

**16-6a-609 Termination, expulsion, or suspension.**

- (1) Unless otherwise provided by the bylaws, except pursuant to a procedure that is fair and reasonable:
  - (a) a member of a nonprofit corporation may not be expelled or suspended; and
  - (b) membership in a nonprofit corporation may not be terminated or suspended.
- (2) For purposes of this section, a procedure is fair and reasonable when either:
  - (a) the bylaws or a written policy of the board of directors set forth a procedure that provides:
    - (i) not less than 15 days prior written notice of:
      - (A) the expulsion, suspension, or termination; and
      - (B) the reasons for the expulsion, suspension, or termination; and
    - (ii) an opportunity for the member to be heard:
      - (A) orally or in writing;
      - (B) not less than five days before the effective date of the expulsion, suspension, or termination; and
      - (C) by one or more persons authorized to decide that the proposed expulsion, termination, or suspension not take place; or
  - (b) it is fair and reasonable taking into consideration all of the relevant facts and circumstances.
- (3) For purposes of this section, any written notice given by mail shall be given by first-class or certified mail sent to the last address of the member shown on the nonprofit corporation's records.
- (4) Unless otherwise provided by the bylaws, any proceeding challenging an expulsion, suspension, or termination, including a proceeding in which defective notice is alleged, shall be commenced within one year after the effective date of the expulsion, suspension, or termination.
- (5) Unless otherwise provided by the bylaws, a member who has been expelled or suspended may be liable to the nonprofit corporation for dues, assessments, or fees as a result of an obligation incurred or commitment made prior to the effective date of the expulsion or suspension.
- (6) A mutual benefit corporation that complies with Section 70A-8-409.1 is considered to have followed a fair and reasonable procedure for purposes of this section without the existence of a written policy or bylaw otherwise required by this section.

Amended by Chapter 311, 2011 General Session