

Amendments to House Bill No. 412  
1st Reading Copy

Requested by Representative Bob Ebinger

For the House Business and Labor Committee

Prepared by Susan Byorth Fox  
February 13, 2007 (3:42pm)

1. Title, line 5.

**Strike:** "DISTRIBUTIONS TO"

**Insert:** "TRANSACTIONS WITH"

**Following:** "MEMBERS"

**Strike:** "WHO ARE PUBLIC BENEFIT CORPORATIONS"

**Insert:** ", DIRECTORS, OR OFFICERS"

2. Title, line 6.

**Following:** "PURPOSES"

**Insert:** "UPON CERTAIN CONDITIONS"

**Strike:** "35-2-1402,"

**Insert:** "35-2-1401,"

3. Page 1, line 10 through line 18.

**Strike:** section 1 in its entirety

**Insert:** "**Section 1.** Section 35-2-1401, MCA, is amended to read:

**"35-2-1401. Prohibited distributions -- permitted transactions.** (1) Except as authorized by 35-2-1402, a corporation may not make any distributions.

(2) A public benefit corporation may, subject to the requirements of Title 15, chapter 31, and this chapter, as applicable:

(a) pay reasonable compensation or reimburse reasonable expenses to members, directors, or officers for services rendered; and

(b) confer benefits upon or make contributions to members in conformity with its charitable purposes if after the transaction is completed:

(i) the corporation would be able to pay its debts as they become due in the usual course of its activities; and

(ii) the corporation's total assets would at least equal the sum of its total liabilities."

{ Internal References to 35-2-1401:  
35-2-522X } "

- END -