

**Texas Uniform Unincorporated Nonprofit Association Act**  
**Article 1396—70.01**

**Short Title**

Sec. 1. This Act may be cited as the Texas Uniform Unincorporated Nonprofit Association Act.

**Definitions**

Sec. 2. In this Act:

(1) "Member" means a person who, under the rules or practices of a nonprofit association, may participate in the selection of persons authorized to manage the affairs of the nonprofit association or in the development of policy of the nonprofit association.

(2) "Nonprofit association" means an unincorporated organization, other than one created by a trust, consisting of three or more members joined by mutual consent for a common, nonprofit purpose. However, joint tenancy, tenancy in common, or tenancy by the entireties does not by itself establish a nonprofit association, even if the co-owners share use of the property for a nonprofit purpose.

(3) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(4) "State" means 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.

**Supplementary General Principles of Law and Equity**

Sec. 3. Principles of law and equity supplement this Act unless displaced by a particular provision of it.

**Territorial Application**

Sec. 4. Real and personal property in this state may be acquired, held, encumbered, and transferred by a nonprofit association, whether or not the nonprofit association or a member has any other relationship to this state.

**Real and Personal Property; Nonprofit Association as Beneficiary**

Sec. 5. (a) A nonprofit association in its name may acquire, hold, encumber, or transfer an estate or interest in real or personal property.

(b) A nonprofit association may be a beneficiary of a trust, contract, or will.

**Statement of Authority as to Real Property**

Sec. 6. (a) A nonprofit association may 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 nonprofit association may be transferred by a person so authorized in a statement of authority recorded in the county clerk's office in the county in which a transfer of the property would be recorded.

(c) A statement of authority must set forth:

(1) the name of the nonprofit association;

(2) the address in this state, including the street address, if any, of the nonprofit association, or, if the nonprofit association does not have an address in this state, its address out of state; and

(3) the name or title of a person authorized to transfer an estate or interest in real property held in the name of the nonprofit association.

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

- (e) The county clerk may collect a fee for recording a statement of authority in the amount authorized for recording a transfer of real property.
- (f) An amendment, including a cancellation, of a statement of authority must meet the requirements for execution and recording of an original statement. Unless canceled earlier, a recorded statement of authority or its most recent amendment is canceled by operation of law on the fifth anniversary of the date of the most recent recording.
- (g) If the record title to real property is in the name of a nonprofit association and the statement of authority is recorded in the county clerk's office of the county in which a transfer of real property would be recorded, 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.

### **Liability in Tort and Contract**

- Sec. 7. (a) A 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 nonprofit association's contract merely because the person is a member, is authorized to participate in the management of the affairs of the nonprofit association, or is a person considered to be a member by the nonprofit association.
- (c) A person is not liable for a tortious act or omission for which a nonprofit association is liable merely because the person is a member, is authorized to participate in the management of the affairs of the nonprofit association, or is a person considered as a member by the nonprofit association.
- (d) A tortious act or omission of a member or other person for which a nonprofit association is liable is not imputed to a person merely because the person is a member of the nonprofit association, is authorized to participate in the management of the affairs of the nonprofit association, or is a person considered as a member by the nonprofit association.
- (e) A member of, or a person considered to be a member by, a nonprofit association may assert a claim against the nonprofit association. A nonprofit association may assert a claim against a member or a person considered to be a member by the nonprofit association.

### **Capacity to Assert and Defend; Standing**

- Sec. 8. (a) A nonprofit association, in its 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 nonprofit association may assert a claim in its name on behalf of its members if one or more members of the nonprofit association have standing to assert a claim in their own right, the interests the nonprofit association seeks to protect are germane to its purposes, and neither the claim asserted nor the relief requested requires the participation of a member.

### **Effect of Judgment or Order**

- Sec. 9. A judgment or order against a nonprofit association is not by itself a judgment or order against a member or a person considered by the nonprofit association to be a member.

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### **Books and Records**

- Sec. 11. (a) A nonprofit association shall keep correct and complete books and records of account for at least three years after the end of each fiscal year and shall make them available to the members of the association for inspection and copying upon request.
- (b) The attorney general may inspect, examine, and make copies of the books, records, and other documents the attorney general deems necessary and investigate the association to determine if a violation of any law of this state has occurred.

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### **Claim Not Abated by Change**

Sec. 13. A claim for relief against a nonprofit association does not abate merely because of a change in its members or persons authorized to manage the affairs of the nonprofit association.

### **Summons and Complaint; Service on Whom**

Sec. 14. In an action or proceeding against a nonprofit association, a summons and complaint must be served on an agent authorized by appointment to receive service of process, an officer, a managing or general agent, or a person authorized to participate in the management of its affairs, in accordance with the Civil Practice and Remedies Code. Within 10 days of a request by the attorney general to an officer or board member of a nonprofit association or to the nonprofit association, the nonprofit association shall provide to the attorney general the names, current addresses, and telephone numbers of:

- (1) agents authorized to receive service of process on behalf of the nonprofit association; and
- (2) the officers, managing or general agents, and other persons authorized to participate in the management of the affairs of the nonprofit association.

### **Uniformity of Application and Construction**

Sec. 15. This Act shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this Act among states enacting it.

### **Transition Concerning Real and Personal Property**

Sec. 16. If, before the effective date of this Act, an estate or interest in real or personal property was by the terms of the transfer purportedly transferred to a nonprofit association, but under the law the estate or interest was vested in a fiduciary such as officers of the nonprofit association to hold the estate or interest for members of the nonprofit association, on or after the effective date of this Act the fiduciary may transfer the estate or interest to the nonprofit association in its name, or the nonprofit association, by appropriate proceedings, may require that the estate or interest be transferred to it in its name.

### **Saving Clause**

Sec. 17. This Act does not affect an action or proceeding commenced or a right accrued before this Act takes effect.

### **Effect on Other Law**

Sec. 18. This Act replaces existing law with respect to matters covered by this Act but does not affect other law covering unincorporated nonprofit associations.

### **Applicability; Expiration**

Sec. 19. (a) Except as provided by Title 8, Business Organizations Code, this Act does not apply to a nonprofit association to which the Business Organizations Code applies.

(b) This Act expires January 1, 2010.

*Acts 1995, 74th Leg., ch. 919, eff. Sept. 1, 1995.*

*Sec. 19 added by Acts 2003, 78th Leg., ch. 182, Sec. 6, eff. Jan. 1, 2006.*