

## SB277 INTRODUCED



1 SB277  
2 L5IXZYA-1  
3 By Senator Bell  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 10-Feb-26



## SYNOPSIS:

This bill would authorize the formation and operation of decentralized unincorporated nonprofit associations as a subtype of unincorporated nonprofit associations, which are authorized under existing law.

This bill would allow a decentralized unincorporated nonprofit association to use distributed ledger technology and smart contracts for its governance and operation.

This bill would permit decentralized unincorporated nonprofit associations to acquire and maintain property and engage in profit-making activities, subject to certain standards relating to the distribution of proceeds.

This bill would provide for the duties, obligations, and liabilities of the members and administrators of a decentralized unincorporated nonprofit association.

This bill would also provide for the dissolution and winding up of a decentralized unincorporated nonprofit association.

A BILL  
TO BE ENTITLED



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AN ACT

Relating to corporations, partnerships, and associations; to designate Sections 10A-17-1.01 through 10A-17-1.18, Code of Alabama 1975, inclusive, as Article 1; and to add Article 2, commencing with Section 10A-17-2.01, to Chapter 10A of the Code of Alabama 1975; to provide for the formation, management, and governance of decentralized unincorporated nonprofit associations; to provide for the duties, obligations, and liabilities of members and administrators of decentralized unincorporated nonprofit associations; and to provide for the dissolution and winding up of decentralized unincorporated nonprofit associations.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 10A-17-1.01 through 10A-17-1.18, Code of Alabama 1975, inclusive, are designated as Article 1.

Section 2. Article 2, commencing with Section 10A-17-2.01, is added to Chapter 10A of the Code of Alabama 1975, to read as follows:

§10A-17-2.01

This article together with applicable provisions of Chapter 1 shall be known and may be cited as the Decentralized Unincorporated Nonprofit Association Law.

§10A-17-2.02

For the purposes of this article, the following terms have the following meanings:

(1) ADMINISTRATOR. A person authorized by the members of a decentralized unincorporated nonprofit association to



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fulfill administrative or operational tasks at the direction of the membership.

(2) DECENTRALIZED UNINCORPORATED NONPROFIT ASSOCIATION or NONPROFIT ASSOCIATION. An unincorporated nonprofit association that meets the following requirements:

a. Consists of at least 100 members joined by mutual consent under an agreement, which may be in writing or inferred from conduct, for a common nonprofit purpose.

b. Has elected to be formed under this article.

c. Is not formed under any other law governing the nonprofit association's organization or operation.

(3) DIGITAL ASSET. A representation of economic, proprietary, or access rights that is stored in a computer readable format and is either a digital consumer asset, digital security, or virtual currency.

(4) DISTRIBUTED LEDGER TECHNOLOGY. A distributed ledger protocol and supporting infrastructure, including blockchain, which uses a distributed, shared, and replicated ledger, whether public or private, permissioned or permissionless, and which may include the use of digital assets as a medium of electronic exchange.

(5) ESTABLISHED PRACTICES. The practices used by a decentralized unincorporated nonprofit association without material change during the most recent five years of the nonprofit association's existence, or if the nonprofit association has existed for less than five years, during the nonprofit association's entire existence.

(6) GOVERNING PRINCIPLES. All agreements and any



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85 amendment or restatement of those agreements, including any  
86 decentralized unincorporated nonprofit association agreements,  
87 consensus formation algorithms, smart contracts, or enacted  
88 governance proposals, which govern the purpose or operation of  
89 a decentralized unincorporated nonprofit association and the  
90 rights and obligations of the nonprofit association's members  
91 and administrators, whether contained in a record, implied  
92 from the nonprofit association's established practices, or  
93 both.

94 (7) MEMBER. A person who, under the governing  
95 principles of a decentralized unincorporated nonprofit  
96 association, may participate in the selection of the  
97 decentralized unincorporated nonprofit association's  
98 administrators or the development of the policies and  
99 activities of the decentralized unincorporated nonprofit  
100 association.

101 (8) MEMBERSHIP INTEREST. A member's voting rights in a  
102 decentralized unincorporated nonprofit association determined  
103 by the decentralized unincorporated nonprofit association's  
104 governing principles, including as ascertained from  
105 decentralized ledger technology on which the decentralized  
106 unincorporated nonprofit association relies to determine a  
107 member's voting rights.

108 (9) NONPROFIT PURPOSE. Any purpose for which a  
109 nonprofit corporation could be organized under Article 1, and  
110 where no part of income or profit is distributable to its  
111 members or administrators.

112 (10) PERSON. An individual, corporation, business



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trust, estate, trust, partnership, association, agency, joint venture, government, governmental subdivision or instrumentality, or any other legal commercial entity.

(11) RECORD. Information that is inscribed on a tangible medium or stored in an electronic or other medium that is retrievable in perceivable form.

(12) SMART CONTRACT. An automated transaction, as defined in any substantially similar analogue or code, script, or programming language relying on distributed ledger technology, including blockchain, which may include facilitating and instructing transfers of an asset, administering membership interest votes with respect to a decentralized unincorporated nonprofit association, or issuing executable instructions for these actions based on the occurrence or nonoccurrence of specified conditions.

(13) STATE. A state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

§10A-17-2.03

(a) The law of this state governs any decentralized unincorporated nonprofit association that is formed in this state.

(b) Each decentralized unincorporated nonprofit association's governing principles shall identify the jurisdiction in which the decentralized unincorporated nonprofit association is formed.

§10A-17-2.04



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(a) A decentralized unincorporated nonprofit association may engage in profit-making activities. Profits from any activities shall be used in furtherance of, or set aside for, the nonprofit association's common nonprofit purpose.

(b) Except as provided in subsection (c), a decentralized unincorporated nonprofit association may not make distributions to its members or administrators.

(c) A decentralized unincorporated nonprofit association may do all of the following:

(1) Pay reasonable compensation or reimburse reasonable expenses to its members, administrators, and persons outside of the nonprofit association for services rendered, including with respect to the administration and operation of the nonprofit association, which may include the provision of collateral for the self-insurance of the nonprofit association, voting, or participation in the nonprofit association's operations and activities.

(2) Confer benefits on its members and administrators in conformity with its common nonprofit purpose.

(3) Repurchase membership interests to the extent authorized by the nonprofit association's governing principles.

(4) Make distributions of property to members upon winding up and termination of the decentralized unincorporated nonprofit association to the extent permitted by Section 10A-17-2.26.

§10A-17-2.05



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(a) Unless prohibited or otherwise limited by its written rules or governing documents, a decentralized unincorporated nonprofit association in its name may acquire, hold, encumber, or transfer an estate or interest in real or personal property.

(b) Unless prohibited or otherwise limited by its written rules or governing documents, a decentralized unincorporated nonprofit association may be a legatee, devisee, or beneficiary of a trust or contract.

(c) Real and personal property in Alabama may be acquired, held, encumbered, and transferred by a decentralized unincorporated nonprofit association, whether it or a member has any other relationship to Alabama.

§10A-17-2.06

(a) A decentralized unincorporated nonprofit association shall execute and record a statement of authority to transfer an estate or interest in real property in the name of the nonprofit association.

(b) An estate or interest in real property in the name of a decentralized unincorporated nonprofit association may be transferred by a person so authorized in a statement of authority recorded in the office of the judge of probate of the county in which the real property is located.

(c) A statement of authority shall set forth:

(1) The name of the decentralized unincorporated nonprofit association;

(2) The address in Alabama, including the street address, if any, of the decentralized unincorporated nonprofit





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association, or, if the decentralized unincorporated nonprofit association does not have an address in Alabama, its address out of state;

(3) The name or title of a person authorized to transfer an estate or interest in real property held in the name of the decentralized unincorporated nonprofit association; and

(4) The action, procedure, or vote of the decentralized unincorporated nonprofit association which authorizes the person to transfer the real property of the decentralized unincorporated nonprofit association and which authorizes the person to execute the statement of authority.

(d) A statement of authority shall be executed and recorded in the same manner as a deed by a person who is not the person authorized to transfer the estate or interest.

(e) The judge of probate shall collect a fee for recording a statement of authority in accordance with Article 4 of Chapter 1.

(f) An amendment, including a cancellation, of a statement of authority shall meet the requirements for execution and recording, and be accompanied by payment of the same recording fee payable to and for the judge of probate, of an original statement. Unless canceled earlier, a recorded statement of authority as amended is canceled by operation of law five years after the date of the most recent amended statement of authority.

(g) If the record title to real property is in the name of a decentralized unincorporated nonprofit association and



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the statement of authority is recorded in the office of the judge of probate of the county in which the real property is located, the authority of the person named in a statement of authority is conclusive in favor of a person who gives value without notice that the person lacks authority.

§10A-17-2.07

(a) A decentralized unincorporated nonprofit association is a legal entity separate from its members for the purposes of determining and enforcing rights, duties, and liabilities in contract and tort.

(b) A person is not liable for a breach of a decentralized unincorporated nonprofit association's contract merely because the person is a member, administrator, authorized to participate in the management of the affairs of the nonprofit association, or considered a member by the nonprofit association.

(c) A person is not liable for a tortious act or omission for which a decentralized unincorporated nonprofit association is liable merely because the person is a member or administrator of the nonprofit association, authorized to participate in the management of the affairs of the nonprofit association, or considered a member by the nonprofit association.

(d) A tortious act or omission of a member, administrator, or other person for which a decentralized unincorporated nonprofit association is liable is not imputed to a person merely because the person is a member or administrator of the nonprofit association, authorized to



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participate in the management of the affairs of the nonprofit association, or considered a member by the nonprofit association.

(e) A member, administrator, person authorized to participate in the management of the affairs of the nonprofit association, or person considered a member by the nonprofit association may assert a claim against the decentralized unincorporated nonprofit association. A decentralized unincorporated nonprofit association may assert a claim against a member, administrator, person authorized to participate in the management of the affairs of the nonprofit association, or person considered a member by the nonprofit association.

§10A-17-2.08

(a) A decentralized unincorporated nonprofit association, in its own name, may institute, defend, intervene, or participate in a judicial, administrative, or other governmental proceeding or in an arbitration, mediation, or any other form of alternative dispute resolution.

(b) A decentralized unincorporated nonprofit association may assert a claim on behalf of its members if all of the following apply:

(1) One or more members of the nonprofit association have standing to assert a claim in their own right.

(2) The interests the nonprofit association seeks to protect are germane to the nonprofit association's purposes.

(3) Neither the claim asserted, nor the relief requested, requires the participation of a member.



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281 §10A-17-2.09

282 A judgment or order against a decentralized  
283 unincorporated nonprofit association is not by itself a  
284 judgment or order against a member or administrator of the  
285 nonprofit association.

286 §10A-17-2.10

287 (a) A decentralized unincorporated nonprofit  
288 association may deliver to the Secretary of State for filing a  
289 statement appointing an agent authorized to receive service of  
290 process.

291 (b) A statement appointing an agent shall set forth:

292 (1) The name of the nonprofit association;

293 (2) The address in Alabama, including the street  
294 address, if any, of the decentralized unincorporated nonprofit  
295 association, or, if the decentralized unincorporated nonprofit  
296 association does not have an address in Alabama, its address  
297 out of state; and

298 (3) The name of the person in Alabama authorized to  
299 receive service of process and the person's address, including  
300 the street address, in Alabama.

301 (c) A statement appointing an agent shall be signed and  
302 acknowledged by a person authorized to manage the affairs of  
303 the decentralized unincorporated nonprofit association. The  
304 statement shall also be signed and acknowledged by the person  
305 appointed agent, who thereby accepts appointment.

306 (d) The appointed agent may resign by delivering to the  
307 Secretary of State for filing a resignation, and by giving  
308 notice to the decentralized unincorporated nonprofit



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association. The appointment of the agent shall terminate upon the expiration of 30 days after the Secretary of State has filed the resignation.

(e) The Secretary of State may collect a fee for filing a statement appointing an agent to receive service of process, an amendment, or a resignation in the amount charged for filing similar documents for nonprofit corporations.

(f) An amendment to a statement appointing an agent to receive service of process shall meet the requirements for execution of an original statement.

### §10A-17-2.11

In an action or proceeding against a decentralized unincorporated nonprofit association, a summons and complaint shall be served on the agent authorized by appointment in Section 10A-17-2.10 to receive service of process, on a person authorized to administer the affairs of the nonprofit association, or in any manner otherwise provided in the Alabama Rules of Civil Procedure. If, after reasonable efforts to accomplish service through the methods provided in this section, service cannot be accomplished, then service may be made on a member of the nonprofit association.

### §10A-17-2.12

A claim for relief against a decentralized unincorporated nonprofit association shall not abate merely because of a change in its members or persons authorized to administer the affairs of the nonprofit association.

### §10A-17-2.13

Venue shall be:



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337 (1) As provided in Section 6-3-6; or

338 (2) The county in which the agent authorized to receive  
339 service of process under Section 10A-17-2.10 resides.

340 §10A-17-2.14

341 (a) A decentralized unincorporated nonprofit  
342 association shall have perpetual existence unless its  
343 governing principles otherwise specify.

344 (b) A decentralized unincorporated nonprofit  
345 association may be dissolved as follows:

346 (1) If the governing principles of the nonprofit  
347 association provide a time or method for dissolution, by that  
348 method.

349 (2) If the governing principles of the nonprofit  
350 association do not provide a method for dissolution, by  
351 approval of its members pursuant to Section 10A-17-2.20.

352 (3) If membership in the decentralized unincorporated  
353 nonprofit association falls below 100 members and the  
354 decentralized unincorporated nonprofit association does not  
355 meet the requirements of Sections 10A-17-2.01 through  
356 10A-17-2.15. In the event membership in the nonprofit  
357 association falls below 100 members and the nonprofit  
358 association meets the requirements of Sections 10A-17-2.01  
359 through 10A-17-2.15, the entity shall automatically transition  
360 to an Alabama unincorporated nonprofit association unless the  
361 governing principles otherwise specify.

362 (4) By court order.

363 (c) After dissolution, a decentralized unincorporated  
364 nonprofit association continues in existence until its



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activities are wound up and terminated pursuant to Section 10A-17-2.26.

§10A-17-2.15

(a)(1) A person may become a member of a decentralized unincorporated nonprofit association in accordance with the governing principles of that decentralized unincorporated nonprofit association.

(2) If there are no applicable governing principles, a person shall be considered a member upon the purchase or assumption of ownership of a membership interest.

(3) A person shall continue as a member absent the person's suspension, dismissal, or expulsion pursuant to subsection (b), resignation pursuant to Section 10A-17-2.16, or the decentralized unincorporated nonprofit association's dissolution and winding-up pursuant to this article.

(b) Subject to the governing principles of the decentralized unincorporated nonprofit association, a member may be suspended, dismissed, or expelled. If there are no applicable governing principles, a member may be suspended, dismissed, or expelled by approval of the membership in accordance with Section 10A-17-2.20.

(c) Unless otherwise provided for in the governing principles, suspension, dismissal, or expulsion of a member does not relieve the member of any obligation incurred, or commitment made by the member, before the suspension, dismissal, or expulsion.

§10A-17-2.16

(a)(1) A member may resign as a member of a



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decentralized unincorporated nonprofit association in accordance with the governing principles of that decentralized unincorporated nonprofit association.

(2) If there are no applicable governing principles, a member shall be deemed to have resigned as a member upon the disposal, whether voluntary or involuntary, of all membership interests or other property or instruments that confer upon the person a voting right within the nonprofit association.

(b) Unless otherwise provided for in the governing principles, resignation of a member does not relieve the member of any obligation incurred or commitment made by the member before the resignation.

### §10A-17-2.17

(a) Unless otherwise provided for in the governing principles, a member shall not have any fiduciary duty to a decentralized unincorporated nonprofit association or to any other member of the decentralized unincorporated nonprofit association merely by reason of being a member.

(b) A member acting on behalf of the decentralized unincorporated nonprofit association shall discharge his or her duties in a manner the member reasonably believes to be in the best interest of the nonprofit association.

### §10A-17-2.18

(a) A member is not an agent of a decentralized unincorporated nonprofit association merely by being a member.

(b) A person's status as a member does not prevent or restrict laws other than this article from imposing liability on a decentralized unincorporated nonprofit association





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because of a member's conduct.

§10A-17-2.19

Except as otherwise provided in the decentralized unincorporated nonprofit association's governing principles, a member's interest or any right granted pursuant to the governing principles is freely transferable to another person through conveyance of the membership interest.

§10A-17-2.20

(a) Except as otherwise provided in the governing principles, a decentralized unincorporated nonprofit association shall have the approval of a majority of the membership interests participating in a vote to do any of the following:

(1) Suspend, dismiss, or expel a member.

(2) Select or dismiss an administrator.

(3) Adopt, amend, or repeal the governing principles.

(4) Sell, lease, exchange, or otherwise dispose of the property of the decentralized unincorporated nonprofit association.

(5) Dissolve the decentralized unincorporated nonprofit association under Section 10A-17-2.14.

(6) Undertake any other act outside of the ordinary course of the decentralized unincorporated nonprofit association's activities.

(7) Determine the policy and purpose of the decentralized unincorporated nonprofit association.

(b) In order to perform any act or exercise any right that the governing principles require to be approved by the



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membership, a decentralized unincorporated nonprofit association must have the approval of the membership to act in accordance with its governing principles.

(c) Unless otherwise provided for in the governing principles, membership interest in a decentralized unincorporated nonprofit association shall be calculated in proportion to a member's voting rights within the nonprofit association.

§10A-17-2.21

(a) A decentralized unincorporated nonprofit association may provide for its governance, in whole or in part, through distributed ledger technology including, but not limited to, smart contracts.

(b) The governing principles for a decentralized unincorporated nonprofit association may include, but not be limited to, the following provisions:

(1) Specify whether any distributed ledger technology used or enabled by the decentralized unincorporated nonprofit association will be fully immutable or subject to change by the decentralized unincorporated nonprofit association and whether any distributed ledger will be fully or partially public or private, including the extent of a member's access to information.

(2) Adopt voting procedures, which may include smart contracts deployed to distributed ledger technology and which may provide for all of the following:

a. Proposals from members or administrators in the decentralized unincorporated nonprofit association for



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upgrades, modifications, or additions to software systems or protocols.

b. Other proposed changes to the decentralized unincorporated nonprofit association's governing principles.

c. Any other matters of governance or activities within the purpose of the decentralized unincorporated nonprofit association.

### §10A-17-2.22

In accordance with its governing principles, a decentralized unincorporated nonprofit association may do both of the following:

(1) Adopt any reasonable algorithmic means for establishing consensus for the validation of records, as well as for establishing requirements, processes, and procedures for conducting operations or making organizational decisions with respect to the distributed ledger technology used by the nonprofit association.

(2) In accordance with any procedure specified pursuant to Section 10A-17-2.21, modify the consensus mechanism, as well as the requirements, processes, and procedures or substitute a new consensus mechanism, requirements, processes, or procedures that comply with this state's law and the governing principles of the nonprofit association.

### §10A-17-2.23

(a) Unless otherwise provided for in the decentralized unincorporated nonprofit association's governing principles, the members of the nonprofit association may select the nonprofit association's administrators in accordance with



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505 Section 10A-17-2.20.

506 (b) If no administrators are selected, none of the  
507 members may be considered administrators for the decentralized  
508 unincorporated nonprofit association.

509 (c) No decentralized unincorporated nonprofit  
510 association shall be required to have an administrator, and  
511 the rights and duties of all administrators shall be  
512 established as part of the authorization of authority to act  
513 as an administrator.

514 (d) If in a record, the governing principles of a  
515 decentralized unincorporated nonprofit association may limit  
516 or eliminate the liability of an administrator to the  
517 decentralized unincorporated nonprofit association or its  
518 members for money damages for any action taken, or failure to  
519 take any action, as an administrator except liability for any  
520 of the following:

521 (1) The amount of financial benefit improperly received  
522 by an administrator.

523 (2) An intentional infliction of harm on the nonprofit  
524 association or its members.

525 (3) An intentional violation of criminal law.

526 (4) Breach of the duty of loyalty should one exist,  
527 unless, following full disclosure of all material facts to the  
528 nonprofit association members, the specific act or transaction  
529 that would otherwise breach the duty of loyalty is authorized  
530 or ratified by approval of the disinterested members pursuant  
531 to Section 10A-17-2.20.

532 (5) Improper distributions.



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533 §10A-17-2.24

534 (a) Except as provided by subsection (b), on reasonable  
535 notice, a member or administrator of a decentralized  
536 unincorporated nonprofit association is entitled to an  
537 electronic record of any record maintained by the nonprofit  
538 association regarding the nonprofit association's activities,  
539 financial condition, and other circumstances, to the extent  
540 the information is material to the member's or administrator's  
541 rights and duties under the decentralized unincorporated  
542 nonprofit association's governing principles or this article.

543 (b) A decentralized unincorporated nonprofit  
544 association is not obligated to provide records requested from  
545 a member or administrator if access to the information is  
546 contained in a record available to the member or administrator  
547 in a medium available to the member, including distributed  
548 ledger technology.

549 (c) (1) A decentralized unincorporated nonprofit  
550 association may impose reasonable restrictions on access to  
551 and use of information that may be provided under this  
552 section, including by designating the information confidential  
553 and imposing nondisclosure or other safeguarding obligations  
554 on the recipient of the information.

555 (2) In a dispute concerning the reasonableness of a  
556 restriction under this subsection, the decentralized  
557 unincorporated nonprofit association shall have the burden of  
558 proving reasonableness.

559 (d) A former member or administrator may have access to  
560 information to which the former member or administrator was



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entitled to as a member or administrator if all of the following apply:

(1) The information relates to the period of time during which the former member or administrator was a member or administrator.

(2) The former member or administrator seeks the information in good faith.

(3) The former member or administrator satisfies the requirements of subsections (a) through (c) with respect to the information.

(e) A decentralized unincorporated nonprofit association shall not be obligated to collect and maintain a list of members or information on an individual member, including the names or addresses of members.

### §10A-17-2.25

(a) Unless otherwise provided in its governing principles, a decentralized unincorporated nonprofit association may reimburse a member or administrator for authorized expenses reasonably incurred on behalf of the nonprofit association.

(b) A decentralized unincorporated nonprofit association may indemnify a member or administrator for any debt, obligation, or other liability incurred in the course of the member or administrator's activities on behalf of the nonprofit association. To be eligible for indemnification, an administrator must have complied with the duties stated in Section 10A-17-2.23. If in a record, a nonprofit association's governing principles may broaden or limit this right of



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589 indemnification.

590           (c) If a person is made or threatened to be made a  
591 party in a proceeding based on that person's conduct in the  
592 affairs of a decentralized unincorporated nonprofit  
593 association, that person is entitled, upon written request to  
594 the decentralized unincorporated nonprofit association,  
595 including through distributed ledger technology, to receive  
596 payment of or reimbursement by the nonprofit association, of  
597 reasonable expenses, including attorney fees and  
598 disbursements, incurred by that person in advance of the final  
599 disposition of the proceeding. To be entitled to these  
600 payments or advances, the person making the request shall make  
601 a written affirmation that the person has a good faith belief  
602 that the criteria for indemnification in subsection (b) has  
603 been satisfied and that the person will repay the amounts paid  
604 or reimbursed if it is determined that the criteria for  
605 reimbursement has not been satisfied. No payment or  
606 reimbursement under this subsection shall be made without  
607 prior approval, in a record, of the disinterested members  
608 under Section 10A-17-2.20.

609           (d) A decentralized unincorporated nonprofit  
610 association may purchase and maintain insurance on behalf of a  
611 member or administrator for liability asserted against or  
612 incurred by the member or administrator in that capacity, even  
613 if the decentralized unincorporated nonprofit association  
614 would not have the power to indemnify or advance expenses to  
615 the member or administrator against the same liability under  
616 this section.



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(e) These rights of reimbursement, indemnification, and advancement of expense apply to former members or administrators for activities undertaken on behalf of the decentralized unincorporated nonprofit association while they were members or administrators.

### §10A-17-2.26

(a) A dissolved decentralized unincorporated nonprofit association shall wind up its operations and may continue after dissolution only for the purpose of winding up.

(b) In winding up a decentralized unincorporated nonprofit association, the members shall discharge the decentralized unincorporated nonprofit association's debts, obligations, and other liabilities, settle and close the decentralized unincorporated nonprofit association's business, and distribute any remaining property as follows:

(1) To another entity or person with similar nonprofit purposes, if required by law other than this article.

(2) In accordance with the decentralized unincorporated nonprofit association's governing principles. In the absence of applicable governing principles, to the current members of the decentralized unincorporated nonprofit association in proportion to their membership interests.

(3) If neither subdivision (1) or (2) applies, in accordance with the law of unclaimed property contained in Article 2A, Chapter 12 of Title 35, Code of Alabama 1975.

(c) In winding up a decentralized unincorporated nonprofit association, the members may do all of the following:





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(1) Authorize an administrator to wind up the decentralized unincorporated nonprofit association in accordance with Section 10A-17-2.14. Any authorized administrator shall owe the nonprofit association a duty of care in the conduct or winding up of the decentralized unincorporated nonprofit association to refrain from grossly negligent or reckless conduct, willful or intentional misconduct, or a knowing violation of the law.

(2) Preserve the decentralized unincorporated nonprofit association's operations and property as a going concern for a reasonable time.

(3) Prosecute and defend actions and proceedings, whether civil, criminal, or administrative.

(4) Transfer the decentralized unincorporated nonprofit association's property.

(5) Settle disputes by mediation or arbitration.

(6) Perform other acts necessary or appropriate to the winding up.

(d) If the members of a decentralized unincorporated nonprofit association do not appoint an administrator or administrators to wind up the decentralized unincorporated nonprofit association, the members shall owe the decentralized unincorporated nonprofit association a duty of care in the conduct or winding up of the decentralized unincorporated nonprofit association's operations to refrain from engaging in grossly negligent or reckless conduct, willful or intentional misconduct, or a knowing violation of the law.

§10A-17-2.27



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673           A decentralized unincorporated nonprofit association  
674   may effect a merger or conversion by complying with the  
675   applicable provisions of Chapter 1 and its governing  
676   principles.

677           §10A-17-2.28

678           Principles of law and equity supplement this chapter  
679   unless displaced by a specific provision of this chapter.

680           Section 3. This act shall become effective on October  
681   1, 2026.