

CHAPTER 222

**CORPORATIONS AND ASSOCIATIONS**

SENATE BILL 94-168

BY SENATORS Mutzebaugh, Feeley, and Meiklejohn;  
also REPRESENTATIVES George and Pfiffner.

**AN ACT**

CONCERNING THE ENACTMENT OF THE "UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT".

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** Title 7, Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

**ARTICLE 30**

**Uniform Unincorporated Nonprofit Association Act**

**7-30-101. Definitions.** IN THIS ARTICLE:

(1) "MEMBER" MEANS A PERSON WHO, UNDER THE RULES OR PRACTICES OF A NONPROFIT ASSOCIATION, MAY PARTICIPATE IN THE SELECTION OF PERSONS AUTHORIZED TO MANAGE THE AFFAIRS OF THE NONPROFIT ASSOCIATION OR IN THE DEVELOPMENT OF POLICY OF THE NONPROFIT ASSOCIATION OR WHO IS CONSIDERED TO BE A MEMBER BY SUCH PERSON AND THE NONPROFIT ASSOCIATION.

(2) "NONPROFIT ASSOCIATION" MEANS AN UNINCORPORATED ORGANIZATION CONSISTING OF TWO OR MORE MEMBERS JOINED BY MUTUAL CONSENT FOR A COMMON, LAWFUL, NONPROFIT PURPOSE. HOWEVER, JOINT TENANCY OR TENANCY IN COMMON DOES NOT BY ITSELF ESTABLISH A NONPROFIT ASSOCIATION, EVEN IF THE CO-OWNERS SHARE USE OF THE PROPERTY FOR A NONPROFIT PURPOSE.

(3) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY COMPANY, ESTATE, TRUST, PARTNERSHIP, ASSOCIATION, JOINT VENTURE, GOVERNMENT, GOVERNMENTAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY, OR ANY OTHER LEGAL OR COMMERCIAL ENTITY.

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

(4) "STATE" MEANS A STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTH OF PUERTO RICO, OR ANY TERRITORY OR INSULAR POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES.

**7-30-102. Supplementary general principles of law and equity.** PRINCIPLES OF LAW AND EQUITY SUPPLEMENT THIS ARTICLE UNLESS DISPLACED BY A PARTICULAR PROVISION OF IT.

**7-30-103. Territorial application.** 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.

**7-30-104. Real and personal property - nonprofit association as legatee, devisee, or beneficiary.** (1) A NONPROFIT ASSOCIATION IN ITS NAME MAY ACQUIRE, HOLD, ENCUMBER, OR TRANSFER AN ESTATE OR INTEREST IN REAL OR PERSONAL PROPERTY.

(2) A NONPROFIT ASSOCIATION MAY BE A LEGATEE, DEVISEE, OR BENEFICIARY OF A TRUST OR CONTRACT.

**7-30-105. Statement of authority as to real property.** (1) A NONPROFIT ASSOCIATION SHALL EXECUTE AND RECORD A STATEMENT OF AUTHORITY TO ENCUMBER OR TRANSFER AN ESTATE OR INTEREST IN REAL PROPERTY IN THE NAME OF THE NONPROFIT ASSOCIATION BEFORE IT ENCUMBERS OR TRANSFERS SUCH AN ESTATE OR INTEREST.

(2) AN ESTATE OR INTEREST IN REAL PROPERTY IN THE NAME OF A NONPROFIT ASSOCIATION MAY BE ENCUMBERED OR TRANSFERRED BY A PERSON SO AUTHORIZED IN A STATEMENT OF AUTHORITY RECORDED IN THE OFFICE OF THE CLERK AND RECORDER IN THE COUNTY OR CITY AND COUNTY IN WHICH THE REAL PROPERTY IS SITUATED.

(3) A STATEMENT OF AUTHORITY MUST SET FORTH:

(a) THE NAME OF THE NONPROFIT ASSOCIATION;

(b) THE ADDRESS IN THIS STATE, INCLUDING THE STREET ADDRESS, IF ANY, OF THE NONPROFIT ASSOCIATION OR, IF THE NONPROFIT ASSOCIATION DOES NOT HAVE AN ADDRESS IN THIS STATE, ITS ADDRESS OUT OF STATE;

(c) THE NAME OR TITLE OF A PERSON AUTHORIZED TO ENCUMBER OR TRANSFER AN ESTATE OR INTEREST IN REAL PROPERTY HELD IN THE NAME OF THE NONPROFIT ASSOCIATION; AND

(d) THE ACTION, PROCEDURE, OR VOTE OF THE NONPROFIT ASSOCIATION WHICH AUTHORIZES THE PERSON TO ENCUMBER OR TRANSFER THE REAL PROPERTY OF THE NONPROFIT ASSOCIATION AND WHICH AUTHORIZES THE PERSON TO EXECUTE THE STATEMENT OF AUTHORITY.

(4) A STATEMENT OF AUTHORITY MUST BE EXECUTED IN THE SAME MANNER AS A DEED BY A PERSON WHO IS NOT THE PERSON AUTHORIZED TO ENCUMBER OR TRANSFER THE ESTATE OR INTEREST.

(5) A FILING OFFICER MAY COLLECT A FEE FOR RECORDING THE STATEMENT OF AUTHORITY IN THE AMOUNT AUTHORIZED FOR RECORDING A TRANSFER OF REAL PROPERTY.

(6) AN AMENDMENT, INCLUDING A CANCELLATION, OF A STATEMENT OF AUTHORITY MUST MEET THE REQUIREMENTS FOR EXECUTION AND RECORDING OF AN ORIGINAL STATEMENT. UNLESS CANCELED EARLIER, A RECORDED STATEMENT OF AUTHORITY OR ITS MOST RECENT AMENDMENT IS CANCELED BY OPERATION OF LAW FIVE YEARS AFTER THE DATE OF THE MOST RECENT RECORDING.

(7) THE RECORDED STATEMENT OF AUTHORITY SHALL CONSTITUTE PRIMA FACIE EVIDENCE OF THE FACTS RECITED THEREIN, THE AUTHORITY OF THE PERSON EXECUTING THE STATEMENT OF AUTHORITY TO EXECUTE AND RECORD SUCH STATEMENT, AND THE AUTHORITY OF THE PERSON NAMED THEREIN TO ENCUMBER OR TRANSFER THE REAL PROPERTY OF THE NONPROFIT ASSOCIATION.

**7-30-106. Liability in contract and tort.** (1) A NONPROFIT ASSOCIATION IS A LEGAL ENTITY SEPARATE FROM ITS MEMBERS FOR THE PURPOSES OF DETERMINING AND ENFORCING RIGHTS, DUTIES, AND LIABILITIES IN CONTRACT AND TORT.

(2) A PERSON IS NOT LIABLE FOR A BREACH OF A NONPROFIT ASSOCIATION'S CONTRACT MERELY BECAUSE THE PERSON IS A MEMBER OF THE NONPROFIT ASSOCIATION, IS AUTHORIZED TO PARTICIPATE IN THE MANAGEMENT OF THE AFFAIRS OF THE NONPROFIT ASSOCIATION, OR IS A PERSON CONSIDERED TO BE A MEMBER BY THE NONPROFIT ASSOCIATION.

(3) A PERSON IS NOT LIABLE FOR A TORTIOUS ACT OR OMISSION FOR WHICH A NONPROFIT ASSOCIATION IS LIABLE MERELY BECAUSE THE PERSON IS A MEMBER OF THE NONPROFIT ASSOCIATION, IS AUTHORIZED TO PARTICIPATE IN THE MANAGEMENT OF THE AFFAIRS OF THE NONPROFIT ASSOCIATION, OR IS A PERSON CONSIDERED TO BE A MEMBER BY THE NONPROFIT ASSOCIATION.

(4) A TORTIOUS ACT OR OMISSION OF A MEMBER OR OTHER PERSON FOR WHICH A NONPROFIT ASSOCIATION IS LIABLE IS NOT IMPUTED TO A PERSON MERELY BECAUSE THE PERSON IS A MEMBER OF THE NONPROFIT ASSOCIATION, IS AUTHORIZED TO PARTICIPATE IN THE MANAGEMENT OF THE AFFAIRS OF THE NONPROFIT ASSOCIATION, OR IS A PERSON CONSIDERED TO BE A MEMBER BY THE NONPROFIT ASSOCIATION.

(5) A MEMBER OF, OR A PERSON CONSIDERED TO BE A MEMBER BY, A NONPROFIT ASSOCIATION MAY ASSERT A CLAIM AGAINST THE NONPROFIT ASSOCIATION. A NONPROFIT ASSOCIATION MAY ASSERT A CLAIM AGAINST A MEMBER OR A PERSON CONSIDERED TO BE A MEMBER BY THE NONPROFIT ASSOCIATION.

**7-30-107. Capacity to assert and defend - standing.** (1) A NONPROFIT ASSOCIATION, IN ITS NAME, MAY INSTITUTE, DEFEND, INTERVENE, OR PARTICIPATE IN A JUDICIAL, ADMINISTRATIVE, OR OTHER GOVERNMENTAL PROCEEDING OR IN AN ARBITRATION, MEDIATION, OR ANY OTHER FORM OF ALTERNATIVE DISPUTE

RESOLUTION.

(2) A NONPROFIT ASSOCIATION MAY ASSERT A CLAIM IN ITS NAME ON BEHALF OF ITS MEMBERS IF ONE OR MORE MEMBERS OF THE NONPROFIT ASSOCIATION HAVE STANDING TO ASSERT A CLAIM IN THEIR OWN RIGHT, THE INTERESTS THE NONPROFIT ASSOCIATION SEEKS TO PROTECT ARE GERMANE TO ITS PURPOSES, AND NEITHER THE CLAIM ASSERTED NOR THE RELIEF REQUESTED REQUIRES THE PARTICIPATION OF A MEMBER.

**7-30-108. Effect of judgment or order.** A JUDGMENT OR ORDER AGAINST A NONPROFIT ASSOCIATION IS NOT BY ITSELF A JUDGMENT OR ORDER AGAINST A MEMBER OR A PERSON CONSIDERED TO BE A MEMBER BY THE NONPROFIT ASSOCIATION.

**7-30-109. Disposition of personal property of inactive nonprofit association.**

(1) IF A NONPROFIT ASSOCIATION HAS BEEN INACTIVE FOR THREE YEARS OR LONGER, A PERSON IN POSSESSION OR CONTROL OF PERSONAL PROPERTY OF THE NONPROFIT ASSOCIATION MAY TRANSFER THE PROPERTY:

(a) IF A DOCUMENT OF THE NONPROFIT ASSOCIATION SPECIFIES A PERSON TO WHOM TRANSFER IS TO BE MADE UNDER THOSE CIRCUMSTANCES, TO THAT PERSON; OR

(b) IF NO PERSON IS SO SPECIFIED, TO A NONPROFIT ASSOCIATION OR NONPROFIT CORPORATION PURSUING BROADLY SIMILAR PURPOSES OR TO A GOVERNMENT, GOVERNMENTAL SUBDIVISION, AGENCY, OR INSTRUMENTALITY.

**7-30-110. Appointment of agent to receive service of process.** (1) A NONPROFIT ASSOCIATION MAY FILE IN THE OFFICE OF THE SECRETARY OF STATE A STATEMENT APPOINTING AN AGENT AUTHORIZED TO RECEIVE SERVICE OF PROCESS.

(2) A STATEMENT APPOINTING AN AGENT MUST SET FORTH:

(a) THE NAME OF THE NONPROFIT ASSOCIATION;

(b) THE ADDRESS IN THIS STATE, INCLUDING THE STREET ADDRESS, IF ANY, OF THE NONPROFIT ASSOCIATION OR, IF THE NONPROFIT ASSOCIATION DOES NOT HAVE AN ADDRESS IN THIS STATE, ITS ADDRESS OUT OF STATE; AND

(c) 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.

(3) A STATEMENT APPOINTING AN AGENT MUST BE SIGNED BY A PERSON AUTHORIZED TO MANAGE THE AFFAIRS OF A NONPROFIT ASSOCIATION. THE STATEMENT MUST ALSO BE SIGNED BY THE PERSON APPOINTED AGENT, WHO 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 NONPROFIT ASSOCIATION.

(4) A FILING OFFICER MAY COLLECT A FEE FOR FILING A STATEMENT APPOINTING AN AGENT TO RECEIVE SERVICE OF PROCESS, AN AMENDMENT, OR A RESIGNATION IN

THE AMOUNT CHARGED FOR FILING SIMILAR DOCUMENTS.

(5) AN AMENDMENT TO A STATEMENT APPOINTING AN AGENT TO RECEIVE SERVICE OF PROCESS MUST MEET THE REQUIREMENTS FOR EXECUTION OF AN ORIGINAL STATEMENT.

(6) THE SIGNATURE OF EACH PERSON SIGNING A STATEMENT APPOINTING AN AGENT TO RECEIVE PROCESS OR AN AMENDMENT TO SUCH A STATEMENT SHALL CONSTITUTE THE AFFIRMATION OR ACKNOWLEDGMENT OF SUCH PERSON UNDER PENALTY OF PERJURY THAT SUCH STATEMENT OR AMENDMENT IS THE ACT AND DEED OF SUCH PERSON OR THE ACT AND DEED OF THE NONPROFIT ASSOCIATION AND THE FACTS STATED IN SUCH STATEMENT OR AMENDMENT ARE TRUE.

**7-30-111. Claim not abated by change of members or officers.** A CLAIM FOR RELIEF AGAINST A NONPROFIT ASSOCIATION DOES NOT ABATE MERELY BECAUSE OF A CHANGE IN ITS MEMBERS, PERSONS AUTHORIZED TO MANAGE THE AFFAIRS OF THE NONPROFIT ASSOCIATION, OR PERSONS CONSIDERED BY THE NONPROFIT ASSOCIATION TO BE MEMBERS.

**7-30-112. Venue.** FOR PURPOSES OF VENUE, A NONPROFIT ASSOCIATION IS A RESIDENT OF A COUNTY OR CITY AND COUNTY IN WHICH IT HAS AN OFFICE.

**7-30-113. Summons and complaint - service on whom.** IN AN ACTION OR PROCEEDING AGAINST A NONPROFIT ASSOCIATION, A SUMMONS AND COMPLAINT MUST BE SERVED ON AN AGENT AUTHORIZED BY APPOINTMENT TO RECEIVE SERVICE OF PROCESS, AN OFFICER, A MANAGING OR GENERAL AGENT, OR A PERSON AUTHORIZED TO PARTICIPATE IN THE MANAGEMENT OF ITS AFFAIRS. IF NONE OF THEM CAN BE SERVED, SERVICE MAY BE MADE ON A MEMBER WHO MAY PARTICIPATE IN THE SELECTION OF PERSONS AUTHORIZED TO MANAGE THE AFFAIRS OF THE NONPROFIT ASSOCIATION OR IN THE DEVELOPMENT OF POLICY OF THE NONPROFIT ASSOCIATION.

**7-30-114. Uniformity of application and construction.** THIS ARTICLE SHALL BE APPLIED AND CONSTRUED TO EFFECTUATE ITS GENERAL PURPOSE TO MAKE UNIFORM THE LAW WITH RESPECT TO THE SUBJECT OF THIS ARTICLE AMONG STATES ENACTING IT.

**7-30-115. Short title.** THIS ARTICLE MAY BE CITED AS THE "UNIFORM UNINCORPORATED NONPROFIT ASSOCIATION ACT".

**7-30-116. Severability clause.** IF ANY PROVISION OF THIS ARTICLE OR ITS APPLICATION TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY DOES NOT AFFECT ANY OTHER PROVISIONS OR APPLICATIONS OF THIS ARTICLE WHICH CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS ARTICLE ARE SEVERABLE.

**7-30-117. Effective date.** THIS ARTICLE SHALL TAKE EFFECT JULY 1, 1994.

**7-30-118. Transition concerning real and personal property.** IF, BEFORE JULY 1, 1994, AN ESTATE OR INTEREST IN REAL OR PERSONAL PROPERTY WAS PURPORTEDLY TRANSFERRED TO A NONPROFIT ASSOCIATION, ON JULY 1, 1994, THE ESTATE OR INTEREST VESTS IN THE NONPROFIT ASSOCIATION, UNLESS THE PARTIES HAD TREATED

THE TRANSFER AS INEFFECTIVE. NO SUCH PURPORTED TRANSFER OF REAL PROPERTY SHALL IMPART NOTICE PURSUANT TO SECTION 38-35-109, C.R.S., UNTIL THE DATE AFTER JULY 1, 1994, A DEED OR OTHER PROPER INSTRUMENT CONVEYING SUCH ESTATE OR INTEREST IN REAL PROPERTY IS RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF THE COUNTY OR CITY AND COUNTY IN WHICH SUCH REAL PROPERTY IS LOCATED.

**7-30-119. Savings clause.** EXCEPT TO THE EXTENT SET FORTH IN SECTION 7-30-118, THIS ARTICLE DOES NOT AFFECT ANY RIGHT ACCRUED BEFORE JULY 1, 1994, OR ANY ACTION OR PROCEEDING THEN PENDING.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 22, 1994