

273.010 Repealed, 1968.

Catchline at repeal: Not subject to general corporation law, except as to process agent.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Amended 1946 Ky. Acts ch. 141, sec. 15. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 883.

273.020 Repealed, 1968.

Catchline at repeal: Who may organize; articles of incorporation.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 879.

273.030 Repealed, 1968.

Catchline at repeal: When organized; powers.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 880.

273.040 Repealed, 1968.

Catchline at repeal: Directors to adopt rules; not to engage in banking or insurance.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 881.

273.050 Repealed, 1968.

Catchline at repeal: Changing charter or articles of incorporation.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Amended 1950 Ky. Acts ch. 141, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 882.

273.060 Repealed, 1984.

Catchline at repeal: Rights against person injuring property.

History: Repealed 1984 Ky. Acts ch. 111, sec. 199, effective July 13, 1984. --
Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat.
sec. 3952.

273.070 Incorporated college may establish adjunct schools and colleges.

Any incorporated college or university in this state may establish adjunct schools and colleges in any part of the state to be operated in connection with it. In order to establish and operate any adjunct school or college the institution establishing it may solicit and receive subscriptions and donations.

Effective: July 13, 1990

History: Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 611, effective July 13, 1990. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4756.

273.080 Power over adjunct school or college.

All property procured for any adjunct school or college shall be held and applied by the governing body of the institution establishing it for the purpose of establishing and maintaining the adjunct school. The governing body may procure grounds and erect buildings for its use and occupation, appoint and remove its teachers, prescribe a course of study for its students, confer degrees of graduation from it, and exercise the same general supervision and control over it that they may exercise over their own institution.

Effective: July 13, 1990

History: Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 612, effective July 13, 1990. -- Amended 1976 (1st Extra Sess.) Ky. Acts ch. 14, sec. 260, effective January 2, 1978. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4757.

273.090 Repealed, 1968.

Catchline at repeal: Religious society may not hold more than fifty acres of land for more than one year; escheat procedure.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Amended 1962 Ky. Acts ch. 210, sec. 46. -- Amended 1946 Ky. Acts ch. 150, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 319.

273.100 Religious society -- Appointment of trustees.

Any religious society may, before or after the creation of the charity, by a majority vote, appoint one (1) to three (3) trustees in whom legal or equitable title to the society's property shall be vested to the use of the society. These appointments shall be entered upon the record book of the society. It may fill vacancies in the same manner.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 320.

273.110 Trustees may sue or be sued.

A majority of the trustees may sue or be sued in their own names on behalf of the religious society in any action concerning the property of the society.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 321.

273.120 Disposition of property in case of division in religious society.

In case of a division in a religious society, the trustees shall permit each party to use the church and property for divine worship a part of the time, proportioned to the members of each party. The excommunication of one (1) party by the other shall not impair this right unless it is done in good faith, on the grounds of immorality.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 322.

273.130 Disposition of property in case of dissolution of religious society.

If any religious society holding land dissolves, the title shall vest in the trustees of the county seminary in which the land lies for the use of that seminary, and if there is no such seminary, then in the county judge/executive, for the benefit of common schools in the county.

Effective: June 17, 1978

History: Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 613, effective July 13, 1990. -- Amended 1978 Ky. Acts ch. 384, sec. 448, effective June 17, 1978. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 323.

273.140 Sale of property held for charity for reinvestment.

Upon petition in equity stating the necessity of such action, if it will not violate any reservation or limitation in any dedication or grant, the Circuit Court of the county in which real property is held for a religious society or other charity may direct a sale of the property to reinvest the proceeds in the same county and for the same general purposes.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 324.

273.150 Board of incorporated cemetery to make annual report.

On the first of January of each year the board of directors or trustees of every incorporated cemetery or burying ground organized for private profit shall make a complete written report to its stockholders and lot owners of its assets and liabilities as of that date.

History: Amended 1946 Ky. Acts ch. 141, sec. 4. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 202, 208a.

Formerly codified as KRS 271.430, renumbered 1946 Ky. Acts ch. 141, sec. 4.

273.155 Definitions for section -- Effect of donor-imposed restrictions on charitable organizations that accept contribution of property or money -- Right of action -- Declaration of rights -- Remedies.

- (1) As used in this section:
 - (a) "Charitable organization" means an entity organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, educational, or other specified purposes and that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code;
 - (b) "Donor" means an individual who has made a contribution of property or money to either an existing endowment fund, or to establish a new endowment fund, of a charitable organization pursuant to the terms of an endowment agreement that may include donor-imposed restrictions or conditions governing the use of the contribution;
 - (c) "Donor-imposed restriction" means a provision of an endowment agreement that specifies obligations of the charitable organization regarding the management or use of the contribution made by the donor;
 - (d) "Endowment agreement" means a written agreement between a charitable organization and a donor regarding the contribution made by the donor and accepted by the charitable organization which may include donor-imposed restrictions or other conditions governing the use of the contribution;
 - (e) "Endowment fund" means an institutional fund, including any aggregate institutional fund or part thereof, that under the terms of a gift instrument is not wholly expendable by the institution on a current basis;
 - (f) "Gift instrument" means a record, including an institutional solicitation, under which property is granted to, transferred to, or held by an institution as an institutional fund; and
 - (g) "Legal representative" means the administrator or executor of an individual's estate, a surviving spouse if there is a judicial settlement of the accounts of an individual's estate, or any living, named individual designated in an endowment agreement to act in place of a party to an endowment agreement with respect to all matters expressed in the endowment agreement and all actions that the agreement contemplates, including but not limited to interpreting, performing, and enforcing any provisions of the endowment agreement and defending their validity.
- (2) Except as required or authorized by federal or state law, or valid court order, a charitable organization that accepts a contribution of property or money pursuant to an endowment agreement containing a donor-imposed restriction shall not violate the terms of that restriction.
- (3)
 - (a) If a charitable organization violates a donor-imposed restriction, the donor or that individual's legal representative, ninety (90) days after notification to the charitable organization, may bring a civil action which shall be limited to appropriate declaratory and injunctive relief within four (4) years after discovery of a breach of the endowment agreement.
 - (b) The civil action may be filed in the county where a charitable organization

named as a party has its principal office or principal place of carrying out its charitable purpose.

- (c) The civil action seeking relief may be filed regardless of whether the agreement expressly reserves a right to sue or enforce, and it shall not seek a judgment awarding monetary damages to the plaintiff.
- (4) A charitable organization may obtain a judicial declaration of rights as to the terms of an endowment agreement, including any donor-imposed restrictions, and the actions the agreement contemplates, including but not limited to the interpretation, specific performance, and enforcement of the agreement and determination of its validity by bringing a civil action under this section.
- (5) If the court determines that a charitable organization violated a donor-imposed restriction, the court may order one (1) or more remedies consistent with the charitable purposes expressed in the endowment agreement. The court shall not order the return of the contribution to the donor or the donor's legal representative or estate.

Effective: July 15, 2024

History: Created 2024 Ky. Acts ch. 121, sec. 1, effective July 15, 2024.

273.160 Repealed, 1968.

Catchline at repeal: Nonstock, nonprofit corporations authorized; who may incorporate; purposes; exclusions; religious, charitable or educational corporation; application of other statutes; no tax exemption.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 1.

273.161 Definitions for KRS 273.161 to 273.390.

As used in KRS 273.161 to 273.390, unless the context otherwise requires:

- (1) "Corporation" or "domestic corporation" means a nonprofit corporation subject to the provisions of KRS 273.161 to 273.390, except a foreign corporation, and for the purposes of KRS 273.277 to 273.293, the term "corporation" also means domestic nonprofit limited liability companies;
- (2) "Disaster" means any natural, technological, or civil emergency that causes damage of sufficient severity and magnitude to result in a declaration of a state of emergency by a county, the Governor, or the President of the United States;
- (3) "Foreign corporation" means a nonprofit corporation organized under laws other than the laws of this state;
- (4) "Nonprofit corporation" means a corporation no part of the income or profit of which is distributable to its members, directors or officers;
- (5) "Articles of incorporation" means the original or restated articles of incorporation or articles of consolidation and all amendments thereto, including articles of merger;
- (6) "Bylaws" means the code or codes of rules adopted for the regulation or management of the affairs of the corporation irrespective of the name or names by which such rules are designated;
- (7) "Member" means one having membership rights in a corporation in accordance with the provisions of its articles of incorporation or bylaws;
- (8) "Board of directors" means the group of persons vested with the management of the affairs of the corporation irrespective of the name by which group is designated;
- (9) "Insolvent" means inability of a corporation to pay its debts as they become due in the usual course of its affairs;
- (10) "Principal office" means the office, in or out of this state, so designated in the annual report where the principal executive offices of a domestic or foreign corporation are located;
- (11) "Secretary" means the corporate officer to whom the board of directors has delegated responsibility for custody of the minutes of the meetings of the board of directors and the members and for authenticating records of the corporation;
- (12) "Individual" includes the estate of an incompetent or deceased individual;
- (13) "Entity" includes a domestic or foreign corporation; not-for-profit corporation; profit and not-for-profit unincorporated association; business or statutory trust, estate, partnership, limited partnership, limited liability company, trust, and two (2) or more persons having a joint or common economic interest; and state, United States, and foreign government;
- (14) "Person" includes individual and entity.
- (15) "Name of record with the Secretary of State" means any real, fictitious, reserved, registered, or assumed name of an entity;
- (16) "Real name" shall have the meaning set forth in KRS 365.015;
- (17) "Deliver" or "delivery" means any method of delivery used in conventional

commercial practice, including delivery by hand, mail, commercial delivery, and electronic transmission;

- (18) "Effective date of notice" means notice when effective under KRS 273.162(3);
- (19) "Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient;
- (20) "Notice" means notice as described in KRS 273.162;
- (21) "Sign" or "signature" includes any manual, facsimile, or conformed or electronic signature; and
- (22) "Limited liability company" or "LLC" means a domestic nonprofit limited liability company.

Effective: June 27, 2019

History: Amended 2019 Ky. Acts ch. 131, sec. 1, effective June 27, 2019. -- Amended 2015 Ky. Acts ch. 34, sec. 68, effective June 24, 2015. -- Amended 2013 Ky. Acts ch. 113, sec. 1, effective June 25, 2013. -- Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 79, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 79, effective June 26, 2007. -- Amended 1988 Ky. Acts ch. 23, sec. 195, effective January 1, 1989. -- Amended 1986 Ky. Acts ch. 202, sec. 7, effective March 28, 1986. -- Created 1968 Ky. Acts ch. 165, sec. 2.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

Legislative Research Commission Note (6/26/2007). 2007 Ky. Acts ch. 137, sec. 79, subsection (15) cited "Section 164 of this Act." It is apparent from context that the section referred to should have been Section 163 of the Act, KRS 365.015. The Reviser of Statutes has made this change under the authority of KRS 7.136.

273.162 Notice.

- (1) Notice under this chapter shall be in writing unless oral notice is reasonable under the circumstances. Notice by electronic transmission is written notice.
- (2) Notice may be communicated in person, by mail or other method of delivery, or by telephone, voice mail, or other electronic means. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published, or by radio, television, or other form of public broadcast communication.
- (3) Written notice by a corporation to a member, if in a comprehensible form, shall be effective:
 - (a) Upon deposit in the United States mail, if mailed postpaid and correctly addressed to the member's address shown in the corporation's current record of members; or
 - (b) When electronically transmitted to the member in a manner authorized and in accordance with the member's instructions, if any.
- (4) Written notice to a domestic or foreign corporation authorized to transact business in this Commonwealth may be addressed to its registered agent at its registered office or to the corporation or its secretary at its principal office address of record with the Secretary of State.
- (5) Except as provided in subsections (3) and (4) of this section, written notice, if in a comprehensible form, shall be effective at the earliest of the following:
 - (a) When received;
 - (b) Five (5) days after its deposit in the United States mail, if mailed postpaid and correctly addressed; or
 - (c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.
- (6) Oral notice shall be effective when communicated, if communicated in a comprehensible manner.
- (7) If KRS 273.161 to 273.390 prescribe notice requirements for particular circumstances, those requirements shall govern. If articles of incorporation or bylaws prescribe notice requirements not inconsistent with this section or other provisions of KRS 273.161 to 273.390, those requirements shall govern.

Effective: June 24, 2015

History: Created 2015 Ky. Acts ch. 34, sec. 66, effective June 24, 2015.

273.163 Applicability.

- (1) The provisions of KRS 273.161 to 273.390 relating to domestic corporations shall apply to:
 - (a) All corporations organized hereunder; and
 - (b) All nonprofit corporations heretofore organized under any act repealed by 1968 Acts, ch. 165, for a purpose or purposes for which a corporation might be organized under KRS 273.161 to 273.390.
- (2) The provisions of KRS 273.161 to 273.390 relating to foreign corporations shall apply to all foreign nonprofit corporations conducting affairs in this state for a purpose or purposes for which a corporation might be organized under KRS 273.161 to 273.390.

History: Created 1968 Ky. Acts ch. 165, sec. 3.

273.167 Purposes for which nonprofit corporations may be organized under KRS 273.161 to 273.390.

Except as otherwise prohibited by law, corporations may be organized under KRS 273.161 to 273.390 for any lawful purpose or purposes, including without being limited to any one (1) or more of the following purposes: charitable; benevolent; eleemosynary; educational; civic; patriotic; political; governmental; religious; social; recreational; fraternal; literary; cultural; athletic; scientific; agricultural; horticultural; animal husbandry; and professional, commercial, industrial, or trade association.

Effective: July 14, 2018

History: Amended 2018 Ky. Acts ch. 193, sec. 1, effective July 14, 2018. -- Created 1968 Ky. Acts ch. 165, sec. 4.

273.170 Repealed, 1968.

Catchline at repeal: Articles of incorporation.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 2.

273.171 General powers.

Each corporation shall have power:

- (1) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation.
- (2) To sue and be sued, complain and defend, in its corporate name.
- (3) To have a corporate seal and alter it at pleasure, provided, however, that the presence or absence of a corporate seal on or from a writing shall neither add to nor detract from the legality thereof nor affect its validity in any manner or respect.
- (4) To purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated.
- (5) To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.
- (6) To lend money to its employees, other than its officers and directors, and otherwise assist its employees, officers and directors.
- (7) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships or individuals, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district or municipality or of any instrumentality thereof.
- (8) To make contracts and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income.
- (9) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.
- (10) To conduct its affairs, carry on its operations, and have offices and exercise the powers granted by KRS 273.161 to 273.390 in any state, territory, district, or possession of the United States, or in any foreign country.
- (11) To elect or appoint officers and agents of the corporation, who may be directors or members, and define their duties and fix their compensation.
- (12) To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of this state, for the administration and regulation of the affairs of the corporation.
- (13) Unless otherwise provided in the articles of incorporation, to make donations for the public welfare or for charitable, scientific or educational purposes; and in time of war to make donations in aid of war activities.
- (14) To indemnify any director or officer or former director or officer of the corporation, or any person who may have served at its request as a director or officer of another

corporation in which it owns shares of capital stock or of which it is a creditor, against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the corporation; and to make any other indemnification that shall be authorized by the articles of incorporation or bylaws, or resolution adopted after notice to the members entitled to vote.

- (15) To pay pensions and establish pension plans or pension trusts for any or all of its directors, officers and employees.
- (16) To cease its corporate activities and surrender its corporate franchise.
- (17) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is organized.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 179, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 5.

273.172 Powers of Secretary of State.

The Secretary of State shall have the power reasonably necessary to perform the duties required of him by this chapter.

Effective: January 1, 1989

History: Created 1988 Ky. Acts ch. 23, sec. 219, effective January 1, 1989.

273.173 Defense of ultra vires.

No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted:

- (1) In a proceeding by a member or a director against the corporation to enjoin the doing or continuation of unauthorized acts, or the transfer of real or personal property by or to the corporation. If the unauthorized acts or transfer sought to be enjoined are being, or are to be, performed pursuant to any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or the other parties to the contract, as the case may be, compensation for the loss or damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained.
- (2) In a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through members in a representative suit, against the officers or directors of the corporation for exceeding their authority.
- (3) In a proceeding by the Attorney General, as provided in KRS 273.161 to 273.390, to dissolve the corporation, or in a proceeding by the Attorney General to enjoin the corporation from performing unauthorized acts, or in any other proceeding by the Attorney General.

History: Created 1968 Ky. Acts ch. 165, sec. 6.

273.177 Corporate name.

The name of the corporation shall satisfy the requirements of KRS 14A.3-010.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 80, effective July 15, 2010; and repealed, reenacted, and amended ch. 151, sec. 60, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 80, effective June 26, 2007. -- Amended 2006 Ky. Acts ch. 149, sec. 228, effective July 12, 2006. -- Amended 1988 Ky. Acts ch. 23, sec. 196, effective January 1, 1989. -- Amended 1980 Ky. Acts ch. 294, sec. 5, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 27, sec. 2. -- Created 1968 Ky. Acts ch. 165, sec. 7.

Legislative Research Commission Note (1/1/2011). This section was repealed, reenacted, and amended by 2010 Ky. Acts ch. 151, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

273.178 Repealed, 2011.

Catchline at repeal: Reserved name.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 81, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 81, effective June 26, 2007. -- Amended 1988 Ky. Acts ch. 23, sec. 220, effective January 1, 1989.

273.179 Repealed, 2011.

Catchline at repeal: Registered name.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 82, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 82, effective June 26, 2007. -- Amended 1988 Ky. Acts ch. 23, sec. 221, effective January 1, 1989.

273.180 Repealed, 1968.

Catchline at repeal: Corporate name.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 3.

273.181 Repealed, effective January 1, 1989.

Catchline at repeal: Registered office -- Agent for service of process.

History: Repealed 1988 Ky. Acts ch. 23, sec. 284, effective January 1, 1989. -- Amended 1980 Ky. Acts ch. 294, sec. 6, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 27, sec. 7. -- Created 1968 Ky. Acts ch. 165, sec. 8.

273.182 Registered office and registered agent.

Each corporation shall continuously maintain in this state a registered office and a registered agent that comply with KRS 14A.4-010.

Effective: January 1, 2011

History: Repealed, reenacted, and amended 2010 Ky. Acts ch. 151, sec. 61, effective January 1, 2011. -- Amended 1998 Ky. Acts ch. 341, sec. 12, effective July 15, 1998.
-- Created 1988 Ky. Acts ch. 23, sec. 222, effective January 1, 1989.

273.183 Repealed, effective January 1, 1989.

Catchline at repeal: Service of process on corporation.

History: Repealed 1988 Ky. Acts ch. 23, sec. 248, effective January 1, 1989. -- Amended 1980 Ky. Acts ch. 114, sec. 63. -- Amended 1974 Ky. Acts ch. 315, sec. 41. -- Created 1968 Ky. Acts ch. 165, sec. 9.

273.184 Repealed, 2011.

Catchline at repeal: Change of registered office or registered agent.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 223, effective January 1, 1989.

273.1841 Repealed, 2011.

Catchline at repeal: Resignation of registered agent.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 224, effective January 1, 1989.

273.1842 Statement of change of principal office.

A corporation that changes the mailing address of its principal office shall comply with KRS 14A.5-010.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 3, effective July 15, 2010; and ch. 151, sec. 62, effective January 1, 2011. -- Created 2007 Ky. Acts ch. 137, sec. 3, effective June 26, 2007.

Legislative Research Commission Note (1/1/2011). This section was repealed and reenacted without change to the existing language by 2010 Ky. Acts ch. 51, effective 7/15/10, and repealed and reenacted with the new language by 2010 Ky. Acts ch. 151, effective 1/1/2011. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment by ch. 51 not serve to void amendments made by other bills, and these Acts do not appear to be in conflict, therefore, they have been codified together.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."

273.185 Repealed, 2011.

Catchline at repeal: Service on corporation.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 225, effective January 1, 1989.

273.187 Members.

- (1) A corporation may have one (1) or more classes of members or may have no members. If the corporation has one (1) or more classes of members, the designation of such class or classes, the manner of election or appointment and the qualifications and rights of the members of each class shall be set forth in the articles of incorporation or the bylaws. If the corporation has no members, that fact shall be set forth in the articles of incorporation or the bylaws. A corporation may issue certificates evidencing membership therein.
- (2) Unless otherwise provided in the articles of incorporation, a director, officer, employee, or member of a corporation shall not be personally liable for the acts or debts of the corporation, except that the member may become personally liable by reason of his or her own acts or conduct.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 133, sec. 15, effective July 15, 2010. -- Created 1968 Ky. Acts ch. 165, sec. 10.

273.190 Repealed, 1968.

Catchline at repeal: Filing and recording of articles; issuance of certificate of incorporation; fees.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 4.

273.191 Bylaws.

The initial bylaws of a corporation shall be adopted by its board of directors. The power to alter, amend or repeal the bylaws or adopt new bylaws shall be vested in the board of directors unless otherwise provided in the articles of incorporation or the bylaws. The bylaws may contain any provisions for the regulation and management of the affairs of a corporation not inconsistent with law or the articles of incorporation.

History: Created 1968 Ky. Acts ch. 165, sec. 11.

273.193 Meetings of members.

- (1) Meetings of members may be held at such place, either within or without this state, as may be provided in the bylaws. In the absence of any such provision, all meetings shall be held at the registered office of the corporation in this state.
- (2) An annual meeting of the members shall be held at such time as may be provided in the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.
- (3) Special meetings of the members may be called by the president or by the board of directors. Special meetings of the members may also be called by such other officers or persons or number or proportion of members as may be provided in the articles of incorporation or the bylaws. In the absence of a provision fixing the number or proportion of members entitled to call a meeting, a special meeting of members may be called by members having one-twentieth (1/20) of the votes entitled to be cast at such meeting.

History: Created 1968 Ky. Acts ch. 165, sec. 12.

273.195 Remote communication.

- (1) If the board of directors is authorized to determine the place of an annual or special meeting of members, the board of directors, in its sole discretion, may determine that the meeting shall not be held at any place but shall instead be held solely by means of remote communication under subsection (2) of this section.
- (2) If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, members and proxy holders not physically present at a meeting of members may by means of remote communication:
 - (a) Participate in a meeting of members; and
 - (b) Be deemed present in person and vote at a meeting of members, whether such meeting is to be held at a designated place or solely by means of remote communication, if:
 1. The corporation implements reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a member or proxy holder;
 2. The corporation implements reasonable measures to provide members and proxy holders referred to in subparagraph 1. of this paragraph a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings; and
 3. The corporation records any vote or other action taken at the meeting by a member or proxy holder by means of remote communication. The corporation shall maintain as a record the recorded vote or other action taken.

Effective: June 24, 2015

History: Created 2015 Ky. Acts ch. 34, sec. 74, effective June 24, 2015.

273.197 Notice of members' meetings.

Unless otherwise provided in the articles of incorporation or the bylaws, notice stating the place, day and hour of meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than thirty-five (35) days before the date of the meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 69, effective June 24, 2015. -- Created 1968 Ky. Acts ch. 165, sec. 13.

273.200 Repealed, 1968.

Catchline at repeal: Beginning of corporate existence; who constitute corporation; validity and effect of various papers.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 5.

273.201 Voting.

- (1) The right of the members, or any class or classes of members, to vote may be limited, enlarged or denied to the extent specified in the articles of incorporation or the bylaws. Unless so limited, enlarged or denied, each member, regardless of class, shall be entitled to one (1) vote on each matter submitted to a vote of members.
- (2) A member entitled to vote may vote in person or, unless the articles of incorporation or the bylaws otherwise provide, may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Where directors or officers are to be elected by members, the bylaws may provide that such elections may be conducted by mail.
- (3) The articles of incorporation or the bylaws may provide that in all elections for directors every member entitled to vote shall have the right to cumulate his vote and to give one (1) candidate a number of votes equal to his vote multiplied by the number of directors to be elected, or by distributing such votes on the same principle among any number of such candidates.
- (4) If a corporation has no members or its members have no right to vote, the directors shall have the sole voting power.

History: Created 1968 Ky. Acts ch. 165, sec. 14.

273.203 Quorum.

The bylaws may provide the number or percentage of members entitled to vote represented in person or by proxy, or the number or percentage of votes represented in person or by proxy, which shall constitute a quorum at a meeting of members. In the absence of any such provision, members holding one-tenth (1/10) of the votes entitled to be cast on the matter to be voted upon represented in person or by proxy shall constitute a quorum. A majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by KRS 273.161 to 273.390, the articles of incorporation or the bylaws.

History: Created 1968 Ky. Acts ch. 165, sec. 15.

273.207 Board of directors -- Qualifications.

- (1) The affairs of a corporation shall be managed by a board of directors. Except as provided in subsection (2) of this section, directors need not be residents of this state or members of the corporation unless the articles of incorporation or the bylaws so require. The articles of incorporation or the bylaws may prescribe other qualifications for directors.
- (2) The members of the board of directors of a fire department organized under this chapter shall be residents of the geographic area served by the corporation. A vacancy shall be declared to exist if a member no longer resides within the geographic area served by the corporation at any time during his or her term of office.

Effective: April 10, 2026

History: Amended 2026 Ky. Acts ch. 90, sec. 6, effective April 10, 2026; and ch. 91, sec. 6, effective April 10, 2026. -- Created 1968 Ky. Acts ch. 165, sec. 16.

Legislative Research Commission Note (4/10/2026). 2026 Ky. Acts ch. 90, sec. 7, and ch. 91, sec. 7, each contain identical language providing that: "On the effective date of this section of this Act [April 10, 2026]:

(1) A vacancy shall be declared to exist in the office of any board of trustees member serving under Section 5 of this Act [KRS 75.031] who does not qualify under subsection (1)(a)2. of Section 5 of this Act [KRS 75.031], and the vacancy shall be filled in accordance with Section 5 of this Act [KRS 75.031]; and

(2) A vacancy shall be declared to exist in the office of any board of director member serving under Section 6 of this Act [this statute] who does not personally reside in the geographic area served by the corporation, and the vacancy shall be filled in accordance with KRS 273.213."

Legislative Research Commission Note (4/10/2026). This statute was amended by 2026 Ky. Acts chs. 90 and 91, which are identical and have been codified together.

273.210 Repealed, 1968.

Catchline at repeal: Corporate powers.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 6.

273.211 Number and election or appointment of directors -- Classes -- Terms -- Removal.

- (1) (a) The board of directors shall consist of three (3) or more individuals, with the number specified in or fixed in accordance with the articles of incorporation or bylaws, except as to the number of the first board of directors which shall be fixed by the articles of incorporation.
- (b) The articles of incorporation or bylaws may establish a minimum and maximum number of directors. If a variable range is established, the number of directors may be fixed or changed by the board of directors, within the minimum and maximum, in the manner provided in the articles of incorporation or the bylaws.
- (c) No decrease in number shall have the effect of shortening the term of any incumbent director.
- (2) The directors constituting the first board of directors shall be named in the articles of incorporation and shall hold office until the first annual election of directors or for such other period as may be specified in the articles of incorporation or the bylaws. Thereafter, directors shall be elected or appointed in the manner and for the terms provided in the articles of incorporation or the bylaws. In the absence of a provision fixing the term of office, the term of office of a director shall be one (1) year, and until his successor is elected and has accepted his election.
- (3) Directors may be divided into classes and the terms of office of the several classes need not be uniform. Each director shall hold office for the term for which he is elected or appointed and until his successor shall have been elected or appointed and qualified.
- (4) A director may be removed from office pursuant to any removal procedure provided in the articles of incorporation or bylaws.
- (5) Every director of a corporation, by acceptance of election or appointment as a director, including by service, shall be deemed to have consented to the jurisdiction of the courts of the Commonwealth of Kentucky for any action by, in the name of, or on behalf of the corporation.

Effective: July 14, 2018

History: Amended 2018 Ky. Acts ch. 193, sec. 2, effective July 14, 2018. -- Amended 2012 Ky. Acts ch. 81, sec. 100, effective July 12, 2012. -- Created 1968 Ky. Acts ch. 165, sec. 17.

273.213 Vacancies.

- (1) Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors, unless the articles of incorporation or the bylaws provide that a vacancy or directorship so created shall be filled in some other manner, in which case such provision shall control.
- (2) A director elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office.

History: Created 1968 Ky. Acts ch. 165, sec. 18.

273.215 General standards for directors.

- (1) A director of a nonprofit corporation subject to the provisions of KRS 273.161 to 273.387 shall discharge his duties as a director, including his duties as a member of a committee:
 - (a) In good faith;
 - (b) On an informed basis; and
 - (c) In a manner he honestly believes to be in the best interests of the corporation.
- (2) Such director shall be considered to discharge his duties on an informed basis if he makes, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, inquiry into the business and affairs of the corporations, or into a particular action to be taken or decision to be made.
- (3) In discharging his duties such director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:
 - (a) One (1) or more officers or employees of the corporation whom the director honestly believes to be reliable and competent in the matters presented;
 - (b) Legal counsel, public accountants, or other persons as to matters the director honestly believes are within the person's professional or expert competence; or
 - (c) A committee of the board of directors of which he is not a member if the director honestly believes the committee merits confidence.
- (4) A director of a nonprofit corporation shall not be considered to act in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (3) of this section unwarranted.
- (5) In addition to any other limitation on such director's liability for monetary damages contained in any provision of the corporation's articles of incorporation adopted in accordance with the provisions of KRS 273.248, any action taken as a director, or any failure to take any action as a director, shall not be the basis for monetary damages or injunctive relief unless:
 - (a) The director has breached or failed to perform the duties of the director's office in compliance with this section; and
 - (b) In the case of an action for monetary damages, the breach or failure to perform constitutes willful misconduct or wanton or reckless disregard for human rights, safety or property.
- (6) A person bringing an action for monetary damages under this section shall have the burden of proving by clear and convincing evidence the provisions of subsection (5)(a) and (b) of this section, and the burden of proving that the breach or failure to perform was the legal cause of the damages suffered.
- (7) Nothing in this section shall eliminate or limit the liability of any director for any act or omission occurring prior to July 15, 1988.

Effective: July 15, 1988

History: Amended 1988 Ky. Acts ch. 224, sec. 12, effective July 15, 1988. -- Created 1988 Ky. Acts ch. 23, sec. 245, effective January 1, 1989.

Legislative Research Commission Note. This section was created by two 1988 Acts which do not appear to be in conflict and have been compiled together.

273.217 Quorum of directors -- Prohibition on director voting by proxy.

- (1) A majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business, unless otherwise provided in the articles of incorporation or the bylaws.
- (2) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously communicate with each other during this meeting. A director participating in a meeting by this means shall be deemed to be present in person at the meeting.
- (3) The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by KRS 273.161 to 273.390, the articles of incorporation or the bylaws.
- (4) Irrespective of whether or not the corporation has members, a director may not vote by proxy.

Effective: July 14, 2018

History: Amended 2018 Ky. Acts ch. 193, sec. 6, effective July 14, 2018. -- Amended 2015 Ky. Acts ch. 34, sec. 70, effective June 24, 2015. -- Created 1968 Ky. Acts ch. 165, sec. 19.

273.219 Conflict-of-interest transaction.

- (1) A conflict-of-interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict-of-interest transaction shall not be the subject of equitable relief on the ground of the director's interest in the transaction if:
 - (a) The material facts of the transaction and the director's interest were disclosed or known to the board of directors, or a committee of the board duly constituted under KRS 273.221, and the board of directors or the committee authorized, approved, or ratified the transaction; or
 - (b) The transaction was fair to the corporation.
- (2) For purposes of this section, a director of the corporation has an indirect interest in a transaction if:
 - (a) Another entity in which he or she has a material financial interest is a party to the transaction; or
 - (b) Another entity of which he or she is a director, officer, general partner, manager, trustee, or person in a similar position is a party to the transaction, and the transaction is or should be considered by the board of directors of the corporation.
- (3) For purposes of subsections (1)(a) and (2)(b) of this section, director authorization, approval, or ratification is effective if done by a majority vote of the directors who do not have a direct or indirect interest in the transaction within the meaning of this section, even if the majority is less than a quorum, but a transaction may not be authorized, approved, or ratified by a single director. Director authorization may be delegated to a committee under KRS 273.221, provided that no director appointed to the committee has a direct or indirect interest within the meaning of this section. Director action under this section shall be done by a higher number than a majority, if the articles of incorporation or bylaws so provide.
- (4) For purposes of subsection (1) of this section, a director who has a direct or indirect interest in a transaction with the corporation shall bear the burden of proving that the transaction was fair to the corporation.

Effective: July 14, 2018

History: Repealed and reenacted 2018 Ky. Acts ch. 193, sec. 5, effective July 14, 2018.
-- Created 1988 Ky. Acts ch. 224, sec. 13, effective July 15, 1988.

273.220 Repealed, 1968.

Catchline at repeal: Limitations on business and holding of real estate.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 7.

273.221 Committees of the board -- Advisory committees.

- (1) Unless this chapter, the articles of incorporation, or the bylaws provide otherwise, a board of directors may create one (1) or more committees of the board and appoint directors to serve on the committee or committees. Each committee shall have two (2) or more directors, and all committee members shall serve at the pleasure of the board of directors. The board may delegate to one (1) or more directors the authority to appoint or remove the members of the committee. An individual who is not a director may serve on a committee of the board, but may not vote on any matter that binds the corporation.
- (2) To the extent specified by the board of directors or in the articles of incorporation or bylaws, a committee may exercise the powers of the board of directors under this chapter, except as limited by subsection (3) of this section.
- (3) A committee shall not:
 - (a) Authorize distributions;
 - (b) In the case of a membership corporation, authorize the repurchase or redemption of a member's membership in the corporation;
 - (c) In the case of a membership corporation, authorize or propose to members any action that this chapter requires be approved by members;
 - (d) Fill vacancies on the board of directors;
 - (e) Adopt, amend, or repeal bylaws;
 - (f) Elect, appoint, or remove any officer of the corporation;
 - (g) Establish a board committee or establish or alter the manner in which committee members are appointed to these committees;
 - (h) Amend or restate articles of incorporation;
 - (i) Adopt a plan of merger or consolidation;
 - (j) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation;
 - (k) Authorize the voluntary dissolution of the corporation or revoke proceedings therefor; or
 - (l) Amend, alter, or repeal any resolution of the board of directors.
- (4) Unless this chapter, the articles of incorporation, or the bylaws provide otherwise, a board of directors may create one (1) or more advisory committees, whose members need not be directors. The board of directors may appoint and remove, or may designate any director or officer of the corporation to appoint and remove, the members of an advisory committee. An advisory committee may not act on behalf of the corporation or bind the corporation to any action but may make recommendations to the board of directors, to any board committee, or to the officers of the corporation.
- (5) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in KRS 273.215.

Effective: July 14, 2018

History: Repealed and reenacted 2018 Ky. Acts ch. 193, sec. 3, effective July 14, 2018.
-- Created 1968 Ky. Acts ch. 165, sec. 20.

273.223 Place and notice of directors' meetings.

- (1) Meetings of the board of directors, regular or special, may be held either within or without this state, and upon such notice as the bylaws may prescribe. If the bylaws are silent as to the required notice of a meeting of the board of directors, meetings of the board of directors shall be preceded by at least two (2) days notice of the time, date, and place of the meeting.
- (2) Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors needs to be specified in the notice or waiver of notice of such meeting.
- (3) Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- (4) The Circuit Court for the county where a corporation's principal office or, if there is none in this state, its registered office is located may order a special meeting of the board of directors on the application of one-third (1/3) or more of the incumbent directors. The court may fix the time and place of the meeting, prescribe the form and content of the meeting notice, and enter such other orders as are necessary to accomplish the purpose of the meeting.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 71, effective June 24, 2015. -- Amended 2010 Ky. Acts ch. 133, sec. 16, effective July 15, 2010. -- Created 1968 Ky. Acts ch. 165, sec. 21.

273.227 Officers.

- (1) A corporation shall have the officers described in its bylaws or appointed by the board of directors in accordance with the bylaws.
- (2) A duly appointed officer may appoint one (1) or more officers or assistant officers if authorized by the bylaws or the board of directors.
- (3) The bylaws or the board of directors shall delegate to one (1) of the officers responsibility for preparing minutes of the directors' and members' meetings and for authenticating records of the corporation.
- (4) The same individual may simultaneously hold more than one (1) office in a corporation.
- (5) Each officer shall be elected or appointed at such time and in such manner and for such terms not exceeding three (3) years as may be prescribed in the articles of incorporation or the bylaws. In the absence of any such provision, all officers shall be elected or appointed annually by the board of directors.
- (6) The articles of incorporation or the bylaws may provide that any one (1) or more officers of the corporation shall be ex officio members of the board of directors.
- (7) Every officer of a corporation, by acceptance of election or appointment as an officer, including by service, shall be deemed to have consented to the jurisdiction of the courts of the Commonwealth of Kentucky for any action by, in the name of, or on behalf of the corporation.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 51, effective June 24, 2015. -- Amended 2012 Ky. Acts ch. 81, sec. 101, effective July 12, 2012. -- Amended 1988 Ky. Acts ch. 23, sec. 197, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 22.

273.228 Authority of officers.

Each officer shall have the authority and shall perform the duties set forth in the bylaws or, to the extent consistent with the bylaws, the duties prescribed by the board of directors or by direction of an officer authorized by the board of directors to prescribe the duties of other officers.

Effective: January 1, 1989

History: Created 1988 Ky. Acts ch. 23, sec. 226, effective January 1, 1989.

273.229 Standards of conduct for officers.

- (1) An officer of a nonprofit corporation subject to the provisions of KRS 273.161 to 273.387, with discretionary authority, shall discharge his duties under that authority:
 - (a) In good faith;
 - (b) On an informed basis; and
 - (c) In a manner he honestly believes to be in the best interests of the corporation.
- (2) Such officer shall be considered to discharge his duties on an informed basis if he makes, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, inquiry into the business and affairs of the corporation, or into a particular action to be taken or decision to be made.
- (3) In discharging his duties such officer shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:
 - (a) One (1) or more officers or employees of the corporation whom the officer honestly believes to be reliable and competent in the matters presented; or
 - (b) Legal counsel, public accountants, or other persons as to matters the officer honestly believes are within the person's professional or expert competence.
- (4) An officer shall not be considered to act in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (3) of this section unwarranted.
- (5) Any action taken as an officer, or any failure to take any action as an officer, shall not be the basis for monetary damages or injunctive relief unless:
 - (a) The officer has breached or failed to perform his duties in compliance with this section; and
 - (b) In the case of an action for monetary damages, the breach or failure to perform constitutes willful misconduct or wanton or reckless disregard for human rights, safety or property.
- (6) A person bringing an action for monetary damages under this section shall have the burden of proving by clear and convincing evidence the provisions of subsections (5)(a) and (b) of this section, and the burden of proving that the breach or failure to perform was the legal cause of the damages suffered.
- (7) Nothing in this section shall eliminate or limit the liability of any officer for any act or omission occurring prior to July 15, 1988.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 224, sec. 14, effective July 15, 1988.

273.230 Repealed, 1968.

Catchline at repeal: Bylaws.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 8.

273.231 Removal of officers.

Any officer elected or appointed may be removed by the persons authorized to elect or appoint such officer whenever in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

History: Created 1968 Ky. Acts ch. 165, sec. 23.

273.233 Books and records.

Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors and committees having any of the authority of the board of directors; and shall keep at its registered office or principal office in this state a record of the names and addresses of its members entitled to vote. All books and records of a corporation may be inspected and copied by any member, or the member's agent or attorney, for any proper purpose at any reasonable time. The member's right of inspection may be abolished or limited by the corporation's articles of incorporation or bylaws.

Effective: July 14, 2018

History: Amended 2018 Ky. Acts ch. 193, sec. 7, effective July 14, 2018. -- Amended 2010 Ky. Acts ch. 133, sec. 17, effective July 15, 2010. -- Created 1968 Ky. Acts ch. 165, sec. 24.

273.237 Shares of stock and dividends prohibited -- Permissible expenditures.

- (1) A corporation shall not have or issue shares of stock. Except as authorized by subsection (2) of this section, no dividend shall be paid and no part of the income or profit of a corporation shall be distributed to its members, directors, or officers.
- (2) A corporation may:
 - (a) Pay reasonable compensation to its members, directors, or officers for services rendered to the corporation;
 - (b) Reimburse reasonable expenses to its members, directors, or officers in connection with services rendered to the corporation;
 - (c) Confer benefits upon its members in conformity with its purposes;
 - (d) Apply income or profit so as to reduce or eliminate dues, fees, or contributions that otherwise would be payable to the corporation by its members;
 - (e) Make distributions, subject to subsection (3) of this section, upon dissolution or final liquidation to its members as permitted by KRS 273.161 to 273.390, and no such payment, benefit, or distribution shall be deemed to be a dividend or a distribution of income or profit;
 - (f) Make distributions, subject to subsection (3) of this section, to any entity:
 1. That is exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, or any successor section; or
 2. That is a state, a possession of the United States, or any political subdivision of a state or a possession of the United States, or the United States or the District of Columbia, but only if the distribution under this subparagraph is made exclusively for public purposes; and
 - (g) Make distributions, subject to subsection (3) of this section and only by a corporation other than a charitable or religious corporation to purchase its memberships.
- (3) A corporation shall not make any distribution under subsection (2)(e), (f), or (g) of this section if at the time of, or as a result of, the distribution:
 - (a) The corporation would not be able to pay its debts as they become due in the usual course of business; or
 - (b) The corporation's total assets would be less than the sum of its total liabilities.

Effective: July 14, 2018

History: Repealed, reenacted, and amended 2018 Ky. Acts ch. 193, sec. 4, effective July 14, 2018. -- Created 1968 Ky. Acts ch. 165, sec. 25.

273.240 Repealed, 1968.

Catchline at repeal: Membership; rights of members.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 9.

273.241 Loans to directors and officers prohibited.

No loans shall be made by a corporation to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

History: Created 1968 Ky. Acts ch. 165, sec. 26.

273.243 Incorporators.

One (1) or more persons may act as the incorporator or incorporators of a corporation by delivering articles of incorporation to the Secretary of State for filing.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 198, effective January 1, 1989. --
Amended 1976 Ky. Acts ch. 27, sec. 3. -- Created 1968 Ky. Acts ch. 165, sec. 27.

273.247 Articles of incorporation.

- (1) The articles of incorporation shall set forth:
 - (a) The name of the corporation that satisfies the requirements of KRS 14A.3-010;
 - (b) The purpose or purposes for which the corporation is organized;
 - (c) Any provisions, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision for distribution of assets or dissolution or final liquidation;
 - (d) The corporation's initial registered office and initial registered agent that satisfy the requirements of KRS 14A.4-010;
 - (e) The mailing address of the corporation's principal office;
 - (f) The number of directors constituting the initial board of directors, and the names and mailing addresses of the persons who are to serve as the initial directors; and
 - (g) The name and mailing address of each incorporator.
- (2) It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in KRS 273.163 to 273.387.
- (3) Unless its articles of incorporation provide otherwise, every corporation shall be presumed to have perpetual duration and succession in its corporate name.
- (4) Unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment to the articles of incorporation, a change in the number of directors made by amendment to the bylaws shall be controlling. In all other cases, when a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling.
- (5) Unless the registered agent signs the articles, the corporation shall deliver with the articles of incorporation the registered agent's written consent to the appointment.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 63, effective January 1, 2011. -- Amended 1998 Ky. Acts ch. 341, sec. 13, effective July 15, 1998. -- Amended 1988 Ky. Acts ch. 23, sec. 199, effective January 1, 1989. -- Amended 1986 Ky. Acts ch. 202, sec. 8, effective March 28, 1986. -- Created 1968 Ky. Acts ch. 165, sec. 28.

Legislative Research Commission Note. An amendment to this section was included in 1976 HB 26 (ch. 27) as originally introduced. The amended language, however, was deleted by floor amendment, but the section was not deleted from the act.

273.248 Articles of incorporation -- Limitation of director liability.

The articles of incorporation of a nonprofit corporation subject to the provisions of KRS 273.161 to 273.387 may set forth:

- (1) A provision eliminating or limiting the personal liability of a director to the corporation for monetary damages for breach of his duties as a director, provided that such provision shall not eliminate or limit the liability of a director:
 - (a) For any transaction in which the director's personal financial interest is in conflict with the financial interests of the corporation;
 - (b) For acts or omissions not in good faith or which involve intentional misconduct or are known to the director to be a violation of law; or
 - (c) For any transaction from which the director derived an improper personal benefit.
- (2) No such provision shall eliminate or limit the liability of any director for any act or omissions occurring prior to the date when such provision becomes effective. In no case shall this subsection or any such provision be construed to expand the liability of any director as determined pursuant to KRS 273.215.

Effective: July 15, 1988

History: Created 1988 Ky. Acts ch. 224, sec. 11, effective July 15, 1988.

273.250 Repealed, 1968.

Catchline at repeal: Members not liable for debts.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 10.

273.251 Repealed, effective January 1,1989.

Catchline at repeal: Filing of articles -- Certificate of incorporation.

History: Repealed 1988 Ky. Acts ch. 23, sec. 248, effective January 1, 1989. -- Amended 1978 Ky. Acts ch. 384, sec. 449, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 27, sec. 8. -- Created 1968 Ky. Acts ch. 165, sec. 29.

273.252 Filing requirements.

Each document delivered by a domestic or foreign corporation to the Secretary of State for filing shall satisfy the requirements of KRS 14A.2-010 to 14A.2-150.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 151, sec. 64, effective January 1, 2011. -- Created 1988 Ky. Acts ch. 23, sec. 210, effective January 1, 1989.

273.2521 Repealed, 2011.

Catchline at repeal: Forms.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 84, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 84, effective June 26, 2007. -- Amended 1998 Ky. Acts ch. 341, sec. 14, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 23, sec. 211, effective January 1, 1989.

273.2522 Repealed, 2011.

Catchline at repeal: Effective time and date of document.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 212, effective January 1, 1989.

273.2523 Repealed, 2011.

Catchline at repeal: Correcting filed document.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 213, effective January 1, 1989.

273.2524 Repealed, 2011.

Catchline at repeal: Filing duty of Secretary of State.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 214, effective January 1, 1989.

273.2525 Repealed, 2011.

Catchline at repeal: Appeal from Secretary of State's refusal to file document.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 215, effective January 1, 1989.

273.2526 Repealed, 2011.

Catchline at repeal: Evidentiary effect of filed document.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 216, effective January 1, 1989.

273.2527 Repealed, 2011.

Catchline at repeal: Certificate of existence.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 217, effective January 1, 1989.

273.2528 Repealed, 2011.

Catchline at repeal: Penalty for signing false document.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 218, effective January 1, 1989.

273.253 Incorporation.

Upon the filing of articles of incorporation with the Secretary of State, the corporate existence shall begin, and such filing shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under KRS 273.161 to 273.390, except as against the state in a proceeding to cancel or revoke the certificate of incorporation or for involuntary dissolution of the corporation.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 200, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 30.

273.2531 Incorporation.

- (1) Unless a delayed effective date is specified, the corporate existence shall begin when the articles of incorporation are filed with the Secretary of State.
- (2) The Secretary of State's filing of the articles of incorporation shall be conclusive proof that the incorporators satisfied all conditions precedent to incorporation, except in proceedings by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation.

Effective: January 1, 1989

History: Created 1988 Ky. Acts ch. 23, sec. 227, effective January 1, 1989.

273.257 Organization of corporation.

- (1) After the filing of articles of incorporation, an organization meeting of the board of directors named in the articles of incorporation shall be held, either within or without this state, at the call of a majority of the incorporators, for the purpose of adopting bylaws, electing officers and the transaction of such other business as may come before the meeting. The incorporators calling the meeting shall give at least three (3) days' notice thereof by mail to each director so named, which notice shall state the time and place of the meeting.
- (2) A first meeting of the members may be held at the call of the directors, or a majority of them, upon at least three (3) days' notice, for such purposes as shall be stated in the notice of the meeting.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 201, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 31.

273.260 Repealed, 1968.

Catchline at repeal: Amendment of articles.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 11.

273.261 Right to amend articles of incorporation.

A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation as amended contain only such provisions as are lawful under KRS 273.161 to 273.390.

History: Created 1968 Ky. Acts ch. 165, sec. 32.

273.263 Procedure to amend articles of incorporation.

Amendments to the articles of incorporation shall be made in the following manner:

- (1) If there are members entitled to vote thereon, the board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote at such meeting within the time and in the manner provided in KRS 273.161 to 273.390 for the giving of notice of meetings of members. The proposed amendment shall be adopted upon receiving at least two thirds (2/3) of the votes which members present at such meeting or represented by proxy are entitled to cast.
- (2) If there are no members, or no members entitled to vote thereon, an amendment shall be adopted at a meeting of the board of directors upon receiving the vote of a majority of the directors in office.
- (3) Any number of amendments may be submitted and voted upon at any one (1) meeting.
- (4) Proposed amendments may be incorporated into restated articles of incorporation which contain a statement that except for the designated amendment the restated articles of incorporation currently set forth, without change, the corresponding provisions of the articles of incorporation as theretofore amended, and that the restated articles of incorporation together with the designated amendment supersede the original articles of incorporation and all amendments thereto.

Effective: July 15, 1980

History: Amended 1980 Ky. Acts ch. 294, sec. 7, effective July 15, 1980. -- Created 1968 Ky. Acts ch. 165, sec. 33.

273.267 Articles of amendment.

A corporation amending its articles of incorporation shall deliver to the Secretary of State for filing articles of amendment that satisfy KRS 14A.2-010 to 14A.2-150 setting forth:

- (1) The name of the corporation.
- (2) The amendment so adopted.
- (3) If there are members entitled to vote thereon, (a) a statement setting forth the date of the meeting of members at which the amendment was adopted, that a quorum was present at such meeting, and that such amendment received at least two-thirds (2/3) of the votes which members present at such meeting or represented by proxy were entitled to cast, or (b) a statement that such amendment was adopted by a consent in writing signed by all members entitled to vote with respect thereto.
- (4) If there are no members, or no members entitled to vote thereon, a statement of such fact, the date of the meeting of the board of directors at which the amendment was adopted, and a statement of the fact that such amendment received the vote of a majority of the directors in office.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 65, effective January 1, 2011. -- Amended 1988 Ky. Acts ch. 23, sec. 202, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 34.

273.270 Repealed, 1968.

Catchline at repeal: Process agent.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 12.

273.271 Repealed, effective January 1, 1989.

Catchline at repeal: Recording of articles of amendment -- Certificate of amendment.

History: Repealed 1988 Ky. Acts ch. 23, sec. 248, effective January 1, 1989. -- Amended 1978 Ky. Acts ch. 384, sec. 451, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 27, sec. 10. -- Created 1968 Ky. Acts ch. 165, sec. 35.

273.273 Restated articles of incorporation.

- (1) A domestic corporation may at any time restate its articles of incorporation as theretofore amended, in the following manner:
 - (a) If there are members entitled to vote thereon, the board of directors shall adopt a resolution setting forth the proposed restated articles of incorporation and directing that they be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting.
 - (b) Written notice setting forth the proposed restated articles or a summary of the provisions thereof shall be given to each member entitled to vote thereon, within the time and in the manner provided in KRS 273.161 to 273.390 for the giving of notice of meetings of members. If the meeting be an annual meeting, the proposed restated articles or a summary of the provisions thereof may be included in the notice of such annual meeting.
 - (c) At such meeting a vote of the members entitled to vote thereon shall be taken on the proposed restated articles, which shall be adopted upon receiving the affirmative vote of a majority of the members entitled to vote thereon present at such meeting or represented by proxy.
 - (d) If there are no members, or no members entitled to vote thereon, the proposed restated articles shall be adopted at a meeting of the board of directors upon receiving the affirmative vote of a majority of the directors in office.
- (2) Upon such approval, restated articles of incorporation shall be delivered to the Secretary of State for filing and shall set forth:
 - (a) The name of the corporation.
 - (b) The purpose or purposes which the corporation is authorized to pursue.
 - (c) Any other provisions, not inconsistent with law, which are then set forth in the articles of incorporation as theretofore amended, except that it shall not be necessary to set forth in the restated articles of incorporation the registered office of the corporation, its registered agent, its directors or its incorporators.
- (3) The restated articles of incorporation shall state that they correctly set forth the provisions of the articles of incorporation as theretofore amended, that they have been duly adopted as required by law and that they supersede the original articles of incorporation and all amendments thereto.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 203, effective January 1, 1989. -- Amended 1978 Ky. Acts ch. 384, sec. 451, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 27, sec. 10. -- Created 1968 Ky. Acts ch. 165, sec. 36.

273.277 Procedure for merger.

Any two (2) or more domestic corporations or a domestic corporation and a limited liability company may merge into one (1) of such corporations pursuant to a plan of merger approved in the manner provided in KRS 273.161 to 273.390. Each corporation or limited liability company shall adopt a plan of merger setting forth:

- (1) The names of the corporations or limited liability companies proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.
- (2) The terms and conditions of the proposed merger.
- (3) A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger.
- (4) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

Effective: June 27, 2019

History: Amended 2019 Ky. Acts ch. 131, sec. 2, effective June 27, 2019. -- Created 1968 Ky. Acts ch. 165, sec. 37.

273.280 Repealed, 1968.

Catchline at repeal: Dissolution.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 13.

273.281 Procedure for consolidation.

Any two (2) or more domestic corporations may consolidate into a new corporation pursuant to a plan of consolidation approved in the manner provided in KRS 273.161 to 273.390. Each corporation shall adopt a plan of consolidation setting forth:

- (1) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.
- (2) The terms and conditions of the proposed consolidation.
- (3) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under KRS 273.161 to 273.390.
- (4) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

History: Created 1968 Ky. Acts ch. 165, sec. 38.

273.283 Approval of merger or consolidation.

- (1) A plan of merger or consolidation shall be adopted in the following manner:
 - (a) If the members of any merging or consolidating corporation are entitled to vote thereon, the board of directors of such corporation shall adopt a resolution approving the proposed plan and directing that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. Written notice setting forth the proposed plan or a summary thereof shall be given to each member entitled to vote at such meeting within the time and in the manner provided in KRS 273.161 to 273.390 for the giving of notice of meetings of members. The proposed plan shall be adopted upon receiving at least two-thirds (2/3) of the votes which members present at each such meeting or represented by proxy are entitled to cast.
 - (b) If any merging or consolidating corporation has no members, or no members entitled to vote thereon, a plan of merger or consolidation shall be adopted at a meeting of the board of directors of such corporation upon receiving the vote of a majority of the directors in office.
- (2) After such approval, and at any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the plan of merger or consolidation.

History: Created 1968 Ky. Acts ch. 165, sec. 39.

273.287 Articles of merger or consolidation.

Upon such approval, articles of merger or articles of consolidation shall be delivered to the Secretary of State for filing and shall set forth:

- (1) The plan of merger or the plan of consolidation;
- (2) If the members of any merging or consolidating corporation are entitled to vote thereon, then as to each such corporation:
 - (a) A statement setting forth the date of the meeting of members at which the plan was adopted, that a quorum was present at such meeting, and that such plan received at least two-thirds (2/3) of the votes which members present at such meeting or represented by proxy were entitled to cast; or
 - (b) A statement that such amendment was adopted by a consent in writing signed by all members entitled to vote with respect thereto; and
 - (c) If any merging or consolidating corporation has no members, or no members entitled to vote thereon, then as to each such corporation a statement of such fact, the date of the meeting of the board of directors at which the plan was adopted and a statement of the fact that such plan received the vote of a majority of the directors in office.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 204, effective January 1, 1989. -- Amended 1978 Ky. Acts ch. 384, sec. 452, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 27, sec. 11. -- Created 1968 Ky. Acts ch. 165, sec. 40.

273.290 Repealed, 1968.

Catchline at repeal: Existing corporations subject to this law; exceptions.

History: Repealed 1968 Ky. Acts ch. 165, sec. 70. -- Created 1948 Ky. Acts ch. 133, sec. 14.

273.291 Effect of merger or consolidation.

When a merger or consolidation has been effected:

- (1) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.
- (2) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.
- (3) Such surviving or new corporation shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under KRS 273.161 to 273.390.
- (4) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as of a private nature, of each of the merging or consolidating corporations; and all property, real, personal and mixed, and all debts due on whatever account, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.
- (5) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.
- (6) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the plan of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under KRS 273.161 to 273.390 shall be deemed to be the articles of incorporation of the new corporation.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 205, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 41.

273.293 Merger or consolidation of domestic and foreign corporations and limited liability companies.

- (1) One (1) or more domestic corporations, a domestic corporation and a domestic limited liability company, and one (1) or more foreign corporations of the type that may be organized under KRS 273.161 to 273.390 or KRS Chapter 275 may be merged into one (1) of such domestic corporations, or consolidated into a new corporation to be formed under KRS 273.161 to 273.390, provided that the foreign corporation or corporations are authorized by the laws of the government under which they were formed to effect such merger or consolidation. Each domestic corporation or limited liability company shall comply with the provisions of KRS 273.161 to 273.390 with respect to the merger or consolidation, as the case may be, of domestic corporations, limited liability companies and each foreign corporation shall comply with the applicable provisions of the laws of the state under which it is organized and of this state.
- (2) After approval by the members, or if there be no members entitled to vote thereon, by the board of directors, and at any time prior to the filing of the articles of merger or consolidation, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the plan of merger or consolidation.

Effective: June 27, 2019

History: Amended 2019 Ky. Acts ch. 131, sec. 3, effective June 27, 2019. -- Created 1968 Ky. Acts ch. 165, sec. 42.

273.297 Sale, lease, exchange, mortgage, or pledge of assets.

A sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, property and assets of a corporation may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares of any corporation for profit, domestic or foreign, as may be authorized in the following manner:

- (1) If there are members entitled to vote thereon, the board of directors shall adopt a resolution recommending such sale, lease, exchange, mortgage, pledge or other disposition and directing that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting, written notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, the property and assets of the corporation shall be given to each member entitled to vote at such meeting, within the time and in the manner provided by KRS 273.161 to 273.390 for the giving of notice of meetings of members. At such meeting the members may authorize such sale, lease, exchange, mortgage, pledge or other disposition and may fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require at least two-thirds (2/3) of the votes which members present at such meeting or represented by proxy are entitled to cast. After such authorization by a vote of members, the board of directors, nevertheless, in its discretion, may abandon such sale, lease, exchange, mortgage, pledge or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by members.
- (2) If there are no members, or no members entitled to vote thereon, a sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, the property and assets of a corporation shall be authorized upon receiving the vote of a majority of the directors in office.

History: Created 1968 Ky. Acts ch. 165, sec. 43.

273.300 Voluntary dissolution.

A corporation may dissolve and wind up its affairs in the following manner:

- (1) If there are members entitled to vote thereon, the board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. Written notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation, shall be given to each member entitled to vote at such meeting, within the time and in the manner provided in KRS 273.161 to 273.390 for the giving of notice of meetings of members. A resolution to dissolve the corporation shall be adopted upon receiving at least two-thirds (2/3) of the votes which members present at such meeting or represented by proxy are entitled to cast.
- (2) If there are no members, or no members entitled to vote thereon, the dissolution of the corporation shall be authorized at a meeting of the board of directors upon the adoption of a resolution to dissolve by the vote of a majority of the directors in office.
- (3) Upon the adoption of such resolution by the members, or by the board of directors if there are no members or no members entitled to vote thereon, the corporation shall cease to conduct its affairs except insofar as may be necessary for the winding up thereof, shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of the corporation, and shall proceed to collect its assets and apply and distribute them as provided in KRS 273.161 to 273.390.

History: Created 1968 Ky. Acts ch. 165, sec. 44.

273.302 Effect of dissolution.

- (1) A dissolved corporation shall continue its corporate existence but shall not carry on any business except that appropriate to wind up and liquidate its business and affairs, including:
 - (a) Collecting its assets;
 - (b) Disposing of its properties in accordance with KRS 273.303;
 - (c) Discharging or making provision for discharging its liabilities including, as appropriate, entering into agreements with creditors for the satisfaction thereof; and
 - (d) Doing every other act necessary to wind up and liquidate its business and affairs.
- (2) Dissolution of a corporation shall not:
 - (a) Transfer title to the corporation's property;
 - (b) Subject its directors or officers to standards of conduct different from those prescribed in KRS 273.161 to 273.390;
 - (c) Change quorum or voting requirements for its board of directors or members; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws;
 - (d) Prevent commencement of a proceeding by or against the corporation in its corporate name;
 - (e) Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution;
 - (f) Terminate the authority of the registered agent of the corporation;
 - (g) Alter the obligations and responsibilities of the corporation as prescribed by applicable federal or state law with regard to the filing or examination of all federal and state tax returns or the payment, assessment, or collection of any federal or state tax due with respect to those returns; or
 - (h) Abate or suspend KRS 273.187(2).

Effective: June 24, 2015

History: Created 2015 Ky. Acts ch. 34, sec. 73, effective June 24, 2015.

273.303 Distribution of assets.

The assets of a corporation in the process of dissolution shall be applied and distributed as follows:

- (1) All liabilities and obligations of the corporation shall be paid and discharged, or adequate provisions shall be made therefor;
- (2) Assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;
- (3) Assets received and held by the corporation subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign nonprofit corporations, societies, or organizations engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of distribution adopted as provided in KRS 273.161 to 273.390;
- (4) Other assets, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the bylaws to the extent that the articles of incorporation or bylaws determine the distributive rights of members, or any class or classes of members, or provide for distribution to others;
- (5) Any remaining assets may be distributed to such nonprofit societies, organizations or domestic or foreign corporations, as may be specified in a plan of distribution adopted as provided in KRS 273.161 to 273.390.

History: Amended 1974 Ky. Acts ch. 156, sec. 1. -- Created 1968 Ky. Acts ch. 165, sec. 45.

273.307 Plan of distribution.

A plan providing for the distribution of assets, not inconsistent with the provisions of KRS 273.161 to 273.390, may be adopted by a corporation in the process of dissolution and shall be adopted by a corporation for the purpose of authorizing any transfer or conveyance of assets for which KRS 273.161 to 273.390 requires a plan of distribution, in the following manner:

- (1) If there are members entitled to vote thereon, the board of directors shall adopt a resolution recommending a plan of distribution and directing the submission thereof to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. Written notice setting forth the proposed plan of distribution or a summary thereof shall be given to each member entitled to vote at such meeting, within the time and in the manner provided in KRS 273.161 to 273.390 for the giving of notice of meetings of members. Such plan of distribution shall be adopted upon receiving at least two-thirds (2/3) of the votes which members present at such meeting or represented by proxy are entitled to cast.
- (2) If there are no members, or no members entitled to vote thereon, a plan of distribution shall be adopted at a meeting of the board of directors upon receiving a vote of a majority of the directors in office.

History: Created 1968 Ky. Acts ch. 165, sec. 46.

273.310 Revocation of voluntary dissolution proceedings.

A corporation may, at any time prior to the filing of articles of dissolution with the Secretary of State, revoke the action theretofore taken to dissolve the corporation, in the following manner:

- (1) If there are members entitled to vote thereon, the board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked, and directing that the question of such revocation be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or a special meeting. Written notice stating that the purpose, or one (1) of the purposes, of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each member entitled to vote at such meeting, within the time and in the manner provided in KRS 273.161 to 273.390 for the giving of notice of meetings of members. A resolution to revoke the voluntary dissolution proceedings shall be adopted upon receiving at least two-thirds (2/3) of the votes which members present at such meeting or represented by proxy are entitled to cast.
- (2) If there are no members, or no members entitled to vote thereon, a resolution to revoke the voluntary dissolution proceedings shall be adopted at a meeting of the board of directors upon receiving the vote of a majority of the directors in office.
- (3) Upon the adoption of such resolution by the members, or by the board of directors where there are no members or no members entitled to vote thereon, the corporation may thereupon again conduct its affairs.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 206, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 47.

273.313 Articles of dissolution.

- (1) At any time after dissolution is authorized and proceedings have not been revoked, articles of dissolution shall be delivered to the Secretary of State for filing and shall set forth:
 - (a) The name of the corporation;
 - (b) The date dissolution was authorized;
 - (c) If there are members entitled to vote thereon:
 1. The number of votes entitled to be cast on the proposal to dissolve;
 2. Either the total number of votes cast for and against dissolution or the total number of undisputed votes cast for dissolution and a statement that the number cast for dissolution was sufficient for approval; and
 3. If voting by voting groups was required, the information required by this paragraph shall be separately provided for each voting group entitled to vote separately on the plan to dissolve;
 - (d) If there are no members, or no members entitled to vote thereon, a statement of such fact, the date of the meeting of the board of directors at which the resolution to dissolve was adopted and a statement of the fact that such resolution received the vote of a majority of the directors in office; and
 - (e) A copy of the plan of distribution as adopted by the corporation.
- (2) The Secretary of State shall immediately forward one (1) of the exact or conformed copies of the articles of dissolution to the secretary of revenue.
- (3) A corporation shall be dissolved upon the effective date of its articles of dissolution.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 72, effective June 24, 2015. -- Amended 1988 Ky. Acts ch. 23, sec. 207, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 48.

273.317 Repealed, effective January 1, 1989.

Catchline at repeal: Filing of articles of dissolution.

History: Repealed 1988 Ky. Acts ch. 23, sec. 248, effective January 1, 1989. -- Amended 1978 Ky. Acts ch. 384, sec. 453, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 27, sec. 12. -- Created 1968 Ky. Acts ch. 165, sec. 49.

273.318 Repealed, 2011.

Catchline at repeal: Grounds for administrative dissolution.

History: Amended 2010 Ky. Acts ch. 133, sec. 18, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 1988 Ky. Acts ch. 23, sec. 228, effective January 1, 1989.

273.3181 Repealed, 2011.

Catchline at repeal: Procedure for and effect of administrative dissolution.

History: Amended 2010 Ky. Acts ch. 133, sec. 19, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 1988 Ky. Acts ch. 23, sec. 229, effective January 1, 1989.

273.3182 Repealed, 2011.

Catchline at repeal: Reinstatement following administrative dissolution or revocation under prior law -- Amendment of articles of incorporation to extend or delete period of duration.

History: Amended 2010 Ky. Acts ch. 133, sec. 20, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2005 Ky. Acts ch. 85, sec. 669, effective June 20, 2005. -- Amended 1998 Ky. Acts ch. 341, sec. 58, effective July 15, 1998. -- Amended 1992 Ky. Acts ch. 161, sec. 4, effective April 1, 1992. -- Created 1988 Ky. Acts ch. 23, sec. 230, effective January 1, 1989.

273.3183 Repealed, 2011.

Catchline at repeal: Appeal from denial of reinstatement.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Amended 1992 Ky. Acts ch. 161, sec. 5, effective April 1, 1992. -- Created 1988 Ky. Acts ch. 23, sec. 231, effective January 1, 1989.

273.3184 Permissibility of merger of subsequent reincorporation with reinstated prior corporation -- Effect.

The General Assembly finds and declares it to be the public policy of the Commonwealth of Kentucky that each corporation which was refused reinstatement either orally or in writing and subsequently reincorporated as a second corporation may reinstate the first corporation and merge the second corporation into the first corporation. The first corporation shall then be treated as if it had continuous and uninterrupted existence and that the administrative dissolution or revocation had never occurred.

Effective: April 1, 1992

History: Created 1992 Ky. Acts ch. 161, sec. 6, effective April 1, 1992.

273.320 Involuntary dissolution.

A corporation may be dissolved involuntarily by a decree of the Circuit Court in an action filed by the Attorney General when it is established that:

- (1) The corporation is guilty of abuse or misuse of its corporate powers, privileges or franchises, or the corporation has become detrimental to the interest and welfare of the Commonwealth of Kentucky or its citizens; or
- (2) The corporation procured its articles of incorporation through fraud; or
- (3) The corporation has failed to file its annual report as required by KRS 14A.6-010; or
- (4) The corporation has failed to appoint and maintain a registered agent in this state; or
- (5) The corporation has failed after change of its registered agent to file in the office of the Secretary of State a statement of such change.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 125, effective January 1, 2011. -- Amended 1988 Ky. Acts ch. 23, sec. 246, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 50.

273.323 Notification to Attorney General.

The Secretary of State, on or before the last day of December of each year, may certify to the Attorney General the names of all corporations which have given cause for dissolution as provided in KRS 273.161 to 273.390, together with the facts pertinent thereto. Whenever the Secretary of State shall certify the name of a corporation to the Attorney General as having given any cause for dissolution, the Secretary of State shall concurrently mail to the corporation at its registered office a notice that such certification has been made. Upon the receipt of such certification, the Attorney General may file an action in the name of the state against such corporation for its dissolution. Every such certificate from the Secretary of State to the Attorney General pertaining to the failure of a corporation to file an annual report shall be taken and received in all courts as prima facie evidence of the facts therein stated. If, before action is filed, the corporation shall file its annual report, or shall appoint or maintain a registered agent as provided in KRS 273.161 to 273.390, or shall file with the Secretary of State the required statement of change of registered agent, such fact shall be forthwith certified by the Secretary of State to the Attorney General and he shall not file an action against such corporation for such cause. If, after action is filed, the corporation shall file its annual report, or shall appoint or maintain a registered agent as provided in KRS 273.161 to 273.390, or shall file with the Secretary of State the required statement of change of registered agent, and shall pay the costs of such action, the action for such cause shall abate.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 208, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 51.

273.327 Venue and process.

- (1) Every action for the involuntary dissolution of a corporation shall be commenced by the attorney general in the circuit court of the county in which the registered office of the corporation is situated.
- (2) Summons shall issue and be served as in other civil action. If process is returned not found, the attorney general shall have the defendant constructively served as provided in CR 4.05, and shall cause publication to be made in some newspaper published in the county where the registered office of the corporation is situated, containing a notice of the pendency of such action, the title of the court, the title of the action, and the date on or after which default may be entered. The attorney general shall cause a copy of such notice to be mailed, by certified mail, return receipt requested, to the corporation at its registered office within ten (10) days after the first publication thereof. The certificate of the attorney general of the mailing of such notice shall be prima facie evidence thereof. Such notice shall be published at least once each week for two (2) successive weeks, and the first publication thereof may begin at any time after the summons has been returned.

Effective: July 15, 1980

History: Amended 1980 Ky. Acts ch. 114, sec. 64, effective July 15, 1980. -- Amended 1974 Ky. Acts ch. 315, sec. 42. -- Created 1968 Ky. Acts ch. 165, sec. 52.

273.330 Jurisdiction of court to liquidate assets and affairs of corporation.

- (1) Courts of equity shall have full power to liquidate the assets and affairs of a corporation:
 - (a) In an action by a member or director when it is made to appear:
 1. That the directors are deadlocked in the management of the corporate affairs and that irreparable injury to the corporation is being suffered or is threatened by reason thereof, and either that the members are unable to break the deadlock or there are no members having voting rights;
 2. That the acts of the directors or those in control of the corporation are illegal, oppressive or fraudulent;
 3. That the members entitled to vote in the election of directors are deadlocked in voting power and have failed for at least two (2) years to elect successors to directors whose terms have expired or would have expired upon the election of their successors;
 4. That the corporate assets are being misapplied or wasted; or
 5. That the corporation is unable to carry out its purposes.
 - (b) In an action by a creditor:
 1. When the claim of the creditor has been reduced to judgment and an execution thereon has been returned unsatisfied and it is established that the corporation is insolvent; or
 2. When the corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is insolvent.
 - (c) Upon application by a corporation to have its dissolution continued under the supervision of the court.
 - (d) When an action has been filed by the Attorney General to dissolve a corporation and it is established that liquidation of its affairs should precede the entry of a decree of dissolution.
- (2) Proceedings under this section shall be brought in the Circuit Court in which the registered office or the principal office of the corporation is situated.
- (3) It shall not be necessary to make directors or members parties to any such action or proceedings unless relief is sought against them personally.

History: Created 1968 Ky. Acts ch. 165, sec. 53.

273.333 Procedure in liquidation of corporation by court.

- (1) In a proceeding to liquidate the assets and affairs of a corporation, the court shall have the power to issue injunctions, to appoint a receiver or receivers pendente lite with such powers and duties as the court from time to time may direct, and to take such other proceedings as may be requisite to preserve the corporate assets wherever situated, and to carry on the affairs of the corporation until a full hearing can be had.
- (2) After a hearing had upon such notice as the court may direct to be given to all parties to the proceedings and to any other parties in interest designated by the court, the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation and, as appropriate, to enter into agreements with creditors for the satisfaction of the corporation's liabilities. Such liquidating receiver or receivers shall have authority, subject to the order of the court, to sell, convey and dispose of all or any part of the assets of the corporation wherever situated, either at public or private sale. The order appointing such liquidating receiver or receivers shall state their powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings.
- (3) The assets of the corporation or the proceeds resulting from a sale, conveyance, or other disposition thereof shall be applied and distributed as follows:
 - (a) All costs and expenses of the court proceedings and all liabilities and obligations of the corporation shall be paid, satisfied and discharged, or adequate provisions shall be made therefor;
 - (b) Assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution or liquidation, shall be returned, transferred or conveyed in accordance with such requirements;
 - (c) Assets received and held by the corporation subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution or liquidation, shall be transferred or conveyed to one (1) or more domestic or foreign corporations, societies or organizations engaged in activities substantially similar to those of the dissolving or liquidating corporation as the court may direct;
 - (d) Other assets, if any, shall be distributed in accordance with the provisions of the articles of incorporation or by the bylaws to the extent that the articles of incorporation or bylaws determine the distributive right of members, or any class or classes of members, or provide for distribution to others;
 - (e) Any remaining assets may be distributed to such persons, societies, organizations or domestic or foreign corporations, whether for profit or not for profit, specified in the plan of distribution adopted as provided in KRS 273.161 to 273.390, or where no plan of distribution has been adopted, as the court may direct.
- (4) The court shall have power to allow, from time to time, as expenses of the

liquidation, compensation to the receiver or receivers and to attorneys in the proceeding, and to direct the payment thereof out of the assets of the corporation or the proceeds of any sale or disposition of such assets.

- (5) A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver shall have exclusive jurisdiction of the corporation and its property, wherever situated.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 102, effective July 12, 2012. -- Created 1968 Ky. Acts ch. 165, sec. 54.

273.337 Qualifications of receivers.

A receiver shall in all cases be a citizen of the United States or a corporation for profit authorized to act as receiver, which corporation may be a domestic corporation or a foreign corporation authorized to transact business in this state, and shall in all cases give such bond as the court may direct with such sureties as the court may require.

History: Created 1968 Ky. Acts ch. 165, sec. 55.

273.340 Filing of claims in liquidation proceedings.

In proceedings to liquidate the assets and affairs of a corporation the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims it shall fix a date, which shall be not less than four (4) months from the date of the order, as the last day for filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

History: Created 1968 Ky. Acts ch. 165, sec. 56.

273.343 Discontinuance of liquidation proceedings.

The liquidation of the assets and affairs of a corporation may be discontinued at any time during the liquidation proceedings when it is established that cause for liquidation no longer exists. In such event the court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

History: Created 1968 Ky. Acts ch. 165, sec. 57.

273.347 Decree of involuntary dissolution.

- (1) In a proceeding to liquidate the assets and affairs of a corporation, when the costs and expenses of such proceeding and all debts, obligations, and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets distributed in accordance with the provisions of KRS 273.161 to 273.390, or in case its property and assets are not sufficient to satisfy and discharge such costs, expenses, debts, and obligations, and all the property and assets have been applied so far as they will go to their payment, the court shall enter a decree dissolving the corporation.
- (2) The clerk of the court shall cause a certified copy of a decree entered under subsection (1) of this section to be filed with the Secretary of State. No fee shall be charged by the Secretary of State for the filing thereof. The dissolution shall be effective upon the latter of the date of filing of the decree by the Secretary of State or such later date as is specified in the decree.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 103, effective July 12, 2012. -- Created 1968 Ky. Acts ch. 165, sec. 58.

273.350 Repealed, 2012. **Catchline at repeal:** Filing of decree of dissolution.

History: Repealed 2012 Ky. Acts ch. 81, sec. 127, effective July 12, 2012. -- Created 1968 Ky. Acts ch. 165, sec. 59.

273.353 Deposits with State Treasurer.

Upon the voluntary or involuntary dissolution of a corporation, the portion of the assets distributable to any person who is unknown or cannot be found, or who is under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and deposited with the State Treasurer and shall be paid over to such person or to his legal representative upon proof satisfactory to the State Treasurer of his right thereto.

History: Created 1968 Ky. Acts ch. 165, sec. 60.

273.357 Survival of remedy after dissolution.

The dissolution of a corporation either (1) by the filing of articles of dissolution with the Secretary of State, or (2) by a decree of court when the court has not liquidated the assets and affairs of the corporation as provided in KRS 273.161 to 273.390 shall not take away or impair any remedy available to or against the corporation, its directors, officers, or members, for any right or claim existing, or any liability incurred, prior to the dissolution if action or other proceeding thereon is commenced within two (2) years after the date of such dissolution. Any such action or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The members, directors, and officers may take corporate or other action appropriate to protect the remedy, right, or claim.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 341, sec. 17, effective July 15, 1998. -- Amended 1988 Ky. Acts ch. 23, sec. 209, effective January 1, 1989. -- Created 1968 Ky. Acts ch. 165, sec. 61.

273.360 Repealed, effective January 1, 1989.

Catchline at repeal: Admission of foreign corporations.

History: Repealed 1988 Ky. Acts ch. 23, sec. 248, effective January 1, 1989. --
Amended 1976 Ky. Acts ch. 27, sec. 13. -- Created 1968 Ky. Acts ch. 165, sec. 62.

273.361 Application for certificate of authority.

Each foreign nonprofit corporation transacting business in the Commonwealth of Kentucky shall comply with KRS 14A.9-010.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 151, sec. 66, effective January 1, 2011. -- Amended 1998 Ky. Acts ch. 341, sec. 15, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 23, sec. 232, effective January 1, 1989.

273.3611 Repealed, 2011.

Catchline at repeal: Amended certificate of authority.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 233, effective January 1, 1989.

273.3612 Repealed, 2011.

Catchline at repeal: Effect of certificate of authority.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 234, effective January 1, 1989.

273.363 Repealed, 2011.

Catchline at repeal: Applicability of service and withdrawal provisions of KRS Chapter 271B.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Amended 1988 Ky. Acts ch. 23, sec. 180, effective January 1, 1989. -- Amended 1978 Ky. Acts ch. 384, sec. 100, effective June 17, 1978. -- Created 1968 Ky. Acts ch. 165, sec. 63.

273.364 Repealed, 2011.

Catchline at repeal: Corporate name of foreign corporation.

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 83, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 83, effective June 26, 2007. -- Amended 2006 Ky. Acts ch. 149, sec. 229, effective July 12, 2006. -- Created 1988 Ky. Acts ch. 23, sec. 235, effective January 1, 1989.

273.3641 Registered office and registered agent of foreign corporation.

Each foreign corporation authorized to transact business in this state shall continuously maintain in this state a registered office and a registered agent that satisfy the requirements of KRS 14A.4-010.

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 67, effective January 1, 2011. -- Amended 1998 Ky. Acts ch. 341, sec. 16, effective July 15, 1998. -- Created 1988 Ky. Acts ch. 23, sec. 236, effective January 1, 1989.

273.3642 Repealed, 2011.

Catchline at repeal: Change of registered office or registered agent of foreign corporation.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Created 1988 Ky. Acts ch. 23, sec. 237, effective January 1, 1989.

273.3643 Repealed, 2011.

Catchline at repeal: Resignation of registered agent of foreign corporation.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 238, effective January 1, 1989.

273.3644 Repealed, 2011.

Catchline at repeal: Service on foreign corporation.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 239, effective January 1, 1989.

273.3645 Repealed, 2011.

Catchline at repeal: Withdrawal of a foreign corporation.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 240, effective January 1, 1989.

273.3646 Repealed, 2011.

Catchline at repeal: Grounds for revocation of certificate of authority of foreign corporation.

History: Amended 2010 Ky. Acts ch. 133, sec. 21, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 1988 Ky. Acts ch. 23, sec. 241, effective January 1, 1989.

273.3647 Repealed, 2011.

Catchline at repeal: Procedure for an effective revocation of certificate of authority of foreign corporation.

History: Amended 2010 Ky. Acts ch. 133, sec. 22, effective July 15, 2010; and repealed ch. 151, sec. 151, effective January 1, 2011. -- Created 1988 Ky. Acts ch. 23, sec. 242, effective January 1, 1989.

273.3648 Repealed, 2011.

Catchline at repeal: Appeal from revocation.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. --
Created 1988 Ky. Acts ch. 23, sec. 243, effective January 1, 1989.

273.367 Repealed, effective January 1, 1989.

Catchline at repeal: Annual report of domestic and foreign corporations --
Reinstatement of certificate of incorporation.

History: Repealed 1988 Ky. Acts ch. 23, sec. 248, effective January 1, 1989. --
Amended 1986 Ky. Acts ch. 202, sec. 9, effective March 28, 1986. -- Amended 1980
Ky. Acts ch. 294, sec. 8, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 27,
secs. 1 and 4. -- Created 1968 Ky. Acts ch. 165, sec. 64.

273.3671 Annual report.

Each corporation and each foreign corporation qualified to transact business in this Commonwealth is subject to KRS 14A.6-010.

Effective: January 1, 2011

History: Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 85, effective July 15, 2010; amended ch. 133, sec. 23, effective July 15, 2010; and repealed and reenacted ch. 151, sec. 68, effective January 1, 2011. -- Amended 2007 Ky. Acts ch. 137, sec. 85, effective June 26, 2007. -- Created 1988 Ky. Acts ch. 23, sec. 244, effective January 1, 1989.

Legislative Research Commission Note (7/15/2010). This section was amended by 2010 Ky. Acts ch. 133, and repealed and reenacted by 2010 Ky. Acts ch. 51, both effective 7/15/2010. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict; therefore, they have been codified together. Effective 1/1/2011, this section was also repealed and reenacted by the omnibus Kentucky Business Entity Filing Act, 2010 Ky. Acts ch. 151.

273.368 Filing and recording fees.

In respect of the following documents, the fees to be collected by the Secretary of State for filing, when required by this chapter, shall be:

- (1) Articles of incorporation, eight dollars (\$8);
- (2) Articles of amendment, eight dollars (\$8);
- (3) Restated articles of incorporation, eight dollars (\$8);
- (4) Articles of merger or consolidation, eight dollars (\$8);
- (5) Articles of dissolution, five dollars (\$5); and
- (6) Any other statement or report of a foreign or domestic corporation, eight dollars (\$8).

Effective: January 1, 2011

History: Amended 2010 Ky. Acts ch. 151, sec. 69, effective January 1, 2011. -- Amended 1998 Ky. Acts ch. 341, sec. 18, effective July 15, 1998. -- Amended 1986 Ky. Acts ch. 204, sec. 6, effective July 15, 1986. -- Amended 1980 Ky. Acts ch. 21, sec. 2, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 384, sec. 454, effective June 17, 1978. -- Created 1976 Ky. Acts ch. 27, sec. 15.

273.369 Repealed, 2011.

Catchline at repeal: Charges collected by Secretary of State.

History: Repealed 2010 Ky. Acts ch. 151, sec. 151, effective January 1, 2011. -- Amended 1986 Ky. Acts ch. 204, sec. 7, effective July 15, 1986. -- Created 1976 Ky. Acts ch. 27, sec. 16.

273.370 Greater voting requirements.

Whenever, with respect to any action to be taken by the members or directors of a corporation, the articles of incorporation or bylaws require the vote or concurrence of a greater proportion of the directors or members or any class of members than required by KRS 273.161 to 273.390, the provisions of the articles of incorporation or bylaws shall control.

History: Created 1968 Ky. Acts ch. 165, sec. 65.

273.373 Waiver of notice.

Whenever any notice is required to be given to any member or director of a corporation under the provisions of KRS 273.161 to 273.390 or under the provisions of the articles of incorporation or bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

History: Created 1968 Ky. Acts ch. 165, sec. 66.

273.375 Director action without meeting.

- (1) Unless the articles of incorporation or bylaws provide otherwise, action required or permitted by KRS 273.161 to 273.390 to be taken at a board of directors meeting may be taken without a meeting if the action is taken by all members of the board. The action shall be evidenced by one (1) or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken.
- (2) Action taken under this section shall be effective when the last director signs the consent, unless the consent specifies a different effective date.
- (3) A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.

Effective: June 24, 2015

History: Created 2015 Ky. Acts ch. 34, sec. 67, effective June 24, 2015.

Legislative Research Commission Note (6/24/2015). This section was created in 2015 Ky. Acts ch. 34. At the time 2015 House Bill 440, which became 2015 Acts ch. 34, was drafted and initially reviewed, the Reviser of Statutes deleted several occurrences of the phrase, "as amended by Sections 66 through 85 of this Act." One occurrence of this phrase was inadvertently left in the bill as enacted. The Reviser of Statutes has removed this phrase under the authority of KRS 7.136.

273.377 Member action without meeting.

- (1) Any action required by KRS 273.161 to 273.390 to be taken at a meeting of the members of a corporation, or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.
- (2) The action taken under this section shall be evidenced by one (1) or more written consents describing the action taken, signed by the members taking the action, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.
- (3) Action taken under this section shall be effective when consents representing the votes necessary to take the action under this section are delivered to the corporation, or upon delivery of the consents representing the necessary votes, as of a different date if specified in the consent.
- (4) Any member giving a consent may revoke the consent by a writing received by the corporation prior to the time that consents representing the votes required to take the action under this section have been delivered to the corporation but may not do so thereafter.
- (5) A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 75, effective June 24, 2015. -- Created 1968 Ky. Acts ch. 165, sec. 67.

273.380 Unauthorized assumption of corporate powers.

All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

History: Created 1968 Ky. Acts ch. 165, sec. 68.

273.382 Conversion of Chapter 271B corporation to corporation governed by KRS 273.161 to 273.387.

- (1) A corporation organized under KRS Chapter 271B or its predecessors may convert to a corporation organized under and governed by KRS 273.161 to 273.387 as authorized by KRS 271B.10-010.
- (2) A corporation that has been converted under KRS 271B.10-010 shall be for all purposes the same entity that existed before the conversion.
- (3) Upon the filing of amended and restated articles of incorporation satisfying the requirements of KRS 271B.10-010:
 - (a) All property and contract rights owned by, and all rights, privileges, and immunities of, the converting corporation shall remain vested in the converted corporation without assignment, reversion, or impairment;
 - (b) All obligations of the converting corporation shall continue as obligations of the converted corporation;
 - (c) An action or proceeding pending against the converting corporation may be continued as if the conversion had not taken place, and the name of the converted corporation may be substituted in any pending action or proceeding in the name of the converting corporation; and
 - (d) The corporation shall be a nonstock, nonprofit corporation governed by and subject to all of the limitations and requirements imposed by KRS 273.161 to 273.387.
- (4) Nothing in this section shall authorize the conversion of a corporation organized under this chapter to a corporation organized under KRS Chapter 271B.

Effective: June 20, 2005

History: Created 2005 Ky. Acts ch. 182, sec. 10, effective June 20, 2005.

273.383 Repealed, effective January 1,1989.

Catchline at repeal: Limitations on business and holding of real estate -- Escheat procedure.

History: Repealed 1988 Ky. Acts ch. 23, sec. 248, effective January 1, 1989. -- Amended 1978 Ky. Acts ch. 384, sec. 576, effective June 17, 1978. -- Created 1968 Ky. Acts ch. 165, sec. 69.

273.387 Application of act to corporations in existence on June 30, 1968.

- (1) KRS 273.161 to 273.390, so far as it can be made applicable, shall apply to any nonstock, nonprofit corporation in existence on June 30, 1968, which was formed under the general laws of this state relating to religious, educational, charitable, civic, athletic, recreational, and social nonstock, nonprofit corporations, or by special act, for a purpose or purposes for which a corporation might be formed under KRS 273.161 to 273.390.
- (2) It shall not be necessary for any such existing corporation to amend its articles to set forth the provisions required by KRS 273.161 to 273.390 to be set forth in articles of incorporation.
- (3) Such existing corporations shall have all the powers enumerated in KRS 273.171.

History: Created 1968 Ky. Acts ch. 165, sec. 71.

273.390 Title of law.

KRS 273.161 to 273.390 shall be known and may be cited as the "Kentucky Nonprofit Corporation Acts."

History: Created 1968 Ky. Acts ch. 165, sec. 1.

273.392 Repealed, effective July 15, 1994.

Catchline at repeal: Interest rate to be paid by water association.

History: Repealed 1994 Ky. Acts ch. 221, sec. 2, effective July 15, 1994. -- Created 1990 Ky. Acts ch. 357, sec. 2, effective July 13, 1990.

273.400 Definition -- Internal Revenue Code -- Acts prohibited -- Policy of state regarding charitable trust -- Liability of trustee -- Powers of Attorney General.

Notwithstanding any other provisions of this chapter:

- (1) "Internal Revenue Code" as used in this section means the Internal Revenue Code of 1954, in effect on January 1, 1970, including all appropriate provisions of the Tax Reform Act of 1969 at the date specified in that law, exclusive of any amendments made subsequent to December 31, 1969.
- (2) No corporation which is a "private foundation" as defined in Section 509 of the Internal Revenue Code shall:
 - (a) Engage in any act of "self-dealing" (as defined in Section 4941(d) of the Internal Revenue Code) which would give rise to any liability for any tax imposed by Section 4941 of the Internal Revenue Code;
 - (b) Retain any "excess business holdings" (as defined in Section 4943(c) of the Internal Revenue Code) which would give rise to any liability for any tax imposed by Section 4943 of the Internal Revenue Code;
 - (c) Make any investment which would jeopardize the carrying out of any of its exempt purposes, within the meaning of Section 4944 of the Internal Revenue Code, so as to give rise to any liability for any tax imposed by Section 4944 of the Internal Revenue Code;
 - (d) Make any "taxable expenditures" (as defined in Section 4945(d) of the Internal Revenue Code) which would give rise to any liability for any tax imposed by Section 4945 of the Internal Revenue Code.
- (3) Each corporation which is a "private foundation" as defined in Section 509 of the Internal Revenue Code shall, for the purposes specified in its articles, distribute at such time and in such manner, for each taxable year, amounts at least sufficient to avoid liability for any tax imposed by Section 4942 of the Internal Revenue Code.
- (4) Subsections (2) and (3) of this section express the continuing policy of this state with respect to charitable trust interests and are enacted to assist corporations which are "private foundations" as defined in Section 509 of the Internal Revenue Code in maintaining various tax benefits extended to them, and shall apply to any corporations described therein; provided, however, subsections (2) and (3) of this section shall not apply to a corporation in existence on July 1, 1972 to the extent that such corporation shall provide to the contrary by amendment to its articles of incorporation adopted after July 1, 1972.
- (5) Violation of a provision of subsection (2) or (3) of this section by a corporation to which said provisions are applicable shall not work a forfeiture or dissolution of the corporation. No trustee, director or officer of a corporation to which the provisions of subsection (2) or (3) of this section are applicable shall be personally liable for a violation of a prohibition or requirement of said provisions unless he participated in such violation knowing that it was a violation, nor shall such trustee, director or officer be personally liable if such violation was not willful and was due to reasonable cause; provided, however, that this subsection does not exonerate a trustee, director or officer from any responsibility or liability to which he is subject

under any other rule of law, whether or not duplicated in subsection (2) or (3) of this section.

- (6) Except as provided in subsection (5) of this section, nothing in this section shall impair the rights and powers of the courts or the Attorney General of this state with respect to any such corporation.
- (7) In furtherance of the continuing policy of this state to assist charitable trust interests in maintaining various tax benefits extended to them, the provisions of subsections (2) and (3) of this section shall be deemed to have been in force and effect on January 1, 1970; provided, however, the provisions of subsections (2) and (3) of this section shall apply to a corporation organized before January 1, 1970 which is a "private foundation" as defined in Section 509 of the Internal Revenue Code only on and after the first day of its first taxable year (for federal tax purposes) beginning on or after January 1, 1972.

History: Created 1972 Ky. Acts ch. 344, sec. 4.

273.401 Fire department membership charges and subscriber fees may be added to property tax bills -- Collection and distribution -- Collection fee for sheriff.

- (1) If a fire department created under the provisions of this chapter is authorized by law to collect membership charges or subscriber fees for combating fires or serving in other emergencies, the legislative body of the city or county where the fire department is located may require those annual membership charges or subscriber fees to be added to property tax bills. The county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.
- (2) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy. The legislative body of the city or county where the fire department is located shall, in consultation with the sheriff and the fire department, set a collection fee for the sheriff to retain an amount not to exceed four and one-fourth percent (4.25%) of the membership charges or subscriber fees collected.
- (3) Notwithstanding subsections (1) and (2) of this section, annual membership charges and subscriber fees shall not be added to the property tax bills of property owners within a territory that lies within the corporate limits of a city or that lies within a fire protection district or volunteer fire protection district established pursuant to KRS 75.010 to 75.080 without the written approval of the governing body of the city or the district.

Effective: July 15, 2016

History: Amended 2016 Ky. Acts ch. 117, sec. 4, effective July 15, 2016. -- Amended 2012 Ky. Acts ch. 51, sec. 2, effective July 12, 2012. -- Created 2002 Ky. Acts ch. 163, sec. 4, effective July 15, 2002.

273.405 Community action agencies to be established.

There shall be established community action agencies throughout political subdivisions of the Commonwealth.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 1, effective July 15, 1982.

273.410 Definitions.

As used in KRS 273.405 to 273.453, unless the context otherwise requires:

- (1) "Commission" means the Legislative Research Commission.
- (2) "Community action agency" means a corporation organized for the purpose of alleviating poverty within a community or area by developing employment opportunities; by bettering the conditions under which people live, learn, and work; and by conducting, administering, and coordinating similar programs.
- (3) "Designated review body" means either:
 - (a) Any interim joint committee, as designated by the Commission at any time when the General Assembly is not in session, whose subject jurisdiction relates to the block grant under review; or
 - (b) Any interim joint committee, as designated by the Commission at any time when the General Assembly is not in session, whose subject jurisdiction relates to the block grant under review plus the Interim Joint Committee on Appropriations and Revenue; or
 - (c) Any standing committee, as designated by the Committee on Committees during any legislative session, whose subject jurisdiction relates to the block grant under review; or
 - (d) Any standing committee, as designated by the Committee on Committees during any legislative session, whose subject jurisdiction relates to the block grant under review plus the Senate and House Standing Committees on Appropriations and Revenue.
- (4) "Federal administering agency" means any agency of the United States government administering any block grant.
- (5) "Federal act" means the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35, and any amendments thereto, as the federal act relates to community services block grants.
- (6) "State administering agency" means any agency of the Commonwealth designated by the Governor to apply for and administer funds made available under the federal act.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 9, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 453, sec. 2, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 1.

273.415 Organization -- Separate organizations to provide specific services otherwise unavailable.

- (1) A community action agency shall be organized and shall operate subject to the provisions of KRS 273.405 to 273.453. To the extent KRS 273.405 to 273.453 are inconsistent with the provisions of this chapter, the provisions of KRS 273.405 to 273.453 shall be controlling.
- (2) A community action agency shall be organized and operate subject to the provisions of KRS 65.210 through 65.300 and KRS 273.405 to 273.453.
- (3) One (1) or more community action agencies may form a separate organization to provide a specific service that would be otherwise unavailable to low income persons within the community action agencies' service area. The board of any organization so formed shall include local elected officials from the service area, representatives of the private sector in the service area and representatives of the community action agencies in the service area to ensure the representation of the low income and target residents. Any organization so formed, serving as an instrumentality of one (1) or more community action agencies, shall be eligible for associate membership in any association of community action agencies consistent with group bylaws, and shall be eligible for benefits such as group insurance and retirement programs for which community action agencies are eligible, subject to approval by the association.

Effective: July 15, 1988

History: Amended 1988 Ky. Acts ch. 226, sec. 1, effective July 15, 1988. -- Amended 1984 Ky. Acts ch. 308, sec. 10, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 453, sec. 3, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 2.

273.420 Repealed, 1982.

Catchline at repeal: Articles of incorporation.

History: Repealed 1982 Ky. Acts ch. 453, sec. 23, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 3.

273.425 Repealed, 1982.

Catchline at repeal: Filing of articles of incorporation.

History: Repealed 1982 Ky. Acts ch. 453, sec. 23, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 4.

273.430 General powers.

In order to accomplish its purposes, a community action agency may:

- (1) Borrow money for any of the purposes of the agency;
- (2) Issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and secure the same by mortgage, pledge, deed of trust, or other lien on its property, franchise, rights and privileges of every kind or nature or any part thereof or interest therein;
- (3) Apply for and accept loans, grants, and other assistance from any entity, public or private, including but not limited to the Commonwealth and the United States; and
- (4) Perform all acts and things necessary or convenient to carry out its purposes.

Effective: July 15, 1982

History: Amended 1982 Ky. Acts ch. 453, sec. 9, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 5.

273.435 Designation of community action agency.

- (1) A community action agency may be designated by the following political subdivisions:
 - (a) One (1) or more counties;
 - (b) One (1) or more municipal corporations; or
 - (c) One (1) or more counties and one (1) or more municipal corporations.
- (2) The chief elected official of the designating political subdivision may designate:
 - (a) The political subdivision as the community action agency, with the concurrence of the legislative authority of the political subdivision; or
 - (b) An eligible private nonprofit corporation as a community action agency if such corporation's board of directors is established pursuant to KRS 273.437.
- (3) In the event a political subdivision elects not to designate a community action agency as provided under this section, the Governor may designate an eligible private nonprofit corporation as the community action agency for the political subdivision; provided, however, that the board of directors for the community action agency shall be established pursuant to KRS 273.437.
- (4) The designating political subdivision shall:
 - (a) Publish, pursuant to KRS Chapter 424, a notice containing the designation of a community action agency, a summary of the plan for such agency, a location at which the plan can be reviewed, and the time, date, and location of a hearing on the plan; and
 - (b) Not less than thirty (30) nor more than sixty (60) days from the publication of the notice in subsection (1), convene a public hearing specifically for the purpose of receiving public comment on the designation plan.
- (5) All community action agencies which were organized and operating subject to the provisions of KRS 273.410 to 273.455 as of September 30, 1981, shall be recognized as the community action agencies for each applicable political subdivision unless and until each political subdivision exercises the authority granted under this section.
- (6) No community action agency shall be created after July 15, 1982, unless the:
 - (a) Population of the political subdivision equals or exceeds fifty thousand (50,000); or
 - (b) Political subdivisions designating a new community action agency are geographically contiguous and include a combined population equal to or exceeding fifty thousand (50,000).

Effective: July 15, 1982

History: Amended 1982 Ky. Acts ch. 453, sec. 4, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 6.

273.437 Administering boards.

- (1) When a private nonprofit corporation is designated as a community action agency, the board of directors of the private nonprofit corporation, if constituted in compliance with subsection (3) of this section, shall be the governing board.
- (2) When a political subdivision is designated as the community action agency the board of directors of the community action agency shall be a community action board constituted as required by subsection (3) of this section.
- (3) Governing boards and community action boards shall be so established and organized that the poor and residents of the area concerned will be able to influence the character of programs affecting their interests and regularly participate in the planning and implementation of those programs. The articles of incorporation shall be deemed to meet these requirements if they provide that:
 - (a) One-third (1/3) of the members of the administering board shall be public officers, including elected public officials or their representatives, unless the number of public officers reasonably available or willing to serve is less than one-third (1/3) of the membership of the board;
 - (b) At least one-third (1/3) of the members of the administering board shall be persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area to be served by the agency;
 - (c) The remaining members of the administering board shall be officials or members of business, industry, labor, religious, welfare, education, or other major groups and shall be interested in the community;
 - (d) Each member of the board who is to represent a specific geographic area within a community shall reside in the area he represents; and
 - (e) Total membership of the board is not less than fifteen (15) and not more than fifty-one (51).
- (4) Neighborhood based organizations composed of residents of the area or individual members of the groups served by the community action agency shall be consulted by each community action agency to assist the agency in the planning, conduct, and evaluation of components of the community action program.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 5, effective July 15, 1982.

273.439 Powers of administering boards.

- (1) The governing board of a private, nonprofit community action agency shall have the same legal powers and responsibilities granted under its state charter as the board of directors of any private, nonprofit corporation incorporated in the Commonwealth of Kentucky including the power to enter into legally binding agreements with any federal, state, or local agency, or with any private funding organization for the purpose of administering programs or providing services.
- (2) In addition to these general corporate powers which all private, nonprofit corporations possess, the following are specific powers which a governing board of a private nonprofit community action agency shall possess:
 - (a) To appoint the executive director of the community action agency;
 - (b) To determine major personnel, organization, fiscal, and program policies;
 - (c) To determine overall program plans and priorities for the community action agency, including provisions for evaluating progress against performance;
 - (d) To make final approval of all program proposals and budgets;
 - (e) To enforce compliance with all conditions of all grants contracts;
 - (f) To oversee the extent and the quality of the participation of the poor in the programs of the community action agency;
 - (g) To determine rules and procedures for the governing board; and
 - (h) To select the officers and the executive committee, if any, of the governing board.
- (3) When a political subdivision is designated as the community action agency the designating officials possess those powers contained in subsection (2)(b) through (e) of this section and share with the community action board the power contained in subsection (2)(a) of this section. The designating officials may delegate the powers contained in subsection (2)(b) through (d) only to the community action board.
- (4) When a political subdivision is designated as the community action agency, it shall administer its program through the community action board. The community action board shall have the following powers:
 - (a) To participate jointly and to concur formally in the selection of the executive director of the community action agency;
 - (b) To exercise all powers which the designating officials choose to delegate to the community action board;
 - (c) To oversee the extent and the quality of the participation of the poor in the programs of the community action agency;
 - (d) To determine rules and procedures for the community action board; and
 - (e) To select the officers and the executive committee, if any, of the community action board.
- (5) When a political subdivision is designated as the community action agency, the community action board shall deliberate upon the following matters and submit its

written recommendations to the designating officials before the designating officials render a final decision unless the designating officials have specifically delegated these powers:

- (a) Determination of major personnel, organization, fiscal, and program policies;
- (b) Determination of overall program plans and priorities;
- (c) Approval of all program proposals and budgets;
- (d) Approval of all evaluation and assessment studies and reports; and
- (e) Approval of all arrangements for delegating the planning, conducting, or evaluating a component of the work program.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 6, effective July 15, 1982.

273.440 Repealed, 1982.

Catchline at repeal: Designation by Commonwealth.

History: Repealed 1982 Ky. Acts ch. 453, sec. 23, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 7.

273.441 Duties of community action agency.

- (1) Each community action agency shall:
 - (a) Plan systematically for an effective community action program, develop information as to the problems and causes of poverty in the community; determine how much and how effectively assistance is being provided to deal with those problems and causes; and establish priorities among projects, activities, and areas as needed for the best and most efficient use of resources;
 - (b) Provide planning or technical assistance to agencies; and generally, in cooperation with community agencies and officials, undertake actions to improve existing efforts to reduce poverty, such as improving day-to-day communications, closing service gaps, focusing resources on the most needy, and providing additional opportunities to low-income individuals for regular employment or participation in the programs or activities for which those community agencies and officials are responsible;
 - (c) Initiate and sponsor projects responsive to needs of the poor which are not otherwise being met, with particular emphasis on providing central or common services that can be drawn upon by a variety of related programs, developing new approaches or new types of services that can be incorporated into other programs, and filling gaps pending the expansion or modification of those programs;
 - (d) Establish effective procedures by which the poor and area residents concerned will be enabled to influence the character of programs affecting their interests, provide for their regular participation in the implementation of those programs, and provide technical and other support needed to enable the poor and neighborhood groups to secure on their own behalf available assistance from public and private sources;
 - (e) Join with and encourage business, labor and other private groups and organizations to undertake, together with public officials and agencies, activities in support of the community action program which will result in the additional use of private resources and capabilities, with a view to developing new employment opportunities, stimulating investment that will have a measurable impact on reducing poverty among residents of areas of concentrated poverty, and providing methods by which residents of those areas can work with private groups, firms, and institutions in seeking solutions to problems of common concern.
- (2) If a community action agency places responsibility for the character, funding, extent, administration of, or budgeting for programs of the agency with another agency or organization, public or private, it shall do so by contract. No contract shall be made with an agency or organization which does not have a board which is broadly representative of the citizens of the geographic area served by the agency or organization.
- (3) Each community action agency shall comply with the provisions of KRS 65A.010 to 65A.090.

Effective: March 21, 2013

History: Amended 2013 Ky. Acts ch. 40, sec. 80, effective March 21, 2013. -- Created
1982 Ky. Acts ch. 453, sec. 7, effective July 15, 1982.

273.442 Community action agency may participate in pilot project established in KRS 205.632.

A community action agency may participate in the pilot project established in KRS 205.632. The state administering agency shall work with the Department for Medicaid Services to effectuate the pilot project if community action agencies are deemed participating providers.

Effective: July 15, 2016

History: Created 2016 Ky. Acts ch. 126, sec. 3, effective July 15, 2016.

273.443 Use of federal funds.

- (1) Any funds made available under the federal act shall be used by each grantee of the funds:
 - (a) To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;
 - (b) To provide activities designed to assist low-income participants including the elderly poor:
 1. To secure and retain meaningful employment;
 2. To attain an adequate education;
 3. To access adequate health care;
 4. To make better use of available income;
 5. To obtain and maintain adequate housing and a suitable living environment;
 6. To obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing and employment related assistance;
 7. To remove obstacles and solve problems which block the achievement of self-sufficiency;
 8. To achieve greater participation in the affairs of the community; and
 9. To make more effective use of other programs related to the purposes of KRS 273.405 to 273.453;
 - (c) To coordinate and establish linkages between governmental and other social programs to assure the effective delivery of such services to low-income individuals;
 - (d) To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community;
 - (e) To develop, promote or otherwise encourage economic development activities which result in assisting low-income persons to become economically productive members of their community;
 - (f) To provide education, counseling and technical assistance on compliance with equal opportunity legislation for individuals and community organizations, both public and private.
- (2) In addition to required services and activities to be provided with funds made available under the federal act, these funds may be used to provide on an emergency basis for the provision of such supplies and services to meet immediate essential needs of low-income persons including the elderly poor.

Effective: July 15, 2016

History: Amended 2016 Ky. Acts ch. 126, sec. 2, effective July 15, 2016. -- Amended 1984 Ky. Acts ch. 308, sec. 11, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 8, effective July 15, 1982.

273.445 Repealed 1982.

Catchline at repeal: Requirement for filing of financial report.

History: Repealed 1982 Ky. Acts ch. 453, sec. 23, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 8.

273.446 Annual grants of block grant funds -- Allocation formula -- Use of funds -- Services to be provided -- Matching fund requirements -- Other funds.

- (1) The state administering agency shall annually grant community services block grant funds under the federal act to community action agencies designated by political subdivisions as provided under KRS 273.435 and 273.437.
- (2) An allocation formula for community services block grant funds shall be devised by the state administering agency. The allocation formula shall be based on the 1981 federal fiscal year federal community services administration grantee based allocation and the incidence and severity of poverty throughout the Commonwealth. The formula shall be set forth in administrative regulation by the state administering agency.
- (3) Any level of local match to be required by the state administering agency shall not exceed twenty percent (20%) of each community action agency's total annual allocation under the federal act. Community action agencies shall not be prohibited from using noncash resources to meet any match requirement of the state administering agency.
- (4) The services to be provided with funds made available under the federal act shall be determined and prioritized by each community action agency in accordance with the allowable services and intended beneficiaries as set forth under KRS 273.443.
- (5) Community services block grant funds made available under the federal act shall be used in accordance with the provisions set forth in KRS 273.441 and 273.443, provided that a portion of such funds shall be applied for legislative oversight in accordance with KRS 45.358.
- (6) The state administering agency, Governor or his designee may grant to community action agencies such other state and federal funds the purposes of which are in accordance with the provisions set forth in KRS 273.443.
- (7) For such other state or federal program funds applicable to the services and activities set forth in KRS 273.443, the Governor shall, upon a determination of community action agencies' capability for utilizing such funds in a manner so as to fulfill the purpose of those funds and to fulfill the policy set forth in KRS 273.405, give special consideration to utilizing community action agencies in implementing such programs.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 12, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 10, effective July 15, 1982.

273.448 Powers and duties of state administering agency.

- (1) The responsibilities and powers of the state administering agency shall be:
 - (a) To establish standards in accordance with applicable state and federal laws and regulations by which administrative, fiscal and programmatic effectiveness of the federal act in the Commonwealth shall be measured.
 - (b) To monitor and evaluate community action agencies' compliance with:
 1. The standards provided under subsection (1)(a) of this section and as set forth in administrative regulations by the state administering agency;
 2. The provisions of KRS 273.405 to 273.451; and
 3. The provisions of the federal act.
 - (c) To receive and review annual independent audits of all funds received by community action agencies.
 - (d) To direct community action agencies to submit such reports, records or other information necessary to determine community action agencies' administrative, fiscal, and programmatic effectiveness in their use of funds made available under the federal act.
 - (e) To provide for training and technical assistance to the community action agencies.
 - (f) To serve as liaison between community action agencies and other state and federal agencies for the purposes of:
 1. Increasing the awareness of state and federal agencies toward the needs of low-income persons;
 2. Providing information regarding capabilities of community action agencies;
 3. Mobilizing resources for utilization by community action agencies;
 4. Promoting the services and activities of community action agencies; and
 5. Developing, promoting, or otherwise encouraging means for private sector involvement in the services and activities of community action agencies.
 - (g) To develop annually a plan describing the intended use and distribution of the community services block grant under the federal act based on the provisions of KRS 273.446(1), (2), (3) and (4). The plan shall include a provision for the administrative costs of the community action agencies.
 - (h) To provide the Commission and the designated review body all materials, information, reports and documents as provided by KRS 45.351 and 45.357.
- (2) The state administering agency's administrative costs for administering the federal act shall not exceed the limit contained in the federal act and except as otherwise provided under KRS 45.353.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 13, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 11, effective July 15, 1982.

273.450 Repealed, effective July 15, 1982.

Catchline at repeal: Action when financial report not filed.

History: Repealed 1982 Ky. Acts ch. 453, sec. 23, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 9.

273.451 Reduction of agency's funds -- Notice -- Exception -- Mediation -- Access to evidence -- Appeal.

- (1) The state administering agency may take adverse action in the form of reduction, suspension, withdrawal or otherwise retraction of a community action agency's funds under the federal act and other funds over which the state administering agency has such authority, if:
 - (a) The state administering agency alleges a community action agency violated any law, regulation or duly issued directive related to funds for which the state administering agency has authority; and
 - (b) The state administering agency notifies the community action agency of its intended adverse action and informs the community action agency of its right to submit written material and of its right to request an informal hearing to respond to the intended action. The submission of written material and holding of an informal hearing shall not be required in less than five (5) working days of the initial notice to the community action agency; and
 - (c) After review of written material submitted by the community action agency and after convening an informal meeting with the community action agency, the state administering agency informs the community action agency of its intent to take adverse action. After sufficient prior notice to the public and the community action agency, the state administering agency shall hold a hearing, open to the public, during which the charges against the community action agency and the intended adverse action against the community action agency shall be presented and during which the community action agency has the opportunity to show cause why the intended adverse action should not be taken; and
 - (d) After conducting said hearing, the community action agency shall be notified by the state administering agency by letter or telegram not less than thirty (30) days prior to the effective date of the adverse action.
- (2) The state administering agency may take adverse action without prior notice and opportunity to show cause provided in subsection (1) of this section if it determines that immediate suspension is necessary because of:
 - (a) Substantial injury or loss of funds or property over which the state administering agency has authority; or
 - (b) Violation of a federal, state or local criminal statute.
- (3) In its notice to the community action agency of suspension the state administering agency shall specifically advise the community action agency of the reason for the suspension, effective date of the suspension and the extent, terms and conditions of any suspension and shall inform the community action agency of the date and location of a hearing wherein the community action agency shall have the opportunity to show cause as to why the suspension should be rescinded.
- (4) The duration of a suspension without notice shall not exceed thirty (30) days except that a suspension without notice may be renewed for an additional period not to exceed thirty (30) days if during the initial suspension period, the state

administering agency has initiated the process described in subsection (1) of this section.

- (5) At any time during the processes described in this section the state administering agency may convene an informal meeting with the community action agency to attempt to resolve any contemplated or implemented adverse action.
- (6) At all times during the processes described in this section, a community action agency shall have access to evidence upon which the state administering agency has based an intent or a final decision to take adverse action against the community action agency.
- (7) No provision of this section shall prevent a community action agency from appealing a decision of adverse action by the state administering agency to the appropriate courts of the Commonwealth or the United States.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 12, effective July 15, 1982.

**273.453 Submission of block grant application to Legislative Research Commission
-- Contents of application.**

- (1) The state administering agency shall submit any block grant application under the federal act for the following fiscal year to the Legislative Research Commission no less than ninety (90) days prior to the date of submission, as required by federal law, of the block grant application to the federal administering agency. The application and other material submitted to the Commission shall conform to the requirements, standards and criteria prescribed in KRS 273.430 to 273.448 and KRS 45.351, 45.3511 and 45.353. The review and processing of the application shall be in conformance with the provisions of KRS 45.352, 45.353 and 45.354.
- (2) The state administering agency shall submit annually an actual use and distribution report to the Commission as provided by KRS 45.357. Furthermore, the state administering agency shall comply with the block grant status report requirements of KRS 45.357.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 14, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 13, effective July 15, 1982.

273.455 Repealed 1982.

Catchline at repeal: Distribution of assets when dissolved or liquidated.

History: Repealed 1982 Ky. Acts ch. 453, sec. 23, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 10.

273.456 Repealed 1984.

Catchline at repeal: Continuing application requests prohibited -- Approval of legislative research commission or general assembly mandatory.

History: Repealed 1984 Ky. Acts ch. 308, sec. 17, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 14, effective July 15, 1982.

273.458 Repealed 1984.

Catchline at repeal: Public hearings.

History: Repealed 1984 Ky. Acts ch. 308, sec. 17, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 15, effective July 15, 1982.

273.460 Repealed 1984.

Catchline at repeal: Review by designated legislative body.

History: Repealed 1984 Ky. Acts ch. 308, sec. 17, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 16, effective July 15, 1982.

273.462 Repealed 1984.

Catchline at repeal: Report of designated legislative body -- Review and recommendation of commission -- Effect of no action by commission.

History: Repealed 1984 Ky. Acts ch. 308, sec. 17, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 17, effective July 15, 1982.

273.464 Repealed 1984.

Catchline at repeal: Recommendations for change -- Resubmission -- Approval or disapproval.

History: Repealed 1984 Ky. Acts ch. 308, sec. 17, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 18, effective July 15, 1982.

273.466 Repealed 1984.

Catchline at repeal: Review of use of funds -- Biannual status reports.

History: Repealed 1984 Ky. Acts ch. 308, sec. 17, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 19, effective July 15, 1982.

273.468 Repealed 1984.

Catchline at repeal: Block grant legislative oversight fund.

History: Repealed 1984 Ky. Acts ch. 308, sec. 17, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 20, effective July 15, 1982.

273.470 Entities organized for charitable purposes related to disasters -- Requirement for filing financial reports when contributions exceed \$25,000 -- Filing requirements for other tax exempt organizations which solicited and received contributions exceeding \$25,000 before June 25, 2013.

- (1) (a) Any entity organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, other than a religious organization that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code, that solicits and receives contributions exceeding twenty-five thousand dollars (\$25,000) for a charitable purpose related to a disaster in Kentucky shall file quarterly financial reports with the Secretary of State until the funds are expended. The quarterly reports shall be in a form and format determined by the Secretary of State and shall contain at a minimum the following:
 1. The amount of money received as a result of the solicitation at the time that the report is filed;
 2. Where the funds collected as a result of the solicitation are spent; and
 3. The amount of funds collected that are used for administrative costs.
- (b) The first quarterly report shall be filed no later than the last day of the third month following the commencement of solicitations.
- (2) Any entity organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, other than a religious organization that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code, which solicited and received contributions exceeding twenty-five thousand dollars (\$25,000) for a charitable purpose related to a disaster in Kentucky between January 1, 2012, and June 25, 2013, shall file a financial report with the Secretary of State. The financial report shall be in a form and format determined by the Secretary of State and shall contain at a minimum the following:
 - (a) The amount of money received as a result of the solicitation;
 - (b) Where the funds collected as a result of the solicitation were spent; and
 - (c) The amount of the funds collected that was used for administrative costs.

Effective: June 25, 2013

History: Created 2013 Ky. Acts ch. 113, sec. 2, effective June 25, 2013.

273.510 Repealed, 2010.

Catchline at repeal: Definitions.

History: Repealed 2010 Ky. Acts ch. 34 sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 1.

273.520 Repealed, 2010.

Catchline at repeal: Appropriation of net appreciation.

History: Repealed 2010 Ky. Acts ch. 34, sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 2.

273.530 Repealed, 2010.

Catchline at repeal: Rule of construction.

History: Repealed 2010 Ky. Acts ch. 34, sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 3.

273.540 Repealed, 2010.

Catchline at repeal: Investment authority.

History: Repealed 2010 Ky. Acts ch. 34, sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 4.

273.550 Repealed, 2010.

Catchline at repeal: Delegation of investment authority.

History: Repealed 2010 Ky. Acts ch. 34, sec 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 5.

273.560 Repealed, 2010.

Catchline at repeal: Standard of conduct.

History: Repealed 2010 Ky. Acts ch. 34, sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 6.

273.570 Repealed, 2010.

Catchline at repeal: Release of restrictions on use or investment.

History: Repealed 2010 Ky. Acts ch. 34 sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 7.

273.580 Repealed, 2010.

Catchline at repeal: Uniformity of application and construction.

History: Repealed 2010 Ky. Acts ch. 34, sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 8.

273.590 Repealed, 2010.

Catchline at repeal: Short title.

History: Repealed 2010 Ky. Acts ch. 34 sec. 11, effective July 15, 2010. -- Created 1976 Ky. Acts ch. 115, sec. 9.

273.600 Definitions for KRS 273.600 to 273.645.

In KRS 273.600 to 273.645:

- (1) "Charitable purpose" means the relief of poverty, the advancement of education or religion, the promotion of health, the promotion of a governmental purpose, or any other purpose the achievement of which is beneficial to the community;
- (2) "Endowment fund" means an institutional fund or part thereof that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. The term does not include assets that an institution designates as an endowment fund for its own use;
- (3) "Gift instrument" means a record or records, including an institutional solicitation, under which property is granted to, transferred to, or held by an institution as an institutional fund;
- (4) "Institution" means:
 - (a) A person, other than an individual, organized and operated exclusively for charitable purposes;
 - (b) A government or governmental subdivision, agency, or instrumentality, to the extent that it holds funds exclusively for a charitable purpose; or
 - (c) A trust that had both charitable and noncharitable interests, after all noncharitable interests have terminated;
- (5) "Institutional fund" means a fund held by an institution exclusively for charitable purposes. The term does not include:
 - (a) Program-related assets;
 - (b) A fund held for an institution by a trustee that is not an institution; or
 - (c) A fund in which a beneficiary that is not an institution has an interest, other than an interest that could arise upon violation or failure of the purposes of the fund;
- (6) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity;
- (7) "Program-related asset" means an asset held by an institution primarily to accomplish a charitable purpose of the institution and not primarily for investment; and
- (8) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 1, effective July 15, 2010.

273.605 Standard of conduct in managing and investing institutional fund.

- (1) Subject to the intent of a donor expressed in a gift instrument, an institution, in managing and investing an institutional fund, shall consider the charitable purposes of the institution and the purposes of the institutional fund.
- (2) In addition to complying with duty of loyalty imposed by law other than in KRS 273.600 to 273.645, each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- (3) In managing and investing an institutional fund, an institution:
 - (a) May incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the institution, and the skills available to the institution; and
 - (b) Shall make a reasonable effort to verify facts relevant to the management and investment of the fund.
- (4) An institution may pool two (2) or more institutional funds for purposes of management and investment.
- (5) Except as otherwise provided by a gift instrument, the following rules apply:
 - (a) In managing and investing an institutional fund, the following factors, if relevant, shall be considered:
 1. General economic conditions;
 2. The possible effect of inflation or deflation;
 3. The expected tax consequences, if any, of investment decisions or strategies;
 4. The role that each investment or course of action plays within the overall investment portfolio of the fund;
 5. The expected total return from income and the appreciation of investments;
 6. Other resources of the institution;
 7. The needs of the institution and the fund to make distributions and to preserve capital; and
 8. An asset's special relationship or special value, if any, to the charitable purposes of the institution;
 - (b) Management and investment decisions about an individual asset shall be made not in isolation but rather in the context of the institutional fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to the institution;
 - (c) Except as otherwise provided by law other than KRS 273.600 to 273.645, an institution may invest in any kind of property or type of investment consistent with this section;
 - (d) An institution shall diversify the investments of an institutional fund unless

the institution reasonably determines that, because of special circumstances, the purposes of the fund are better served without diversification;

- (e) Within a reasonable time after receiving property, an institution shall make and carry out decisions concerning the retention or disposition of the property or to rebalance a portfolio in order to bring the institutional fund into compliance with the purposes, terms, and distribution requirements of the institution as necessary to meet other circumstances of the institution and the requirements of KRS 273.600 to 273.645; and
- (f) A person that has special skills or expertise, or is selected in reliance upon the person's representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing institutional funds.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 2, effective July 15, 2010.

273.610 Appropriation for expenditure or accumulation of endowment -- Rules of construction.

- (1) Subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:
 - (a) The duration and preservation of the endowment fund;
 - (b) The purposes of the institution and the endowment fund;
 - (c) General economic conditions;
 - (d) The possible effect of inflation or deflation;
 - (e) The expected total return from income and the appreciation of investments;
 - (f) Other resources of the institution; and
 - (g) The investment policy of the institution.
- (2) To limit the authority to appropriate for expenditure or accumulate under subsection (1) of this section, a gift instrument must specifically state the limitation.
- (3) Terms in a gift instrument designating a gift as an endowment, or a direction or authorization in the gift instrument to use only "income," "interest," "dividends," or "rents, issues, or profits," or "to preserve the principal intact," or words of similar import:
 - (a) Create an endowment fund of permanent duration unless other language in the gift instrument limits the duration or purpose of the fund; and
 - (b) Do not otherwise limit the authority to appropriate for expenditure or accumulate under subsection (1) of this section.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 3, effective July 15, 2010.

273.615 Delegation of management and investment functions.

- (1) Subject to any specific limitation set forth in a gift instrument or in law other than KRS 273.600 to 273.645, an institution may delegate to an external agent the management and investment of an institutional fund to the extent that an institution could prudently delegate under the circumstances. An institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:
 - (a) Selecting an agent;
 - (b) Establishing the scope and terms of the delegation, consistent with the purposes of the institution and the institutional fund; and
 - (c) Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.
- (2) In performing a delegated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and terms of the delegation.
- (3) An institution that complies with subsection (1) of this section is not liable for the decisions or actions of an agent to which the function was delegated.
- (4) By accepting delegation of a management or investment function from an institution that is subject to the laws of the Commonwealth, an agent submits to the jurisdiction of the courts of the Commonwealth in all proceedings arising from or related to the delegation or the performance of the delegated function.
- (5) An institution may delegate management and investment functions to its committees, officers, or employees as authorized by law of the Commonwealth other than KRS 273.600 to 273.645.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 4, effective July 15, 2010.

273.620 Release or modification of restrictions on management, investment, or purpose.

- (1) If the donor consents in a record, an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund. A release or modification may not allow a fund to be used for a purpose other than a charitable purpose of the institution.
- (2) The court, upon application of an institution, may modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or wasteful, if it impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund. The institution shall notify the Attorney General of the application, and the Attorney General shall be given an opportunity to be heard. To the extent practicable, any modification shall be made in accordance with the donor's probable intention.
- (3) If a particular charitable purpose or a restriction contained in a gift instrument on the use of an institutional fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the court, upon application of an institution, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purpose expressed in the gift instrument. The institution shall notify the Attorney General of the application, and the Attorney General shall be given an opportunity to be heard.
- (4) If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, sixty (60) days after notification to the Attorney General, may release or modify the restriction, in whole or part, if:
 - (a) The institutional fund subject to the restriction has a total value of less than fifty thousand dollars (\$50,000);
 - (b) More than twenty (20) years have elapsed since the fund was established; and
 - (c) The institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 5, effective July 15, 2010.

273.625 Reviewing compliance with KRS 273.600 to 273.645.

Compliance with KRS 273.600 to 273.645 is determined in light of the facts and circumstances existing at the time a decision is made or action is taken, and not by hindsight.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 6, effective July 15, 2010.

273.630 Application of KRS 273.600 to 273.645 to existing institutional funds.

KRS 273.600 to 273.645 apply to an institutional fund existing on or established after July 15, 2010. As applied to institutional funds existing on July 15, 2010, KRS 273.600 to 273.645 govern only decisions made or actions taken on or after that date.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 7, effective July 15, 2010.

273.635 Relation of KRS 273.600 to 273.645 to the Electronic Signatures in Global and National Commerce Act.

KRS 273.600 to 273.645 modify, limit, and supersede the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. secs. 7001 et seq., but does not modify, limit, or supersede Section 101 of that act, 15 U.S.C. sec. 7001(a), or authorize electronic delivery of any of the notices described in Section 103 of that act, 15 U.S.C. sec. 7003(b).

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 8, effective July 15, 2010.

273.640 Uniformity of application and construction of the Kentucky Uniform Prudent Management of Institutional Funds Act.

In applying and construing this uniform act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 9, effective July 15, 2010.

273.645 Short title for KRS 273.600 to 273.645.

KRS 273.600 to 273.645 may be cited as the Kentucky Uniform Prudent Management of Institutional Funds Act.

Effective: July 15, 2010

History: Created 2010 Ky. Acts ch. 34, sec. 10, effective July 15, 2010.

273.990 Penalties.

- (1) If any board of directors or trustees fails to make the report required by KRS 273.150, each director or trustee shall be fined ten dollars (\$10) for each day until the report is made.
- (2) Any director or trustee of any incorporated cemetery or burying ground organized for private profit who is convicted of violating any provisions of its charter or any statute relating to cemeteries or burying grounds shall be removed from that position.
- (3) Any superintendent of any incorporated cemetery or burying ground who violates its charter shall be fined not less than ten (\$10) nor more than one hundred dollars (\$100) and removed from that position.

History: Created 1946 Ky. Acts ch. 141, sec. 5.

273.991 Additional penalties for violation of KRS 506.010, 506.030, 506.040, 521.020, or 521.050.

- (1) If a domestic nonprofit corporation is convicted of a violation of KRS 506.010, 506.030, 506.040, 521.020, or 521.050, or if an officer, employee, or agent of the corporation violates any of those sections under circumstances which bring corporate liability under KRS 502.050(1)(b), the court shall order that the charter of the nonprofit corporation be suspended for a period of not more than five (5) years for a first offense, ten (10) years for a second offense, and permanently for a third or subsequent offense.
- (2) If a foreign nonprofit corporation is convicted of violating any section specified in subsection (1) of this section, or if an officer, employee, or agent of the corporation violates any of those sections under circumstances which bring corporate liability under KRS 502.050(1)(b), the court shall order that the nonprofit corporation not be permitted to do business in Kentucky for the appropriate period specified in subsection (1) of this section.
- (3) The penalties specified in this section shall be in addition to any other penalty specified by law for the commission of the offenses listed in subsection (1) of this section.

Effective: July 15, 1994

History: Created 1994 Ky. Acts ch. 477, sec. 8, effective July 15, 1994.