

## **Part 13 Distributions**

### **16-6a-1301 Distributions prohibited.**

Except as authorized by Section 16-6a-1302, a nonprofit corporation may not make a distribution.

Enacted by Chapter 300, 2000 General Session

### **16-6a-1302 Authorized distributions.**

- (1) A nonprofit corporation may:
  - (a) make distributions or distribute the nonprofit corporation's assets to a member:
    - (i) that is a domestic or foreign nonprofit corporation;
    - (ii) of a mutual benefit corporation, not inconsistent with its bylaws; or
    - (iii) that is a governmental entity;
  - (b) pay compensation in a reasonable amount to its members, directors, or officers for services rendered;
  - (c) if a cooperative nonprofit corporation, make distributions consistent with its purposes; and
  - (d) confer benefits upon its members in conformity with its purposes.
- (2) A nonprofit corporation may make distributions upon dissolution as follows:
  - (a) to a member that is a domestic or foreign nonprofit corporation;
  - (b) to its members if it is a mutual benefit corporation;
  - (c) to another nonprofit corporation, including a nonprofit corporation organized to receive the assets of and function in place of the dissolved nonprofit corporation; and
  - (d) otherwise in conformity with Part 14, Dissolution.
- (3) Authorized distributions by a dissolved nonprofit corporation may be made by authorized officers or directors, including those elected, hired, or otherwise selected after dissolution if the election, hiring, or other selection after dissolution is not inconsistent with the articles of incorporation and bylaws existing at the time of dissolution.

Amended by Chapter 240, 2015 General Session