

HOUSE BILL NO. 412  
INTRODUCED BY B. EBINGER

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING PUBLIC BENEFIT CORPORATIONS TO MAKE DISTRIBUTIONS TO MEMBERS WHO ARE PUBLIC BENEFIT CORPORATIONS IF IN CONFORMITY WITH ITS CHARITABLE PURPOSES; AND AMENDING SECTION 35-2-1402, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 35-2-1402, MCA, is amended to read:

**"35-2-1402. Authorized distributions.** (1) A mutual benefit corporation may purchase its memberships if after the purchase is completed:

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

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

(2) A public benefit corporation may make distributions to its members that are public benefit corporations and have a charitable purpose similar to that of the corporation making the distributions.

~~(2)~~(3) Corporations may make distributions upon dissolution in conformity with part 7 of this chapter."

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