

Take Advantage of the Updates to Kentucky's Nonprofit Corporation Laws

House Bill 440 was introduced to provide nonprofits with more flexibility and update existing laws to allow for increased usage of technology. The bill was unanimously passed by the Kentucky General Assembly in March 2015 and signed into law by Governor Steve Beshear on April 1, 2015. The law became effective on June 24, 2015.



Get Informed!

1. Notice of board of directors and member (if applicable) meetings may be distributed by email.

Note: If a member refuses to agree to accept electronic notices and insists upon written notice, your organization must comply.

2. The board of directors may act by unanimous written consent, which means that all board members must "sign" the consent document. "Sign" now includes manual signature, facsimile, conformed or electronic signature (email). This applies to regular or special meetings of the board. Board action by written consent has the effect of a meeting vote. The effective date of the written consent is the date of the last board member's signature (or email).

3. Board members may participate in regular or special meetings by "any means of communication by which all directors participating may simultaneously hear each other during the meeting." *KNN will work on more inclusive language in 2016 regarding "simultaneously hear each other" to address participation of the deaf and hearing impaired.

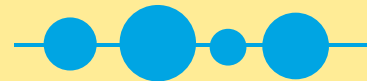
4. Proxy voting by members of a nonprofit's board of directors has never been permitted in Kentucky. House Bill 440 provides additional clarification that this practice is prohibited.



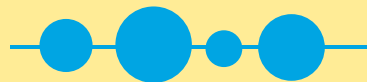
Take Action!

Amend your organization's bylaws to provide that notice for board of directors (and member, if applicable) meetings may be given by email and delete any language requiring notices delivered by the US Postal Service, hand delivery, etc.

Become a member of KNN today to access all resources, including more of the action items to implement HB 440 and many other valuable benefits!



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Kentucky Nonprofit Network's public policy priority in 2016 is continued work on updating these laws. Please emailus@kynonprofits.org with your feedback.



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5. Unless otherwise stated in an organization's article of incorporation or bylaws, the minimum notice for meetings of the board of directors is now two days.

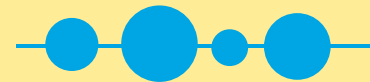
6. For membership organizations, the board of directors can hold meetings of the organization's members (regular or special) exclusively by means of remote communication.

7. Nonprofits dissolving can now file articles of dissolution with the Secretary of State along with a copy of the plan of distribution of any assets. The Secretary of State is directed to forward a copy on to the Secretary of Revenue. This allows the nonprofit corporation to exist after filing the articles of dissolution for the purpose of liquidating its business. Dissolution of the corporation does not "abate or suspend" the rule of limited liability for board members.



Take Action!

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