

273A.115 Distribution prohibited -- Compensation and other permitted payments.

- (1) Except as otherwise provided in subsection (2) of this section, an unincorporated nonprofit association shall not pay dividends or make distributions to a member or manager.
- (2) An unincorporated nonprofit association may:
 - (a) Pay reasonable compensation or reimburse reasonable expenses to a member or manager for services rendered;
 - (b) Confer benefits on a member or manager in conformity with its nonprofit purposes;
 - (c) Repurchase a membership and repay a capital contribution made by a member to the extent authorized by its governing principles; or
 - (d) Make distributions of property to members upon winding up and termination to the extent permitted by KRS 273A.130.

Effective: June 24, 2015

History: Created 2015 Ky. Acts ch. 34, sec. 34, effective June 24, 2015.