

CALIFORNIA LAW REVISION COMMISSION

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NEWS RELEASE
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For Immediate Release

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Unincorporated Associations

Request for Public Comment

The Law Revision Commission has conducted a study to determine whether the Uniform Unincorporated Nonprofit Association Act should be adopted in California. The Commission recommends against adoption of the Uniform Act. Most of the issues addressed in the Uniform Act are already addressed by California law. Adoption of the Uniform Act would disrupt existing law without offering any significant offsetting benefit.

Instead, the Commission recommends that the following improvements be made to existing law:

- (1) Reorganize Title 3 of the Corporations Code (Unincorporated Associations) to improve its structure and clarify its relation to other law.
- (2) Replace the patchwork of existing rules governing member liability with a set of clear and comprehensive provisions. The proposed provisions would be based on the principle that a member of a nonprofit association should not be liable for an obligation of the association solely as a consequence of being a member.
- (3) Simplify existing law governing ownership and transfer of property by an unincorporated association.
- (4) Add a provision governing distribution of the assets of an unincorporated association on dissolution.
- (5) Make other minor substantive and technical revisions.

The tentative recommendation is available from the California Law Revision Commission, 4000 Middlefield Road, Room D-1, Palo Alto, CA 94303-4739. The tentative recommendation is also available at the Commission's website (www.clrc.ca.gov) by following the "Current Projects" link.

The Commission often substantially revises its recommendations as a result of public comment. To receive timely consideration, comments should be submitted by **June 30, 2003**.

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