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New Legislation Modernizing Laws for Nonprofits Signed Into Law

(FRANKFORT, Ky.-) Governor Beshear ceremoniously signed House Bill 440 into law today. The legislation, sponsored by Representative Jody Richards, House Speaker pro tempore (D-Bowling Green), and co-sponsored by Representatives Thomas Kerr (R- Taylor Mill), Linda Belcher (D–Shepherdsville), and Chris Harris (D-Forest Hills), included significant input from a KNN work group and was advocated for by Secretary of State Alison Lundergan Grimes. The much-needed modernization to the laws governing nonprofits will, among other things, provide guidance on the use of technology for official acts.

"Life is better in Kentucky because of nonprofits—thousands of agencies and organizations that perform myriad vital functions, from raising money for those in need to creating recreation for our children," said Gov. Beshear. "This will simplify requirements for those organizations, allowing them to focus more on their volunteer work than their paperwork."

The bill passed unanimously in both chambers of the Kentucky General Assembly March 15 and was signed by Governor Beshear March 20.

"The passage of this legislation will give Kentucky's nonprofits greater clarification on the laws that govern them, including the use of technology. House Bill 440 allows nonprofits to spend more time doing what they do best – serve Kentuckians, " Danielle Clore, KNN Executive Director/CEO, said.

The Kentucky Nonprofit Network created a work group of nonprofit leaders and experts prior to the 2015 session to provide recommendations for the bill.

House Bill 440 includes updates the state's nonprofit corporation laws, accounting for advances in technology and spelling out how nonprofits can utilize technology such as email and conference calling for official acts. The original laws were created over 50 years ago before the advent of modern virtual communication methods.

Kentucky's nonprofit sector is a strong economic engine. One in nine Kentuckians work for a nonprofit, making it the third largest industry in Kentucky and outpacing retail employment.

"Kentucky's nonprofit entities perform vital functions in our communities, and I am proud that the General Assembly has acted to implement these significant reforms," Grimes said. "I'm grateful to the Kentucky

Nonprofit Network for its support and to the nonprofit task force I created in 2012 for its hard work. I'm excited to see our efforts pay off."

Kentucky Nonprofit Network is the state association of nonprofit organizations working to strengthen and advance the Commonwealth's nonprofit community. With over thirteen years of service, KNN provides a unified public policy voice, professional development opportunities and resources and various membership benefits.



Joining Governor Beshear are (from left to right): Steve Jennings, KNN board member; Bart Baldwin, KNN public policy committee member; Sarah Brandenburg, KNN staff; Noel Caldwell, Executive Director of Kentucky Business One Stop Portal, Secretary of State; Danielle Clore, Executive Director, KNN; Secretary of State Alison Lundergan Grimes, Representative Linda Belcher (D– Shepherdsville); and House Speaker Pro Tem Jody Richards (D– Bowling Green).

(Photo: Kentucky Nonprofits Network)

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