

# Support House Bill 443



## A Bill to Modernize the Laws Governing Kentucky's Nonprofit Organizations

**THE ISSUE:** KRS Chapter 273, the law governing Kentucky's nonprofits has seen only one major update since its original passage in the 1960's (House Bill 440 in 2015). Nonprofit organizations, vital to our quality of life, seek the guidance and protection necessary to adopt recommended nonprofit management best practices.

**THE SOLUTION:** House Bill 443 makes technical changes to modernize the laws governing Kentucky's nonprofit sector.



**Size and structure of the board of directors – allowing nonprofits the flexibility to state a range for the number of board members instead of a fixed number.**



**Conflicts of interest – providing nonprofit boards flexibility and protection on managing board member conflicts of interest.**



**Use of technology – improving existing law to allow for remote participation in meetings for board members who are deaf or hard of hearing.**



**Statutory right to remove a board member – providing flexibility on placement of the removal policy in an organization's articles of incorporation or bylaws.**



**Member access and inspection rights – allowing nonprofits, particularly associations, the flexibility to set their own policies with regard to member access and inspection of records.**



**Distribution of assets – clarifying distributions and the narrow circumstances when permitted by a nonprofit.**



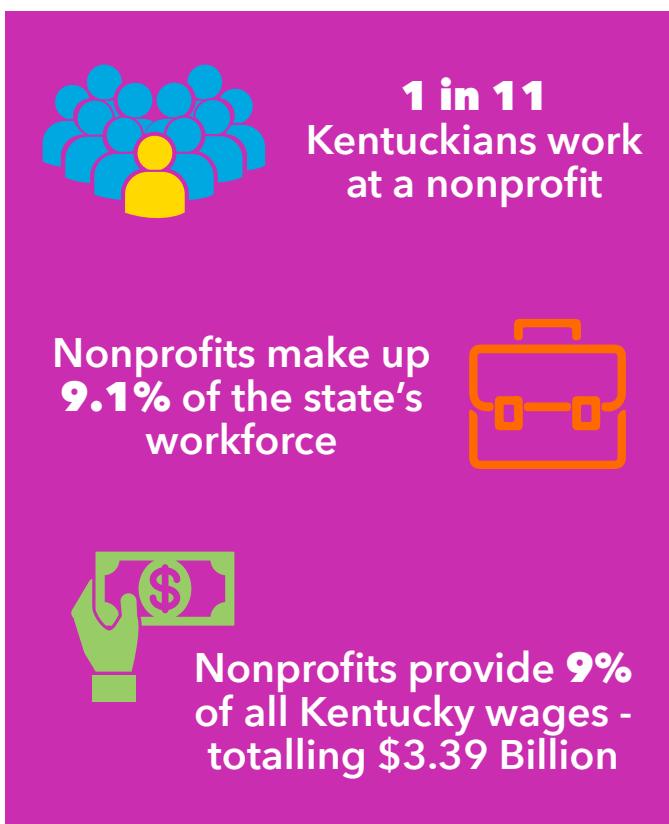
**Structure and authority of board and advisory committees – providing the needed distinction to allow nonprofits to effectively utilize required volunteer expertise.**



KENTUCKY  
**NONPROFIT**  
NETWORK

Kentucky Nonprofit Network is the Commonwealth's state association of nonprofit organizations - representing a unified voice for over 560 members statewide.

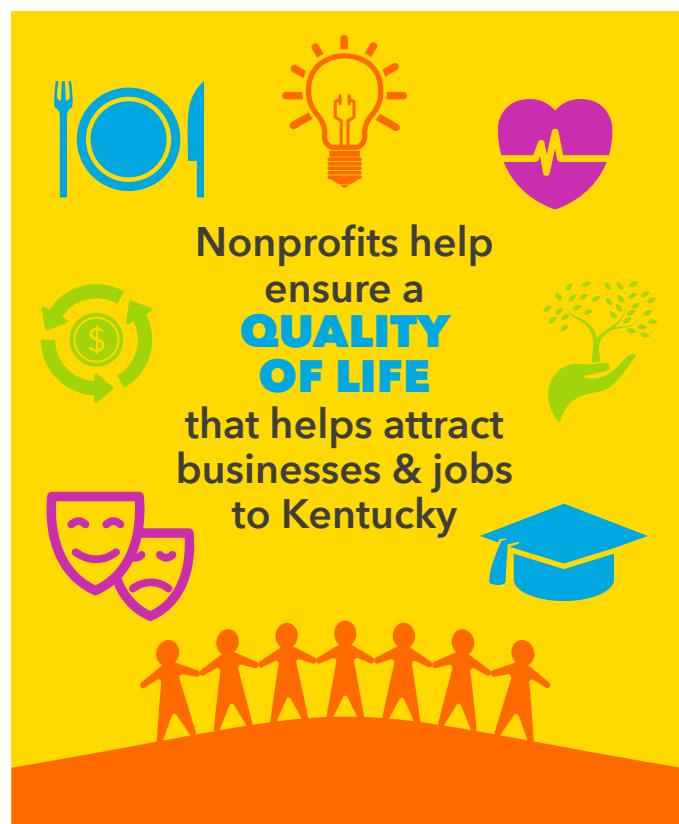
[www.kynonprofits.org](http://www.kynonprofits.org)



**1 in 11**  
Kentuckians work  
at a nonprofit

Nonprofits make up  
**9.1%** of the state's  
workforce

Nonprofits provide **9%**  
of all Kentucky wages -  
totalling **\$3.39 Billion**



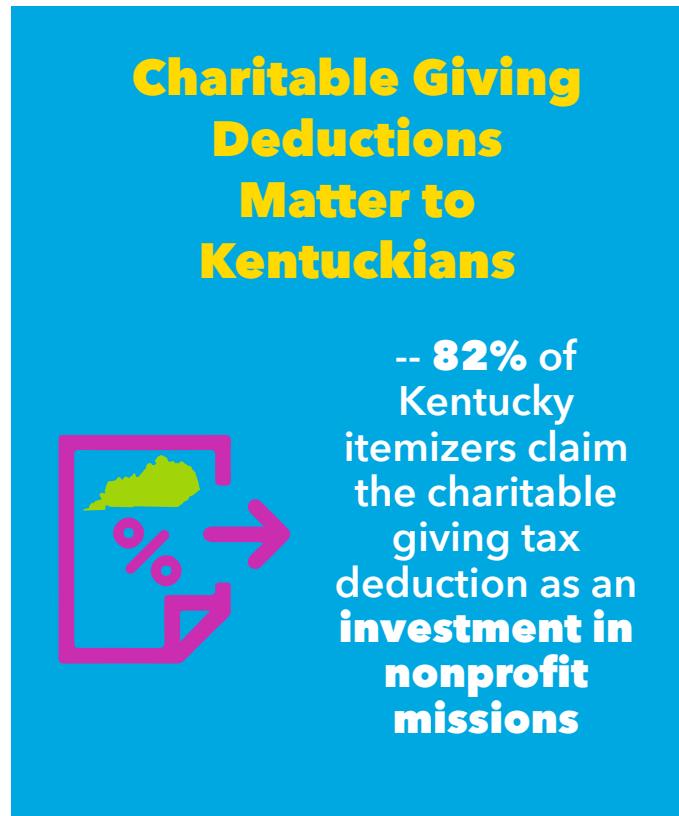
Nonprofits help  
ensure a  
**QUALITY  
OF LIFE**  
that helps attract  
businesses & jobs  
to Kentucky

Icons include: people, fork and knife, lightbulb, heart, recycling symbol, tree, mask, graduation cap, and children holding hands.



Nonprofits generate  
over **\$27 Billion** in  
annual revenue

--pumping this  
money back  
into Kentucky's  
economy



**Charitable Giving  
Deductions  
Matter to  
Kentuckians**

-- **82%** of  
Kentucky  
itemizers claim  
the charitable  
giving tax  
deduction as an  
**investment in  
nonprofit  
missions**