, all members are managers;
- (4) each manager has equal rights in the management and conduct of the association's activities;
- (5) all matters relating to the association's activities are decided by its managers except for those matters reserved for approval by members in Section 16; and
- (6) a difference among managers is decided by a majority of the managers.

**SECTION 23. DUTIES OF MANAGERS.**

(a) A manager owes to the unincorporated nonprofit association and to its members the fiduciary duties of loyalty and care.

(b) A manager shall manage the unincorporated nonprofit association in good faith, in a manner the manager reasonably believes to be in the best interests of the association, and with such care, including reasonable inquiry, as a prudent person would reasonably exercise in a similar position and under similar circumstances. A manager may rely in good faith upon any opinion, report, statement, or other information provided by another person that the manager reasonably believes is a competent and reliable source for the information.

(c) After full disclosure of all material facts, a specific act or transaction that would otherwise violate the duty of loyalty by a manager may be authorized or ratified by approval of the majority of the members of the unincorporated nonprofit association that are not interested directly or indirectly in the act or transaction.

(d) A manager who makes a business judgment in good faith satisfies the duties specified

in subsection (a) if the manager:

(1) is not interested, directly or indirectly, in the subject of the business judgment and is otherwise able to exercise independent judgment;

(2) is informed with respect to the subject of the business judgment to the extent the manager reasonably believes to be appropriate under the circumstances; and

(3) believes that the business judgment is in the best interests of the unincorporated nonprofit association and in accordance with its purposes.

(e) The governing principles in a record may limit or eliminate the liability of a manager to the unincorporated nonprofit association or its members for damages for any action taken, or for failure to take any action, as a manager except liability for:

(1) the amount of financial benefit improperly received by a manager;

(2) an intentional infliction of harm on the association or its members;

(3) an intentional violation of criminal law;

(4) breach of the duty of loyalty; or

(5) improper distributions.

**SECTION 24. NOTICE AND QUORUM REQUIREMENTS FOR MANAGER MEETING.** Notice and quorum requirements for meetings and the conduct of meetings of managers are determined by the governing principles.

**SECTION 25. RIGHT OF A MEMBER OR MANAGER TO INFORMATION.**

(a) On reasonable notice, a member or manager of an unincorporated nonprofit association may inspect and copy during the association's regular operating hours, at a reasonable location specified by the association, any record maintained by the association regarding its activities, financial condition, and other circumstances, to the extent the information is material to the member's or manager's rights and duties under the governing principles of this [act].

(b) An unincorporated nonprofit association may impose reasonable restrictions on access to and use of information to be furnished under this section, including designating the information confidential and imposing nondisclosure and safeguarding obligations on the recipient.

(c) An unincorporated nonprofit association may charge a person that makes a demand under this section reasonable copying costs, limited to the costs of labor and materials.

(d) A former member or manager may have access to information to which the member or manager was entitled while a member or manager if the information pertains to the period during which the person was a member or manager, the former member or manager seeks the information in good faith, and the former member or manager satisfies subsections (a) through (c).

**SECTION 26. DISTRIBUTIONS PROHIBITED; COMPENSATION AND OTHER PERMITTED PAYMENTS.**

(a) Except as otherwise provided in subsection (b), an unincorporated nonprofit association may not pay dividends or make distributions to a member or manager.

(b) An unincorporated nonprofit association may:

(1) pay reasonable compensation or reimburse reasonable expenses to a member or manager for services rendered;

(2) confer benefits on a member or manager in conformity with its nonprofit purposes;

(3) repurchase a membership and repay a capital contribution made by a member to the extent authorized by its governing principles; or

(4) make distributions of property to members upon winding up and termination to the extent permitted by Section 29.

**SECTION 27. REIMBURSEMENT; INDEMNIFICATION; ADVANCEMENT OF EXPENSES.**

(a) Except as otherwise provided in the governing principles, an unincorporated nonprofit association shall reimburse a member or manager for authorized expenses reasonably incurred in the course of the member's or manager's activities on behalf of the association.

(b) 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 has complied with the duties stated in Sections 18 and 23. Governing principles in a record may broaden or limit indemnification.

(c) If a person is made or threatened to be made a party in an action based on that person's conduct of activities on behalf of an unincorporated nonprofit association and the person makes a request in a record to the association, a disinterested majority of the managers

may approve in a record advance payment of or reimbursement by the association, of all or a portion of the reasonable expenses, including attorney's fees and costs, incurred by the person before the final disposition of the proceeding. To be entitled to an advance payment or reimbursement, the person must state in a record that the person has a good faith belief that the criteria for indemnification in subsection (b) have been satisfied and that the person will repay the amounts advanced or reimbursed if the criteria for payment have not been satisfied. The governing principles may broaden or limit these payments or advances.

(d) An unincorporated nonprofit association may purchase insurance on behalf of a member or manager for liability asserted against or incurred by the member or manager in the capacity of a member or manager, whether or not the association would have the power under this [act] to reimburse, indemnify, or advance expenses to the member or manager against the liability.

(e) The rights of reimbursement, indemnification, and advancement of expenses under this Section apply to a former member or manager for an activity undertaken on behalf of the unincorporated nonprofit association while a member or manager.

#### **SECTION 28. DISSOLUTION.**

(a) An unincorporated nonprofit association is dissolved as follows:

(1) if the governing principles provide a time or method for dissolution, at that time or by that method;

(2) if the governing principles do not provide a time or method for dissolution, upon approval by the members;

(3) if no members can be identified and the association's operations have been discontinued for at least three years, by the managers or, if the association has no incumbent managers, by its last preceding incumbent managers; or

(4) by court order.

(b) After dissolution, an unincorporated nonprofit association continues in existence until its activities have been wound up and it is terminated pursuant to Section 29.

**SECTION 29. WINDING UP AND TERMINATION.** Winding up and termination of an unincorporated nonprofit association must proceed in accordance with the following rules:

(1) All known debts and liabilities must be paid or adequately provided for.

(2) Any property subject to a condition requiring return to the person designated by the

donor must be transferred to that person.

(3) Any property subject to a trust must be distributed in accordance with the trust agreement.

(4) Any remaining property must be distributed as follows:

(A) as required by law other than this [act] that requires assets of an association to be distributed to another person with similar nonprofit purposes;

(B) in accordance with the association's governing principles; and in the absence of applicable governing principles, to the current members of the association per capita or as the current members direct; or

(C) if neither subparagraph (A) nor (B) applies, under [cite the unclaimed property law in this state.]

### **SECTION 30. MERGERS.**

(a) In this section:

(1) "Constituent organization" means an organization that is merged with one or more other organizations including the surviving organization.

(2) "Nonsurviving organization" means a constituent organization that is not the surviving organization.

(3) "Organization" means an unincorporated nonprofit association, a general partnership, including a limited liability partnership, limited partnership, including a limited liability limited partnership, limited liability company, business or statutory trust, corporation, or any other legal or commercial entity having a statute governing its formation and operation. The term includes a for-profit or nonprofit organization.

(4) "Surviving organization" means an organization into which one or more other organizations are merged.

(b) An unincorporated nonprofit association may merge with any organization that is authorized by law to effect a merger with an unincorporated nonprofit association.

(c) A merger involving an unincorporated nonprofit association is subject to the following rules:

(1) Each of the constituent merging organizations shall comply with its governing law.

(2) Each party to the merger shall approve a plan of merger. The plan, which

must be in a record, must include the following provisions:

(A) the name and form of each organization that is a party to the merger;

(B) the name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect;

(C) if the surviving organization is to be created by the merger, the surviving organization's organizational documents that are proposed to be in a record;

(D) if the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents that are, or are proposed to be, in a record; and

(E) the terms and conditions of the merger, including the manner and basis for converting the interests in each constituent organization into any combination of money, interests in the surviving organization, and other consideration except that the plan of merger may not permit members of an unincorporated nonprofit association to receive merger consideration if a distribution of such consideration would not be permitted in the absence of a merger under Sections 26 and 29.

(3) The plan of merger must be approved by the members of each unincorporated nonprofit association that is a constituent organization in the merger. If a plan of merger would impose personal liability for an obligation of a constituent on surviving organization on a member of an association that is a party to the merger, the plan may not take effect unless it is approved in a record by the member.

(4) Subject to the contractual rights of third parties, after a plan of merger is approved and at any time before the merger is effective, a constituent organization may amend the plan or abandon the merger as provided in the plan, or except as otherwise prohibited in the plan, with the same consent as was required to approve the plan.

(5) Following approval of the plan, a merger under this section is effective:

(A) if a constituent organization is required to give notice to or obtain the approval of a governmental agency or officer in order to be a party to a merger, when the notice has been given and the approval has been obtained; and

(B) if the surviving organization:

(i) is an unincorporated nonprofit association, as specified in the plan of merger and upon compliance by any constituent organization that is not an association

with any requirements, including any required filings in the [office of the Secretary of State], of the organization's governing statute; or

(ii) is not an unincorporated nonprofit association, as provided by the statute governing the surviving organization.

(d) When a merger becomes effective:

(1) the surviving organization continues or comes into existence;

(2) each constituent organization that merges into the surviving organization ceases to exist as a separate entity;

(3) all property owned by each constituent organization that ceases to exist vests in the surviving organization;

(4) all debts, obligations, or other liabilities of each nonsurviving organization continue as debts, obligations, or other liabilities of the surviving organization;

(5) an action or proceeding pending by or against any nonsurviving organization may be continued as if the merger had not occurred;

(6) except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent organization that ceases to exist vest in the surviving organization;

(7) except as otherwise provided in the plan of merger, the terms and conditions of the plan of merger take effect;

(8) the merger does not affect the personal liability, if any, of a member or manager of a constituent organization for a debt, obligation, or other liability incurred before the merger is effective; and

(9) a surviving organization that is not organized in this State is subject to the jurisdiction of the courts of this state to enforce any debt, obligation, or other liability owed by a constituent organization, if before the merger the constituent organization was subject to suit in this state for the debt, obligation, or other liability.

(e) Property held for a charitable purpose under the law of this state by a constituent organization immediately before a merger under this section becomes effective may not, as a result of the merger, be diverted from the objects for which it was given, unless, to the extent required by or pursuant to the law of this state concerning cy pres or other law dealing with nondiversion of charitable assets, the organization obtains an appropriate order of [name of

court] [the attorney general] specifying the disposition of the property.

(f) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance that is made to a nonsurviving organization and that takes effect or remains payable after the merger inures to the surviving organization. A trust obligation that would govern property if transferred to the nonsurviving organization applies to property that is transferred to the surviving organization under this section.

### **[SECTION 31. TRANSITION CONCERNING REAL AND PERSONAL PROPERTY.]**

(a) If, before [the effective date of this [act]], an estate or interest in property was by terms of a transfer purportedly transferred to an unincorporated nonprofit association but under the law of this state the estate or interest did not vest in the association, or in one or more persons on behalf of the association under subsection (b), on [the effective date of this [act]] the estate or interest vests in the association, unless the parties to the transfer have treated the transfer as ineffective.

(b) If, before [the effective date of this [act]], an estate or interest in property was by terms of a transfer purportedly transferred to an unincorporated nonprofit association but under the law the estate or interest was vested in one or more persons to hold the estate or interest for members of the association, on or after [the effective date of this [act]] those persons, or their successors in interest, may transfer the estate or interest to the association in its name, or the association may require that the estate or interest be transferred to it in its name.]

#### ***Legislative Note:***

*1. The initial common law rule was that a purported transfer of property to an unincorporated nonprofit association totally failed as the association was not a legal entity. If a state currently has that rule, it should adopt Subsection (a). If, on the other hand, its rule is that title does not pass to the association in its name but passes instead to a fiduciary, such as its officers, to hold the property for the benefit of the members, a state should adopt Subsection (b).*

*If a state has by statute made transfers effective to some classes of nonprofit associations but not all, it should probably adopt both Subsections (a) and (b). On the other hand, if a state has made all transfers to all unincorporated nonprofit associations effective, it does not need Section 31.*

*2. Section 31 brings to fruition the parties' expectations that previous law frustrated. Inasmuch as the common law did not consider an unincorporated nonprofit association to be a legal entity, it could not acquire property. A gift of real or personal property thus failed.*

*Reference to the transfer as “purportedly” made identifies the document of transfer as one not effective under the law. Subsection (a) gives effect to the gift. However, if parties were informed about the common law they may have treated the gift as ineffective. In that case, the final clause of Subsection (a) provides that the gift does not become effective when this Act takes effect. The unless clause would apply, for example, if the residual beneficiaries of the donor’s will, knowing that the devise of Blackacre to the nonprofit association was ineffective under the law, continued to use Blackacre as their summer home with the approval and acquiescence of members and representatives of the nonprofit association.*

*3. Section 31 is not a retroactive rule. It applies to the facts existing when this Act takes effect. At that time Subsection (a) applies to a purported transfer of property that under the law of the jurisdiction that could not be given effect at the time it was made. The first alternative belatedly makes it effective – effective when this Act takes effect and not when made. The practical result of this difference is that when the purported transfer is effective, the transfer is subject to interests in the property that came into being in the interim. The nonprofit association’s interest is subject, for example, to a tax or judgment lien that became effective in the interim. An intervening transfer by the initial transferor may simply be evidence that the “parties had treated the transfer as ineffective.” If so, Alternative 1 by its terms does not vest ownership in the nonprofit association.*

*4. Some courts gave effect to a gift of property to an unincorporated nonprofit association by determining that the gift lodged title in someone, often officers of the association, to hold the property in trust for the benefit of the association’s members. Subsection (b) addresses this situation. When the Act takes effect it authorizes the fiduciary to transfer the property to the association. If the fiduciary is unwilling or reluctant, the association may require the fiduciary to transfer the property to the association. In either case, the association will get a deed transferring the property to it which, in the case of real property, the association may record.*

*5. Jurisdictions that have a statute like New York’s concerning grants of property by will have a problem that needs special attention. The New York statute provides that a grant by will of real or personal property to an unincorporated association is effective only if the association incorporates within three years after probate of the will. McKinney’s N.Y. Estates, Powers & Trust Law Section 3-1.3 (1991). The grants by will that need attention are those that have not become effective by incorporation of the association and have not become ineffective by the running of the three year period. These grants seem entitled to the benefits of Section 31. If so, some modification of Section 31 may be required.*

**SECTION 32. UNIFORMITY OF APPLICATION AND CONSTRUCTION.** In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

**SECTION 33. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.** This [act] modifies, limits, and supersedes the federal

Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001, et seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

**SECTION 34. SAVINGS CLAUSE.** This [act] does not affect an action or proceeding commenced or right accrued before this [act] takes effect.

**SECTION 35. REPEALS.** The following acts and parts of acts are repealed:

\_\_\_\_\_.

**SECTION 36. EFFECTIVE DATE.** This [act] takes effect \_\_\_\_\_.