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HOUSE BILL 1010

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State of Washington

53rd Legislature

1993 Regular Session

By Representative Appelwick

Prefiled 1/8/92. Read first time 01/11/93. Referred to Committee on  
Judiciary.

1 AN ACT Relating to the Uniform Unincorporated Nonprofit Association  
2 Act; adding a new chapter to Title 24 RCW; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** DEFINITIONS. In this chapter:

5 (1) "Member" means a person who, under the rules or practices of a  
6 nonprofit association, may participate in the selection of persons  
7 authorized to manage the affairs of the nonprofit association or in the  
8 development of policy of the nonprofit association.

9 (2) "Nonprofit association" means an unincorporated organization  
10 consisting of two or more members joined by mutual consent for a  
11 common, nonprofit purpose. However, joint tenancy, tenancy in common,  
12 or tenancy by the entireties does not by itself establish a nonprofit  
13 association, even if the co-owners share use of the property for a  
14 nonprofit purpose.

15 (3) "Person" means an individual, corporation, business trust,  
16 estate, trust, partnership, association, joint venture, government,  
17 governmental subdivision, agency, or instrumentality, or another legal  
18 or commercial entity.

1 (4) "State" means a state of the United States, the District of  
2 Columbia, the Commonwealth of Puerto Rico, or a territory or insular  
3 possession subject to the jurisdiction of the United States.

4 NEW SECTION. **Sec. 2.** SUPPLEMENTARY GENERAL PRINCIPLES OF LAW AND  
5 EQUITY. Principles of law and equity supplement this chapter unless  
6 displaced by a particular provision of this chapter.

7 NEW SECTION. **Sec. 3.** TERRITORIAL APPLICATION. Real and personal  
8 property in this state may be acquired, held, encumbered, and  
9 transferred by a nonprofit association, whether or not the nonprofit  
10 association or a member has any other relationship to this state.

11 NEW SECTION. **Sec. 4.** REAL AND PERSONAL PROPERTY--NONPROFIT  
12 ASSOCIATION AS LEGATEE, DEVISEE, OR BENEFICIARY. (1) A nonprofit  
13 association in its name may acquire, hold, encumber, or transfer an  
14 estate or interest in real or personal property.

15 (2) A nonprofit association may be a legatee, devisee, or  
16 beneficiary of a trust or contract.

17 NEW SECTION. **Sec. 5.** STATEMENT OF AUTHORITY AS TO REAL PROPERTY.  
18 (1) A nonprofit association may execute and record in the office of the  
19 auditor of the county in which the property is located a statement of  
20 authority to transfer an estate or interest in real property in the  
21 name of the nonprofit association.

22 (2) An estate or interest in real property in the name of a  
23 nonprofit association may be transferred by a person so authorized in  
24 a statement of authority recorded in the office of the auditor in the  
25 county in which a transfer of the property would be recorded.

26 (3) A statement of authority must set forth:

27 (a) The name of the nonprofit association;

28 (b) The address in this state, including the street address, if  
29 any, of the nonprofit association, or, if the nonprofit association  
30 does not have an address in this state, its address out of state;

31 (c) The name or title of a person authorized to transfer an estate  
32 or interest in real property held in the name of the nonprofit  
33 association; and

34 (d) The action, procedure, or vote of the nonprofit association  
35 that authorizes the person to transfer the real property of the

1 nonprofit association and that authorizes the person to execute the  
2 statement of authority.

3 (4) A statement of authority must be executed in the same manner as  
4 a deed by a person who is not the person authorized to transfer the  
5 estate or interest.

6 (5) A filing officer may collect a fee for recording the statement  
7 of authority in the amount authorized for recording a transfer of real  
8 property.

9 (6) An amendment, including a cancellation, of a statement of  
10 authority must meet the requirements for execution and recording of an  
11 original statement. Unless canceled earlier, a recorded statement of  
12 authority or its most recent amendment is canceled by operation of law  
13 five years after the date of the most recent recording.

14 (7) If the record title to real property is in the name of a  
15 nonprofit association and the statement of authority is recorded in the  
16 office of the auditor of the county in which a transfer of real  
17 property would be recorded, the authority of the person named in a  
18 statement of authority is conclusive in favor of a person who gives  
19 value without notice that the person lacks authority.

20 NEW SECTION. **Sec. 6.** LIABILITY IN CONTRACT AND TORT. (1) A  
21 nonprofit association is a legal entity separate from its members for  
22 the purposes of determining and enforcing rights, duties, and  
23 liabilities in contract and tort.

24 (2) A person is not liable for a breach of a nonprofit  
25 association's contract merely because the person is a member, is  
26 authorized to participate in the management of the affairs of the  
27 nonprofit association, or is a person considered to be a member by the  
28 nonprofit association.

29 (3) A person is not liable for a tortious act or omission for which  
30 a nonprofit association is liable merely because the person is a  
31 member, is authorized to participate in the management of the affairs  
32 of the nonprofit association, or is a person considered to be a member  
33 by the nonprofit association.

34 (4) A tortious act or omission of a member or other person for  
35 which a nonprofit association is liable is not imputed to a person  
36 merely because the person is a member of the nonprofit association, is  
37 authorized to participate in the management of the affairs of the

1 nonprofit association, or is a person considered to be a member by the  
2 nonprofit association.

3 (5) A member of, or a person considered to be a member by, a  
4 nonprofit association may assert a claim against the nonprofit  
5 association. A nonprofit association may assert a claim against a  
6 member or a person considered to be a member by the nonprofit  
7 association.

8 NEW SECTION. **Sec. 7.** CAPACITY TO ASSERT AND DEFEND--STANDING.

9 (1) A nonprofit association, in its name, may institute, defend,  
10 intervene, or participate in a judicial, administrative, or other  
11 governmental proceeding or in an arbitration, mediation, or any other  
12 form of alternative dispute resolution.

13 (2) A nonprofit association may assert a claim in its name on  
14 behalf of its members if one or more members of the nonprofit  
15 association have standing to assert a claim in their own right, the  
16 interests the nonprofit association seeks to protect are germane to its  
17 purposes, and neither the claim asserted nor the relief requested  
18 requires the participation of a member.

19 NEW SECTION. **Sec. 8.** EFFECT OF JUDGMENT OR ORDER. A judgment or  
20 order against a nonprofit association is not by itself a judgment or  
21 order against a member or a person considered to be a member by the  
22 nonprofit association.

23 NEW SECTION. **Sec. 9.** DISPOSITION OF PERSONAL PROPERTY OF INACTIVE  
24 NONPROFIT ASSOCIATION. If a nonprofit association has been inactive  
25 for three years or longer, a person in possession or control of  
26 personal property of the nonprofit association may transfer the  
27 property:

28 (1) If a document of the nonprofit association specifies a person  
29 to whom transfer is to be made under those circumstances, to that  
30 person; or

31 (2) If no person is so specified, to a nonprofit association or  
32 nonprofit corporation pursuing broadly similar purposes or to a  
33 government, governmental subdivision, agency, or instrumentality.

34 NEW SECTION. **Sec. 10.** CAPTIONS NOT LAW. Captions as used in this  
35 act constitute no part of the law.

1        NEW SECTION.   **Sec. 11.** SEVERABILITY. If any provision of this act  
2 or its application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

5        NEW SECTION.   **Sec. 12.** CODIFICATION. Sections 1 through 9 and 11  
6 of this act shall constitute a new chapter in Title 24 RCW.

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