



For Immediate Release
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Contact: Danielle Clore
(859) 963-3203 x3
danielle@kynonprofits.org
www.kynonprofits.org

**New Legislation Modernizing Laws for Nonprofits
(HB440) Goes into Effect Today**

*Laws governing nonprofits modernized by HB 440 allow organizations
to take advantage of current technologies for official acts*

FRANKFORT, Ky.-) New legislation modernizing laws for nonprofits, House Bill 440 (HB 440), goes into effect today. The legislation, which included significant input from a work group convened by Kentucky Nonprofit Network (KNN) and advocated for by Secretary of State Alison Lundergan Grimes, makes much-needed modernizations to laws governing nonprofit organizations in the Commonwealth. The bill passed unanimously in both chambers of the Kentucky General Assembly on March 15 and was signed into law by Governor Steve Beshear on April 1.

The new legislation will impact a significant part of Kentucky's workforce. Kentucky's nonprofit sector is a strong economic engine, surpassing even retail employment. One in nine Kentuckians work for a nonprofit, making it the third largest industry in the Commonwealth. "The passage of this legislation allows nonprofits to spend more time doing what they do best - serving Kentuckians. As the state association of nonprofits, Kentucky Nonprofit Network is proud to have worked with the Secretary of State and the General Assembly on this legislation and has made resources available for nonprofits to take advantage of these updates," said Danielle Clore, KNN Executive Director/CEO.

HB 440 updates Kentucky's nonprofit corporation laws, accounting for advances in technology and spelling out how nonprofits can utilize technology such as email and conference calling for official acts. Kentucky's original nonprofit laws, written in the 1960's, before email and conference calling, created confusion regarding what is permissible prior to the passage of HB 440.

"Life is better in Kentucky because of nonprofits - thousands of agencies and organizations that perform myriad vital functions, from raising money for those in need to creating recreation for our children," said Gov. Beshear. "This will simplify

requirements for those organizations, allowing them to focus more on their volunteer work than their paperwork."

Highlights of the modernized laws include:

- Notice of board of director and member (if applicable) meetings may be distributed by email.
- The board of directors may act by unanimous written consent, provided that all board members "sign" the consent document. "Sign" now includes electronic signature - email, fax, etc.
- 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."
- House Bill 440 provides clarification that proxy voting by boards of directors is prohibited.
- For membership organizations, the board of directors can hold meetings of the members exclusively by means of remote communication.

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Kentucky Nonprofit Network is the state association of nonprofit organizations working to strengthen and advance the Commonwealth's nonprofit community. With over thirteen years of service, KNN provides a unified public policy voice, professional development opportunities and resources and various membership benefits.