

HOUSE BILL 1305

D3

4lr1140

By: **Delegate Rosenberg**

Introduced and read first time: February 7, 2014

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Unincorporated Nonprofit Associations – Members and Officers – Personal**
3 **Liability**

4 FOR the purpose of prohibiting a certain member of an unincorporated nonprofit
5 association from being sued for certain debts, obligations, or other liabilities of
6 the unincorporated nonprofit association; prohibiting an officer or director of an
7 unincorporated nonprofit association from being sued for certain debts,
8 obligations, or other liabilities of the unincorporated nonprofit association under
9 certain circumstances; and generally relating to unincorporated nonprofit
10 associations.

11 BY repealing and reenacting, with amendments,
12 Article – Courts and Judicial Proceedings
13 Section 6–406
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2013 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – Courts and Judicial Proceedings**

19 6–406.

20 (a) **(1)** An unincorporated association, joint stock company, or other group
21 which has a recognized group name may sue or be sued in the group name on any
22 cause of action affecting the common property, rights, and liabilities of the group.

23 **[(b)] (2)** An action under this [section] **SUBSECTION:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **[(1)] (I)** Has the same force and effect with respect to the common
2 property, rights, and liabilities of the group as if all members of the group were joined;
3 and

4 **[(2)] (II)** Does not abate because of any change of membership in the
5 group or its dissolution.

6 **(B) (1) A MEMBER WHO IS NOT AN OFFICER OR A DIRECTOR OF AN**
7 **UNINCORPORATED NONPROFIT ASSOCIATION MAY NOT BE SUED FOR ANY DEBT,**
8 **OBLIGATION, OR OTHER LIABILITY OF THE UNINCORPORATED NONPROFIT**
9 **ASSOCIATION, WHETHER ARISING IN CONTRACT, IN TORT, OR OTHERWISE.**

10 **(2) AN OFFICER OR A DIRECTOR OF AN UNINCORPORATED**
11 **NONPROFIT ASSOCIATION MAY NOT BE SUED FOR ANY DEBT, OBLIGATION, OR**
12 **OTHER LIABILITY OF THE UNINCORPORATED NONPROFIT ASSOCIATION,**
13 **WHETHER ARISING IN CONTRACT, IN TORT, OR OTHERWISE, IF THE OFFICER OR**
14 **DIRECTOR PERFORMS THE OFFICER OR DIRECTOR'S DUTIES IN ACCORDANCE**
15 **WITH THE STANDARD PROVIDED UNDER § 2-405.1 OF THE CORPORATIONS AND**
16 **ASSOCIATIONS ARTICLE.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2014.