

As Introduced

**134th General Assembly
Regular Session
2021-2022**

H. B. No. 556

Representative Swearingen

A BILL

To amend sections 1702.27, 1702.30, 1702.33, 1
1702.38, 1702.521, 1702.53, 1702.55, and 1745.05 2
and to enact sections 1702.341 and 1702.531 of 3
the Revised Code to amend the Nonprofit 4
Corporation Law. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1702.27, 1702.30, 1702.33, 6
1702.38, 1702.521, 1702.53, 1702.55, and 1745.05 be amended and 7
sections 1702.341 and 1702.531 of the Revised Code be enacted to 8
read as follows: 9

Sec. 1702.27. (A) Except as provided in division (B) of 10
this section and section 1702.521 of the Revised Code: 11

(1) The number of directors as fixed by the articles or 12
the regulations shall be not less than three or, if not so 13
fixed, the number shall be three, except that if there are only 14
one or two members of the corporation, the number of directors 15
may be less than three but not less than the number of members. 16

(2) (a) Subject to division (A) (2) (c) of this section, 17
unless the articles or the regulations fix the number of 18
directors or provide the manner in which that number may be 19

fixed or changed by the voting members, the number may be fixed 20
or changed at a meeting of the voting members called for the 21
purpose of electing directors, if a quorum is present, by the 22
affirmative vote of a majority of the voting members present in 23
person, by the use of authorized communications equipment, by 24
mail, or, if permitted, by proxy. 25

(b) For purposes of division (A) (2) (a) of this section, 26
participation by a voting member in a meeting through the use of 27
any of the means of communication described in that division 28
constitutes presence in person of that voting member at the 29
meeting for purposes of determining a quorum. 30

(c) No reduction in the number of directors shall of 31
itself have the effect of shortening the term of any incumbent 32
director. 33

(3) ~~The~~ Each director shall be a natural person of at 34
least eighteen years of age and shall have the qualifications, 35
if any, that are stated in the articles or the regulations. 36

(4) The articles or the regulations may provide that 37
persons occupying certain positions within or without the 38
corporation shall be ex officio directors, but, unless otherwise 39
provided in the articles or the regulations, such ex officio 40
directors shall not be considered for quorum purposes and shall 41
have no vote. 42

(B) The court of common pleas of the county in which the 43
corporation maintains its principal office may, pursuant to 44
division (A) of section 1702.521 of the Revised Code, order the 45
appointment of a provisional director for the corporation 46
without regard to the number or qualifications of directors 47
stated in the articles or regulations of the corporation. 48

Sec. 1702.30. (A) Except where the law, the articles, or 49
the regulations require that action be otherwise authorized or 50
taken, all of the authority of a corporation shall be exercised 51
by or under the direction of its directors. For their own 52
government, the directors may adopt bylaws that are not 53
inconsistent with the articles or the regulations. 54

(B) A director shall perform the director's duties ~~of as a~~ 55
director, including the duties as a member of any committee of 56
the directors upon which the director may serve, in good faith, 57
in a manner the director reasonably believes to be in or not 58
opposed to the best interests of the corporation, and with the 59
care that an ordinarily prudent person in a like position would 60
use under similar circumstances. A director serving on a 61
committee of directors is acting as a director. 62

(C) In performing ~~the duties of a director~~ director's 63
duties, a director is entitled to rely on information, opinions, 64
reports, or statements, including financial statements and other 65
financial data, that are prepared or presented by any of the 66
following: 67

(1) One or more directors, officers, or employees of the 68
corporation who the director reasonably believes are reliable 69
and competent in the matters prepared or presented; 70

(2) Counsel, public accountants, or other persons as to 71
matters that the director reasonably believes are within the 72
person's professional or expert competence; 73

(3) A committee of the directors upon which the director 74
does not serve, duly established in accordance with a provision 75
of the articles or the regulations, as to matters within its 76
designated authority, which committee the director reasonably 77

believes to merit confidence. 78

(D) For purposes of division (B) of this section, the 79
following apply: 80

(1) A director shall not be found to have ~~failed to~~ 81
~~perform~~ violated the director's duties ~~in accordance with that~~ 82
under division (B) of this section, unless it is proved, by 83
clear and convincing evidence, ~~in an action brought against the~~ 84
~~director~~ that the director has not acted in good faith, in a 85
manner the director reasonably believes to be in or not opposed 86
to the best interests of the corporation, or with the care that 87
an ordinarily prudent person in a like position would use under 88
similar circumstances. ~~Such an action includes, but is not~~ 89
~~limited to, an action that involves or affects~~ in any action 90
brought against a director, including actions involving or 91
affecting any of the following: 92

(a) A change or potential change in control of the 93
corporation; 94

(b) A termination or potential termination of the 95
director's service to the corporation as a director; 96

(c) The director's service in any other position or 97
relationship with the corporation. 98

(2) A director shall not be considered to be acting in 99
good faith if the director has knowledge concerning the matter 100
in question that would cause reliance on information, opinions, 101
reports, or statements that are prepared or presented by the 102
persons described in divisions (C) (1) to (3) of this section, to 103
be unwarranted. 104

(3) ~~The provisions of~~ Nothing in this division do not 105
~~limit~~ limits relief available under section 1702.301 of the 106

Revised Code. 107

~~(E) (1) Subject to divisions (E) (2) and (3) of this~~ 108
~~section, a~~ (E) A director is shall be liable in damages for any 109
~~act~~ action that the director takes or fails to take as a 110
director only if it is proved, by clear and convincing evidence, 111
in a court ~~with~~ of competent jurisdiction that the director's 112
action or failure to act involved an act or omission of the 113
~~director was one~~ undertaken with a deliberate intent to cause 114
injury to the corporation or ~~was one~~ undertaken with a reckless 115
disregard for the best interests of the corporation. 116

~~(2) Division (E) (1) of this section does not affect~~ 117
Nothing in this division affects the liability of a ~~director~~ 118
directors under section 1702.55 of the Revised Code. 119

~~(3) Subject to~~ This division ~~(E) (2) of this section,~~ 120
~~division (E) (1) of this section~~ does not apply if, and only to 121
the extent that, at the time of ~~an a~~ director's act or omission 122
~~of a director~~ that is the subject of complaint, the articles or 123
the regulations of the corporation state, by specific reference 124
to ~~that~~ this division, that ~~its~~ the provisions of this division 125
do not apply to the corporation. 126

(F) For purposes of this section, a director, in 127
determining what ~~a the~~ director reasonably believes to be in ~~or~~ 128
~~not opposed to~~ the best interests of the corporation, ~~a director~~ 129
shall consider the purposes of the corporation and, in the 130
director's discretion, may consider any of the following: 131

(1) The interests of the corporation's employees, 132
suppliers, creditors, and customers ~~of the corporation;~~ 133

(2) The economy of this state and ~~of the~~ nation; 134

(3) Community and societal considerations; 135

(4) The long-term ~~and as well as~~ short-term ~~best~~ interests 136
of the corporation, including, ~~but not limited to,~~ the 137
possibility that ~~these~~ these interests may be best served by the 138
continued independence of the corporation. 139

(G) ~~Divisions~~ A director is not a trustee with respect to 140
the corporation or with respect to any property held or 141
administered by the corporation, including property that may be 142
subject to restrictions imposed by the donor or transferor of 143
the property. 144

(H) Nothing in division (D) and, (E), or (G) of this 145
section ~~do not affect~~ affects the duties of a director who acts 146
in any capacity other than in the capacity as a director. 147

Sec. 1702.33. (A) The regulations may provide for the 148
creation by the directors of an executive committee or any other 149
committee of the directors, to consist of one or more directors, 150
and may authorize the delegation to any such committee of any of 151
the authority of the directors, however conferred. 152

(B) The directors may appoint one or more directors as 153
alternate members of any committee described in division (A) of 154
this section, who may take the place of any absent member or 155
members at any meeting of the particular committee. 156

(C) Each committee described in division (A) of this 157
section shall serve at the pleasure of the directors, shall act 158
only in the intervals between meetings of the directors, and 159
shall be subject to the control and direction of the directors. 160

(D) Unless otherwise provided in the regulations or 161
ordered by the directors, any committee described in division 162
(A) of this section may act by a majority of its members at a 163
meeting or by a writing or writings signed by all of its 164

members. 165

(E) Meetings of committees described in division (A) of 166
this section may be held by any means of authorized 167
communications equipment, unless participation by members of the 168
committee at a meeting by means of authorized communications 169
equipment is prohibited by the articles, the regulations, or an 170
order of the directors. Participation in a meeting pursuant to 171
this division constitutes presence at the meeting. 172

(F) An act or authorization of an act by any committee 173
described in division (A) of this section within the authority 174
delegated to it shall be as effective for all purposes as the 175
act or authorization of the directors. 176

(G) Unless otherwise provided in the articles, the 177
regulations, or the resolution of the directors creating a 178
committee described in division (A) of this section, a committee 179
described in division (A) of this section may do both of the 180
following: 181

(1) Create one or more subcommittees, each of which 182
consists of one or more members of the committee; 183

(2) Delegate to a subcommittee any or all of the powers 184
and authority of the committee. 185

Sec. 1702.341. (A) Unless the articles, the regulations, 186
or a written agreement with an officer establishes additional 187
fiduciary duties, the only fiduciary duties of an officer are 188
the duties to the corporation set forth in division (B) of this 189
section. 190

(B) An officer shall perform the officer's duties to the 191
corporation in good faith, in a manner the officer reasonably 192
believes to be in or not opposed to the best interests of the 193

corporation, and with the care that an ordinarily prudent person 194
in a like position would use under similar circumstances. In 195
performing an officer's duties, an officer is entitled to rely 196
on information, opinions, reports, or statements, including 197
financial statements and other financial data, that are prepared 198
or presented by any of the following: 199

(1) One or more directors, officers, or employees of the 200
corporation who the officer reasonably believes are reliable and 201
competent in the matters prepared or presented; 202

(2) Counsel, public accountants, or other persons as to 203
matters that the officer reasonably believes are within the 204
person's professional or expert competence. 205

(C) For purposes of this section, both of the following 206
apply: 207

(1) In any action brought against an officer, the officer 208
shall not be found to have violated the officer's duties under 209
division (B) of this section unless it is proved by clear and 210
convincing evidence that the officer has not acted in good 211
faith, in a manner the officer reasonably believes to be in or 212
not opposed to the best interests of the corporation, or with 213
the care that an ordinarily prudent person in a like position 214
would use under similar circumstances. 215

(2) An officer shall not be considered to be acting in 216
good faith if the officer has knowledge concerning the matter in 217
question that would cause reliance on information, opinions, 218
reports, or statements that are prepared or presented by any of 219
the persons described in division (B)(1) or (2) of this section 220
to be unwarranted. 221

(D) An officer shall be liable in damages for a violation 222

of the officer's duties under division (B) of this section only 223
if it is proved by clear and convincing evidence in a court of 224
competent jurisdiction that the officer's action or failure to 225
act involved an act or omission undertaken with deliberate 226
intent to cause injury to the corporation or undertaken with 227
reckless disregard for the best interests of the corporation. 228
This division does not apply if, and only to the extent that, at 229
the time of an officer's act or omission that is the subject of 230
the complaint, either of the following is true: 231

(1) The articles or the regulations of the corporation 232
state by specific reference to division (D) of this section that 233
the provisions of division (D) of this section do not apply to 234
the corporation. 235

(2) A written agreement between the officer and the 236
corporation states by specific reference to division (D) of this 237
section that the provisions of division (D) of this section do 238
not apply to the officer. 239

(E) An officer is not a trustee with respect to the 240
corporation or with respect to any property held or administered 241
by the corporation, including property that may be subject to 242
restrictions imposed by the donor or transferor of the property. 243

(F) Nothing in this section affects the duties of an 244
officer who acts in any capacity other than the officer's 245
capacity as an officer. Nothing in this section affects any 246
contractual obligations of an officer to the corporation. 247

Sec. 1702.38. (A) The articles may be amended from time to 248
time in any respect if the articles as amended set forth all the 249
provisions that are required in, and only those provisions that 250
may properly be in, original articles filed at the time of 251

adopting the amendment, other than with respect to the initial 252
directors, except that a public benefit corporation shall not 253
amend its articles in such manner that it will cease to be a 254
public benefit corporation. 255

(B) Without limiting the generality of the authority 256
described in division (A) of this section, the articles may be 257
amended to: 258

(1) Change the name of the corporation; 259

(2) Change the place in this state where its principal 260
office is to be located; 261

(3) Change, enlarge, or diminish its purpose or purposes; 262

(4) Change any provision of the articles or add any 263
provision that may properly be included in the articles. 264

(C) (1) If initial directors are not named in the articles, 265
at any time prior to a meeting of voting members and before the 266
incorporators have elected directors, the incorporators or a 267
majority of them, at a meeting, may adopt an amendment. 268

(2) The voting members present in person, by use of 269
authorized communications equipment, by mail, or, if permitted, 270
by proxy at a meeting held for that purpose, may adopt an 271
amendment by the affirmative vote of a majority of the voting 272
members present if a quorum is present or, if the articles or 273
the regulations provide or permit, by the affirmative vote of a 274
greater or lesser proportion or number of the voting members, 275
and by the affirmative vote of the voting members of any 276
particular class that is required by the articles or the 277
regulations. 278

~~(2)~~ (3) For purposes of division (C) (1) or (2) of this 279

section, participation by a voting member at a meeting through 280
the use of any of the means of communication described in that 281
division constitutes presence in person of that voting member at 282
the meeting for purposes of determining a quorum. 283

(D) In addition to or in lieu of adopting an amendment to 284
the articles, the voting members may adopt amended articles by 285
the same action or vote as that required to adopt the amendment. 286

(E) The directors may adopt amended articles to 287
consolidate the original articles and all previously adopted 288
amendments to the articles that are in force at the time, or the 289
voting members at a meeting held for that purpose may adopt the 290
amended articles by the same vote as that required to adopt an 291
amendment. 292

(F) Amended articles shall set forth all the provisions 293
that are required in, and only the provisions that may properly 294
be in, original articles filed at the time of adopting the 295
amended articles, other than with respect to the initial 296
directors, and shall contain a statement that they supersede the 297
existing articles. 298

(G) Upon the adoption of any amendment or amended 299
articles, a certificate containing a copy of the resolution 300
adopting the amendment or amended articles, a statement of the 301
manner of its adoption, and, in the case of adoption of the 302
resolution by the directors, a statement of the basis for such 303
adoption, shall be filed with the secretary of state, and upon 304
that filing the articles shall be amended accordingly, and the 305
amended articles shall supersede the existing articles. The 306
certificate shall be signed by any authorized officer of the 307
corporation. 308

(H) A copy of an amendment or amended articles changing 309
the name of a corporation or its principal office in this state, 310
certified by the secretary of state, may be filed for record in 311
the office of the county recorder of any county in this state, 312
and for that recording the county recorder shall charge and 313
collect the same fee as provided for in division (A) (1) of 314
section 317.32 of the Revised Code. That copy shall be recorded 315
in the official records of the county recorder. 316

Sec. 1702.521. (A) Upon the complaint of not less than 317
one-fourth of the directors of the corporation or upon the 318
complaint of not less than one-fourth of the voting members of 319
the corporation, the court of common pleas of the county in 320
which the corporation maintains its principal office may order 321
the appointment of a provisional director for that corporation 322
if the articles or regulations of the corporation expressly 323
provide for such an appointment. No appointment shall be made 324
until a hearing is held by the court. Notice of the hearing 325
shall be given to each director and the secretary of the 326
corporation in any manner that the court directs. The 327
complainants shall establish at the hearing that, because of 328
irreconcilable differences among the existing directors or 329
because there are no directors and the voting members are unable 330
to elect any directors, the continued operation of the 331
corporation has been substantially impeded or made impossible. 332

(B) A provisional director shall have the same rights and 333
duties as other directors and shall serve until removed by the 334
appointing court or by the members of the corporation entitled 335
to exercise a majority of the voting power of the corporation in 336
the election of directors or until the provisional director's 337
earlier resignation or death. If the provisional director dies 338
or resigns, the court, pursuant to division (A) of this section, 339

may appoint a replacement provisional director, upon its own 340
motion and without the filing of a complaint for the appointment 341
of a provisional director. If the appointing court finds that 342
the irreconcilable differences no longer exist, it shall order 343
the removal of the provisional director. 344

(C) No person shall be appointed as a provisional director 345
unless the person is generally conversant with corporate 346
affairs, has no legal or equitable interest in the obligations 347
of the corporation of which the person is to be appointed a 348
director, and is not indebted to such corporation. The 349
compensation of a provisional director shall be determined by 350
agreement with the corporation for which the provisional 351
director is serving, subject to the approval of the appointing 352
court, except that the appointing court may fix the provisional 353
director's compensation in the absence of agreement or in the 354
event of disagreement between the provisional director and the 355
corporation. 356

(D) A proceeding concerning the appointment of a 357
provisional director of a corporation is a special proceeding, 358
and final orders issued in the proceeding may be vacated, 359
modified, or reversed on appeal pursuant to the Rules of 360
Appellate Procedure and, to the extent not in conflict with 361
those rules, Chapter 2505. of the Revised Code. 362

Sec. 1702.53. (A) A copy of the articles or amended 363
articles filed in the office of the secretary of state, 364
certified by the secretary of state, shall be conclusive 365
evidence, except as against the state, that the corporation has 366
been incorporated under the laws of this state; and a copy duly 367
certified by the secretary of state of any certificate of 368
amendment or other certificate filed in the secretary of state's 369

office shall be prima-facie evidence of such amendment or of the 370
facts stated in any such certificate, and of the observance and 371
performance of all antecedent conditions necessary to the action 372
which such certificate purports to evidence. 373

(B) A copy of amended articles filed in the office of the 374
secretary of state, certified by the secretary of state, shall 375
be accepted in this state and other jurisdictions in lieu of the 376
original articles, amendments thereto, and prior amended 377
articles. 378

(C) The original or a copy of the record of minutes of the 379
proceedings of the incorporators of a corporation, or of the 380
proceedings or meetings of the members or any class of members, 381
or of the directors, or of any committee thereof, including any 382
written consent, waiver, release, or agreement entered in such 383
record or minutes, or the original or a copy of a statement that 384
no specified proceeding was had or that no specified consent, 385
waiver, release, or agreement exists, shall, when certified to 386
be true by the secretary or an assistant secretary of a 387
corporation, be received in the courts as prima-facie evidence 388
of the facts stated therein. Every meeting referred to in such 389
certified original or copy shall be deemed duly called and held, 390
and all motions and resolutions adopted and proceedings had at 391
such meeting shall be deemed duly adopted and had, and all 392
elections of directors and all elections or appointments of 393
officers chosen at such meeting shall be deemed valid, until the 394
contrary is proved; and whenever a person who is not a member of 395
a corporation has acted in good faith in reliance upon any such 396
certified original or copy, it is conclusive in the person's 397
favor. 398

(D) (1) A certificate issued by the secretary of state 399

confirming that a corporation is in good standing is, for seven 400
days after the date on the certificate, conclusive evidence of 401
both of the following: 402

(a) That the authority of a domestic corporation has not 403
been limited as described in section 1702.49 or 1702.52 of the 404
Revised Code, provided that both of the following apply: 405

(i) The person relying on the certificate had no knowledge 406
that the corporation's articles had been canceled. 407

(ii) The certificate is not presented as evidence against 408
the state. 409

(b) That the license authorizing a foreign corporation to 410
transact business in this state has not expired, been canceled, 411
or been surrendered. 412

(2) For purposes of division (D) of this section, "good 413
standing" means that the authority of the corporation to carry 414
on business is not limited by section 1702.49 of the Revised 415
Code. 416

Sec. 1702.531. (A) Absent an express agreement to the 417
contrary, a person providing goods to or performing services for 418
a domestic or foreign corporation owes no duty to, incurs no 419
liability or obligation to, and is not in privity with the 420
members or creditors of the corporation by reason of providing 421
goods to or performing services for the corporation. 422

(B) Absent an express agreement to the contrary, a person 423
providing goods to or performing services for a member or group 424
of members of a domestic or foreign corporation owes no duty to, 425
incurs no liability or obligation to, and is not in privity with 426
the corporation, any other members of the corporation, or the 427
creditors of the corporation by reason of providing goods to or 428

performing services for the member or group of members. 429

Sec. 1702.55. (A) The members, the directors, and the 430
officers of a corporation shall not be personally liable for any 431
obligation of the corporation. 432

(B) ~~Directors who~~ In addition to any other liabilities 433
imposed by law upon directors of a corporation and except as 434
provided in division (D) of this section, directors shall be 435
jointly and severally liable to the corporation as provided in 436
division (C) of this section if they vote for or assent to any 437
of the following: 438

(1) A distribution of assets to members contrary to law or 439
the articles; 440

(2) A distribution of assets to persons other than 441
creditors during the winding up of the affairs of the 442
corporation, on dissolution or otherwise, without the payment of 443
all known obligations of the corporation, or without making 444
adequate provision therefor; 445

(3) The making of loans, other than in the usual conduct 446
of its affairs or in accordance with provisions therefor in the 447
articles, to an officer, or director, or member of the 448
corporation; ~~shall be jointly and severally liable to the~~ 449
~~corporation as follows: in~~ other than if, at the time of the 450
making of the loan, a majority of the disinterested directors of 451
the corporation voted for the loan and, taking into account the 452
terms and provisions of the loan and other relevant factors, 453
determined that the making of the loan could reasonably be 454
expected to benefit the corporation. 455

(C) (1) In cases under division (B) (1) of this section, up 456
to the amount of such distribution in excess of the amount that 457

could have been distributed without violation of law or the 458
articles, but not in excess of the amount that would inure to 459
the benefit of the creditors of the corporation if it was 460
insolvent at the time of the distribution or there was 461
reasonable ground to believe that by such action it would be 462
rendered insolvent, or to the benefit of the members other than 463
members of the class in respect of which the distribution was 464
made; ~~and in~~ 465

(2) In cases under division (B) (2) of this section, to the 466
extent that such obligations (not otherwise barred by statute) 467
are not paid, or for the payment of which adequate provision has 468
not been made; ~~and in~~ 469

(3) In cases under division (B) (3) of this section, for 470
the amount of the loan with interest thereon at the rate ~~of six~~ 471
~~per cent per annum until such~~ specified in section 1343.03 of 472
the Revised Code until the amount has been paid, ~~except that a.~~ 473

(D) A director shall not be liable under ~~division~~ 474
divisions (B) (1) and (C) (1) or (2) ~~divisions (B) (2) and (C) (2)~~ 475
of this section if in determining the amount available for any 476
such distribution, the director in good faith relied on a 477
financial statement of the corporation prepared by an officer or 478
employee of the corporation in charge of its accounts or 479
certified by a public accountant or firm of public accountants, 480
or in good faith the director considered the assets to be of 481
their book value, or the director followed what the director 482
believed to be sound accounting and business practice. 483

~~(C)~~ (E) A director who is present at a meeting of the 484
directors or a committee thereof at which action on any matter 485
is authorized or taken and who has not voted for or against such 486
action shall be presumed to have voted for the action unless the 487

director's written dissent therefrom is filed either during the 488
meeting or within a reasonable time after the adjournment 489
thereof, with the person acting as secretary of the meeting or 490
with the secretary of the corporation. 491

~~(D)~~ (F) A member who knowingly receives any distribution 492
made contrary to law or the articles shall be liable to the 493
corporation for the amount received by the member that is in 494
excess of the amount that could have been distributed without 495
violation of law or the articles. 496

~~(E)~~ (G) A director against whom a claim is asserted under 497
or pursuant to this section and who is held liable thereon shall 498
be entitled to contribution, on equitable principles, from other 499
directors who also are liable; and in addition, any director 500
against whom a claim is asserted under or pursuant to this 501
section or who is held liable shall have a right of contribution 502
from the members who knowingly received any distribution made 503
contrary to law or the articles, and such members as among 504
themselves shall also be entitled to contribution in proportion 505
to the amounts received by them respectively. 506

~~(F)~~ (H) The fact that a loan is made in violation of this 507
section does not affect the borrower's liability on the loan. 508

(I) No action shall be brought by or on behalf of a 509
corporation upon any cause of action arising under division (B) 510
(1) or (2) of this section at any time after two years from the 511
day on which the violation occurs. 512

~~(G)~~ (J) Nothing contained in this section shall preclude 513
any creditor whose claim is unpaid from exercising such rights 514
as the creditor otherwise would have by law to enforce the 515
creditor's claim against assets of the corporation distributed 516

to members or other persons.	517
Sec. 1745.05. As used in this chapter, unless the context otherwise requires:	518 519
(A) "Authorized communications equipment" means any communications equipment that provides a transmission, including, but not limited to, by telephone, telecopy, or any electronic means, from which it can be determined that the transmission was authorized by, and accurately reflects the intention of, the member or manager involved and, with respect to meetings, allows all persons participating in the meeting to contemporaneously communicate with each other.	520 521 522 523 524 525 526 527
(B) (1) "Entity" means any of the following:	528
(a) An unincorporated nonprofit association existing under the laws of this state or any other state;	529 530
(b) A nonprofit corporation existing under the laws of this state or any other state;	531 532
(c) A for profit corporation existing under the laws of this state or any other state;	533 534
(d) Any of the following organizations existing under the laws of this state, the United States, or any other state:	535 536
(i) An unincorporated business or for profit organization, including a general or limited partnership;	537 538
(ii) A limited liability company;	539
(iii) Any other legal or commercial entity the formation and operation of which is governed by statute.	540 541
(2) "Entity" includes a domestic or foreign entity.	542
(C) "Established practices" means the practices used by an	543

unincorporated nonprofit association without material change 544
during the most recent five years of its existence or, if it has 545
existed for less than five years, during its entire existence. 546

(D) "Governing principles" means all agreements, whether 547
oral, in a record, or implied from its established practices, or 548
any combination of them, that govern the purpose or operation of 549
an unincorporated nonprofit association and the rights and 550
obligations of its members and managers. "Governing principles" 551
includes any amendment or restatement of the agreements 552
constituting the governing principles. 553

(E) "Internal Revenue Code" means the "Internal Revenue 554
Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended. 555

(F) "Manager" means a person, irrespective of the person's 556
designation as director or other designation, that is 557
responsible, alone or in concert with others, for the management 558
of an unincorporated nonprofit association as stated in division 559
(E) of section 1745.32 of the Revised Code. 560

(G) "Member" means a person that, under the governing 561
principles of an unincorporated nonprofit association, is 562
entitled to participate in the selection of persons authorized 563
to manage the affairs of the association or in the adoption of 564
the policies and activities of the association. 565

(H) "Mutual benefit association" means any unincorporated 566
nonprofit association organized under this chapter other than a 567
public benefit association. 568

(I) "Person" means an individual, corporation, business 569
trust, statutory entity trust, estate, trust, partnership, 570
limited liability company, cooperative, association, joint 571
venture, public corporation, government or governmental 572

subdivision, agency, or instrumentality, two or more persons 573
having a joint or common interest, or any other legal or 574
commercial entity. 575

(J) "Public benefit association" means an unincorporated 576
nonprofit association that is exempt from federal income 577
taxation under section 501(c)(3) of the Internal Revenue Code or 578
is organized for a public or charitable purpose and that upon 579
dissolution must distribute its assets to a public benefit 580
association, the United States, a state or any political 581
subdivision of a state, or a person that is recognized as exempt 582
from federal income taxation under section 501(c)(3) of the 583
Internal Revenue Code. 584

(K) "Public benefit entity" means an entity that is 585
recognized as exempt from federal income taxation under section 586
501(c)(3) of the Internal Revenue Code or is organized for a 587
public or charitable purpose and that upon dissolution must 588
distribute its assets to a public benefit entity, the United 589
States, a state or any political subdivision of a state, or a 590
person that is recognized as exempt from federal income taxation 591
under section 501(c)(3) of the Internal Revenue Code. "Public 592
benefit entity" does not include an entity that is organized by 593
one or more municipal corporations to further a public purpose 594
that is not a charitable purpose. 595

(L) "Record" means information that is inscribed on a 596
tangible medium or that is stored in an electronic or other 597
medium and is retrievable in perceivable form. 598

(M) "Unincorporated nonprofit association" means an 599
unincorporated organization, consisting of two or more members 600
joined by mutual consent pursuant to an agreement, written, 601
oral, or inferred from conduct, for one or more common, 602

nonprofit purposes. "Unincorporated nonprofit association" does 603
not include any of the following: 604

(1) A trust; 605

(2) A marriage, domestic partnership, common law 606
relationship, or other domestic living arrangement; 607

(3) An organization that is formed under any other statute 608
that governs the organization and operation of unincorporated 609
associations; 610

(4) A joint tenancy, tenancy in common, or tenancy by the 611
entireties notwithstanding that the co-owners share use of the 612
property for a nonprofit purpose; 613

(5) A religious organization that operates according to 614
the rules, regulations, canons, discipline, or customs 615
established by the organization, including any ministry, 616
apostolate, committee, or group within that organization, unless 617
the governing principles of such organization specifically 618
provide that division (M) (5) of this section does not apply to 619
such organization. 620

(N) (1) Subject to division (N) (2) of this section, 621
"volunteer" means a manager, officer, member, or agent of an 622
unincorporated nonprofit association, or another person acting 623
for the association, who satisfies both of the following: 624

(a) Performs services for or on behalf of, and under the 625
authority or auspices of, that unincorporated nonprofit 626
association; 627

(b) Does not receive compensation, either directly or 628
indirectly, for performing those services. 629

(2) For purposes of division (N) (1) of this section, 630

"compensation" does not include any of the following: 631

(a) Actual and necessary expenses that are incurred by a 632
volunteer in connection with the services performed for an 633
unincorporated nonprofit association and that are reimbursed to 634
the volunteer or otherwise paid; 635

(b) Insurance premiums paid on behalf of a volunteer, and 636
amounts paid or reimbursed, pursuant to divisions (A) and (G) of 637
section 1745.43 of the Revised Code; 638

(c) Modest perquisites. 639

Section 2. That existing sections 1702.27, 1702.30, 640
1702.33, 1702.38, 1702.521, 1702.53, 1702.55, and 1745.05 of the 641
Revised Code are hereby repealed. 642