



AN ACT ALLOWING PUBLIC BENEFIT CORPORATIONS TO MAKE TRANSACTIONS WITH MEMBERS, DIRECTORS, OR OFFICERS IF IN CONFORMITY WITH ITS CHARITABLE PURPOSES UPON CERTAIN CONDITIONS; AND AMENDING SECTION 35-2-1401, MCA.

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

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."

- END -

I hereby certify that the within bill,
HB 0412, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2019.

President of the Senate

Signed this _____ day
of _____, 2019.

HOUSE BILL NO. 412

INTRODUCED BY EBINGER, MOSS, AUGARE

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