

**16-6a-1406 Disposition of known claims by notification.**

- (1) A dissolved nonprofit corporation may dispose of the known claims against it by following the procedures described in this section.
- (2) A dissolved nonprofit corporation electing to dispose of known claims pursuant to this section may give written notice of the dissolution to known claimants at any time after the effective date of the dissolution. The written notice shall:
  - (a) describe the information that shall be included in a claim;
  - (b) provide an address to which written notice of any claim shall be given to the nonprofit corporation;
  - (c) state the deadline by which the dissolved nonprofit corporation shall receive a claim, which may not be fewer than 120 days after the effective date of the notice; and
  - (d) state that unless sooner barred by any other state statute limiting actions, a claim will be barred if not received by the deadline stated in Subsection (2)(c).
- (3) Unless sooner barred by any other statute limiting actions, a claim against the dissolved nonprofit corporation is barred if:
  - (a)
    - (i) a claimant was given notice under Subsection (2); and
    - (ii) the claim is not received by the dissolved nonprofit corporation by the deadline stated in the notice; or
  - (b)
    - (i) the dissolved nonprofit corporation delivers to the claimant written notice of rejection of the claim within 90 days after receipt of the claim; and
    - (ii) the claimant whose claim was rejected by the dissolved nonprofit corporation does not commence a proceeding to enforce the claim within 90 days after the effective date of the rejection notice.
- (4) Claims that are not rejected by the dissolved nonprofit corporation in writing within 90 days after receipt of the claim by the dissolved nonprofit corporation shall be considered accepted.
- (5) The failure of the dissolved nonprofit corporation to give notice to any known claimant pursuant to Subsection (2) does not affect the disposition under this section of any claim held by any other known claimant.
- (6) For purposes of this section:
  - (a) "claim" does not include:
    - (i) a contingent liability; or
    - (ii) a claim based on an event occurring after the effective date of dissolution; and
  - (b) an action to enforce a claim includes:
    - (i) any civil action; and
    - (ii) any arbitration under any agreement for binding arbitration between the dissolved nonprofit corporation and the claimant.

Enacted by Chapter 300, 2000 General Session