ORIGINAL SENATE
FILE NO. SF0022

ENROLLED ACT NO. 21, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
2026 BUDGET SESSION

AN ACT relating to corporations, partnerships and associations; authorizing decentralized unincorporated nonprofit associations to automatically convert to unincorporated nonprofit associations as specified; conforming language in the Wyoming Decentralized Unincorporated Nonprofit Association Act with the Wyoming Unincorporated Nonprofit Association Act; requiring assets of decentralized unincorporated nonprofit associations to be distributed as required by federal law when winding up a decentralized unincorporated nonprofit association; clarifying references to decentralized unincorporated nonprofit associations; amending definitions; repealing obsolete provisions; making conforming amendments; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 17-22-106(b), (c) and (d), 17-32-102(a)(i), (iii)(intro), (A), (C), (vi) through (ix), by creating a new paragraph (xiv) and by renumbering (xiv) as (xv), 17-32-104(a), (b), (c)(i) and (iii), 17-32-106(a), (b) and (c)(ii) through (iv), 17-32-107(b) through (e), 17-32-108(b)(i) and (ii), 17-32-109, 17-32-110(b)(ii), 17-32-111, 17-32-112, 17-32-113(a)(i), 17-32-114(b)(i) through (iii), 17-32-115(a), 17-32-116(a), 17-32-117(a), 17-32-119, 17-32-120(c), 17-32-121(b)(i), 17-32-122(a)(ii), 17-32-123(a), (d)(intro), (ii) and (iv), 17-32-124(a) and (c), 17-32-125(a) through (d), 17-32-126(a), (b)(i), (ii)(A), (B), (D) and (iii), 17-32-127(a) by creating a new paragraph (vii), (c)(iii), (v)(B) and (d)(viii) and 17-32-128 are amended to read:

17-22-106. Liability in tort and contract.

(b) A person is not liable for a breach of a nonprofit association's contract ~~merely~~ solely because the person is a member, is authorized to participate in the management of the affairs of the nonprofit association or is a person considered as a member by the nonprofit association.

(c) A person is not liable for a tortious act or omission for which a nonprofit association is liable ~~merely~~ solely because the person is a member, is authorized to participate in the management of the affairs of the nonprofit association or is a person considered as a member by the nonprofit association.

(d) A tortious act or omission of a member or other person for which a nonprofit association is liable is not imputed to a person ~~merely~~ solely because the person is a member of the nonprofit association, is authorized to participate in the management of the affairs of the nonprofit association or is a person considered as a member by the nonprofit association.

17-32-102. Definitions.

(a) As used in this act:

(i) "Administrator" means a person, whether or not a member, authorized by the ~~members~~ membership of a decentralized unincorporated nonprofit association to fulfill administrative or operational tasks at the direction of the membership of the decentralized unincorporated nonprofit association;

(iii) "Decentralized unincorporated nonprofit association" ~~or "nonprofit association"~~ means an

unincorporated nonprofit association that meets the following requirements:

(A) Consists of at least one hundred (100) members joined by mutual consent under an agreement, that may be in writing or inferred from conduct, for a common nonprofit purpose; ~~except as permitted under W.S. 17-32-104;~~

(C) Is not formed under any other law governing the decentralized unincorporated nonprofit association's organization or operation.

(vi) "Established practices" means the practices used by a decentralized unincorporated nonprofit association without material change during the most recent five (5) years of the decentralized unincorporated nonprofit association's existence, or if the decentralized unincorporated nonprofit association has existed for less than five (5) years, during the decentralized unincorporated nonprofit association's entire existence;

(vii) "Governing principles" means all agreements and any amendment or restatement of those agreements, including any decentralized unincorporated nonprofit association agreements, consensus formation algorithms, smart contracts or enacted governance proposals, that govern the purpose or operation of a decentralized unincorporated nonprofit association and the rights and obligations of the decentralized unincorporated nonprofit association's members and administrators, whether contained in a record, implied from the decentralized unincorporated nonprofit association's established practices or both;

(viii) "Member" means a person who, under the governing principles of a decentralized unincorporated nonprofit association, may participate in the selection of the decentralized unincorporated nonprofit association's administrators or the development of the policies and activities of the decentralized unincorporated nonprofit association;

(ix) "Membership interest" means a member's voting right in a decentralized unincorporated nonprofit association determined by the decentralized unincorporated nonprofit association's governing principles, including as ascertained from decentralized ledger technology on which the decentralized unincorporated nonprofit association relies to determine a member's voting right;

(xiv) "Distributed ledger protocol" means an executable software deployed to a distributed ledger including smart contracts or networks of smart contracts;

~~(xiv)~~ (xv) "This act" means W.S. 17-32-101 through ~~17-32-128~~ 17-32-129.

17-32-104. Profits; prohibitions on distributions and dividends; compensation and other permitted payments.

(a) A decentralized unincorporated nonprofit association may engage in profit-making activities, but profits from any activities shall be used in furtherance of, or set aside for, the decentralized unincorporated nonprofit association's common nonprofit purpose.

(b) Except as provided in subsection (c) of this section, a decentralized unincorporated nonprofit association may not pay dividends or distribute any part of

its income or profits to its members or administrators or persons outside the decentralized unincorporated nonprofit association.

(c) A decentralized unincorporated nonprofit association may:

(i) Pay reasonable compensation or reimburse reasonable expenses to its members, administrators and persons outside the decentralized unincorporated nonprofit association for services rendered, including with respect to the administration and operation of the decentralized unincorporated nonprofit association, which may include the provisions of collateral for the self-insurance of the decentralized unincorporated nonprofit association, voting or participation in the decentralized unincorporated nonprofit association's operations and activities;

(iii) Repurchase membership interests to the extent authorized by the decentralized unincorporated nonprofit association's governing principles; and

17-32-106. Statement of authority as to real property.

(a) A decentralized unincorporated nonprofit association shall execute and record a statement of authority to transfer an estate or interest in real property in the name of the decentralized unincorporated nonprofit association.

(b) An estate or interest in real property in the name of a decentralized unincorporated nonprofit association may be transferred by a person so authorized in a statement of authority recorded in the office of the

county clerk in which a transfer of the property ~~will~~ would be recorded.

(c) A statement of authority shall set forth:

(ii) The address in this state, including the street address, if any, of the decentralized unincorporated nonprofit association. If the decentralized unincorporated nonprofit association does not have an address in this state, the statement of authority shall include the decentralized unincorporated nonprofit association's address out of state;

(iii) The name or title of the person authorized to transfer an estate or interest in real property held in the name of the decentralized unincorporated nonprofit association; and

(iv) The action, procedure or vote of the decentralized unincorporated nonprofit association which authorizes the person to transfer the real property of the decentralized unincorporated nonprofit association and which authorizes the person to execute the statement of authority.

17-32-107. Liability in tort or contract.

(b) A person is not liable for a breach of a decentralized unincorporated nonprofit association's contract merely because the person is a member, administrator, authorized to participate in the management of the affairs of the decentralized unincorporated nonprofit association or considered as a member by the decentralized unincorporated nonprofit association.

(c) A person is not liable for a tortious act or omission for which a decentralized unincorporated nonprofit association is liable merely because the person is a member or administrator of the decentralized unincorporated nonprofit association, or is a person authorized to participate in the management of the affairs of the decentralized unincorporated nonprofit association or considered as a member by the decentralized unincorporated nonprofit association.

(d) A tortious act or omission of a member, administrator or other person for which a decentralized unincorporated nonprofit association is liable is not imputed to a person merely because the person is a member or administrator of the decentralized unincorporated nonprofit association, or is a person authorized to participate in the management of the affairs of the decentralized unincorporated nonprofit association or considered as a member by the decentralized unincorporated nonprofit association.

(e) A member, administrator, person authorized to participate in the management of the affairs of the decentralized unincorporated nonprofit association, or person considered as a member by the decentralized unincorporated nonprofit association, may assert a claim against the decentralized unincorporated nonprofit association. A decentralized unincorporated nonprofit association may assert a claim against a member, administrator, person authorized to participate in the management of the affairs of the decentralized unincorporated nonprofit association or person considered as a member by the decentralized unincorporated nonprofit association.

17-32-108. Capacity to assert and defend; standing.

(b) A decentralized unincorporated nonprofit association may assert a claim on behalf of its members if:

(i) One (1) or more members of the decentralized unincorporated nonprofit association have standing to assert a claim in their own right;

(ii) The interests the decentralized unincorporated nonprofit association seeks to protect are germane to its purposes; and

17-32-109. Effect of judgement or order.

A judgment or order against a decentralized unincorporated nonprofit association is not by itself a judgment or order against a member or administrator of the decentralized unincorporated nonprofit association.

17-32-110. Appointment of agent to receive service of process.

(b) A statement appointing an agent shall set forth:

(ii) The address in this state, including the street address, if any, of the decentralized unincorporated nonprofit association. If the decentralized unincorporated nonprofit association does not have an address in this state, the statement shall include the decentralized unincorporated nonprofit association's address out of state; and

17-32-111. Summons and complaint; service on whom.

In an action or proceeding against a decentralized unincorporated nonprofit association, a summons and complaint shall be served on an agent authorized to receive service of process or a person authorized to administer the affairs of the decentralized unincorporated nonprofit association. If none of them can be served, service may be made on a member of the decentralized unincorporated nonprofit association.

17-32-112. Claim not abated by change of members, administrators or persons authorized.

A claim for relief against a decentralized unincorporated nonprofit association shall not abate merely because of a change in its members or persons authorized to administer the affairs of the decentralized unincorporated nonprofit association.

17-32-113. Venue.

(a) For purposes of venue, a decentralized unincorporated nonprofit association is a resident of a county in which:

(i) The decentralized unincorporated nonprofit association has an office; or

17-32-114. Perpetual existence, dissolution, continuation of existence.

(b) A decentralized unincorporated nonprofit association may be dissolved by any of the following methods:

(i) If the governing principles of the decentralized unincorporated nonprofit association provide a time or method for dissolution, by that method;

(ii) If the governing principles of the decentralized unincorporated nonprofit association do not provide a method for dissolution, by approval of its members in accordance with W.S. 17-32-120;

(iii) If membership in the decentralized unincorporated nonprofit association falls below one hundred (100) members and the decentralized unincorporated nonprofit association does not meet the requirements of a Wyoming unincorporated nonprofit association under W.S. 17-22-101 through 17-22-115. In the event membership in the decentralized unincorporated nonprofit association falls below one hundred (100) members and the decentralized unincorporated nonprofit association meets the requirements of a Wyoming unincorporated nonprofit association under W.S. 17-22-101 through 17-22-115, the entity automatically converts to a Wyoming unincorporated nonprofit association unless the governing principles otherwise specify; ~~another organizational statute and the organization meets the statutory requirements of that organization;~~

17-32-115. Admission, suspension, dismissal or expulsion of members.

(a) A person becomes a member of a decentralized unincorporated nonprofit association in accordance with the governing principles of the decentralized unincorporated nonprofit association. If there are no applicable governing principles, a person shall be considered a member upon purchase or assumption of ownership of a membership interest ~~or other property or instrument that confers a~~

~~voting right with the nonprofit association~~ and the person shall continue as a member ~~absent~~ until the person's suspension, dismissal or expulsion pursuant to subsection (b) of this section, resignation pursuant to W.S. 17-32-116 or the decentralized unincorporated nonprofit association's dissolution and wind-up pursuant to W.S. 17-32-114 and W.S. 17-32-126.

17-32-116. Member resignation.

(a) A member may resign as a member of a decentralized unincorporated nonprofit association in accordance with the governing principles of the decentralized unincorporated nonprofit association. If there are no applicable governing principles, a member shall be deemed to have resigned as a member upon the disposal, whether voluntary or involuntary, of all membership interests or other property or instruments that confer upon the person a voting right within the decentralized unincorporated nonprofit association.

17-32-117. Duties of members.

(a) Unless otherwise provided for in the governing principles, a member shall not have any fiduciary duty to a decentralized unincorporated nonprofit association or to any other member of the decentralized unincorporated nonprofit association solely by reason of being a member.

17-32-119. Member interests transferable.

Except as otherwise provided in the decentralized unincorporated nonprofit association's governing principles, a member interest or any right thereunder is freely transferable to another person through conveyance of

the membership interest. ~~or other property that confers upon a person a voting right within the nonprofit association.~~

17-32-120. Approval by members.

(c) Unless otherwise provided for in the governing principles, membership interest in a decentralized unincorporated nonprofit association shall be calculated in proportion to a member's voting rights within the decentralized unincorporated nonprofit association.

17-32-121. Utilization of distributed ledger technology.

(b) The governing principles for a decentralized unincorporated nonprofit association may:

(i) Specify whether any distributed ledger technology utilized or enabled by the decentralized unincorporated nonprofit association will be fully immutable or subject to change by the decentralized unincorporated nonprofit association and whether any distributed ledger will be fully or partially public or private, including the extent of a member's access to information;

17-32-122. Consensus formation algorithms and governance process.

(a) In accordance with its governing principles, a decentralized unincorporated nonprofit association may:

(ii) In accordance with any procedure specified pursuant to W.S. 17-32-121, modify the consensus mechanism,

as well as the requirements, processes and procedures or substitute a new consensus mechanism, requirements, processes or procedures that comply with this state's law and the governing principles of the decentralized unincorporated nonprofit association.

17-32-123. Selection of administrators; rights and duties of administrators.

(a) Unless otherwise provided for in the decentralized unincorporated nonprofit association's governing principles, the members of a decentralized unincorporated nonprofit association may select the decentralized unincorporated nonprofit association's administrators in accordance with W.S. 17-32-120.

(d) If in a record, the governing principles of a decentralized unincorporated nonprofit association may limit or eliminate the liability of an administrator to the decentralized unincorporated nonprofit association or its members for money damages for any action taken, or failure to take any action, as an administrator except liability for:

(ii) An intentional infliction of harm on the decentralized unincorporated nonprofit association or its members;

(iv) Breach of the duty of loyalty should one exist, unless, following full disclosure of all material facts to the decentralized unincorporated nonprofit association members, the specific act or transaction that would otherwise breach the duty of loyalty is authorized or ratified by approval of the disinterested members pursuant to W.S. 17-32-120;

17-32-124. Right to inspect records.

(a) Except as provided by subsection (b) of this section, on reasonable notice, a member or administrator of a decentralized unincorporated nonprofit association shall be entitled to an electronic record of any record maintained by the decentralized unincorporated nonprofit association regarding the decentralized unincorporated nonprofit association's activities, financial condition and other circumstances, to the extent the information is material to a member or administrator's rights and duties under the decentralized unincorporated nonprofit association's governing principles or this act.

(c) A decentralized unincorporated nonprofit association may impose reasonable restrictions on access to and use of information that may be provided under this section, including by designating the information confidential and imposing nondisclosure or other safeguarding obligations on the recipient of the information. In a dispute concerning the reasonableness of a restriction under this subsection, the decentralized unincorporated nonprofit association shall have the burden of proving reasonableness.

17-32-125. Indemnification; advancement of expenses.

(a) Unless otherwise provided in its governing principles, a decentralized unincorporated nonprofit association may reimburse a member or administrator for authorized expenses reasonably incurred on behalf of the decentralized unincorporated nonprofit association.

(b) A decentralized unincorporated nonprofit association may indemnify a member or administrator for any debt, obligation or other liability incurred in the course of the member or administrator's activities on behalf of the decentralized unincorporated nonprofit association. To be eligible for indemnification, an administrator must have complied with the duties stated in W.S. 17-32-123. If in a record, a decentralized unincorporated nonprofit association's governing principles may broaden or limit this right of indemnification.

(c) If a person is made, or threatened to be made, a party in a proceeding based on that person's conduct in the affairs of a decentralized unincorporated nonprofit association, that person is entitled, upon written request to the decentralized unincorporated nonprofit association, including through decentralized ledger technology, to receive payment of or reimbursement by the decentralized unincorporated nonprofit association, of reasonable expenses, including attorney's fees and disbursements, incurred by that person in advance of the final disposition of the proceeding. To be entitled to these payments or advances the person making the request shall make a written affirmation that the person has a good faith belief that the criteria for indemnification in subsection (a) of this section have been satisfied and that the person will repay the amounts paid or reimbursed if it is determined that the criteria for reimbursement have not been satisfied. No payment or reimbursement under this subsection shall be made without prior approval, in a record, of the disinterested members under W.S. 17-32-102.

(d) A decentralized unincorporated nonprofit association may purchase and maintain insurance on behalf of a member or administrator for liability asserted against

or incurred by the member or administrator in that capacity, whether or not the decentralized unincorporated nonprofit association would have the power to indemnify or advance expenses to the member or administrator against the same liability under this section.

17-32-126. Winding up; termination.

(a) A dissolved decentralized unincorporated nonprofit association shall wind up its operations and the decentralized unincorporated nonprofit association shall continue after dissolution only for the purpose of winding up.

(b) In winding up a decentralized unincorporated nonprofit association, the members:

(i) Shall discharge the decentralized unincorporated nonprofit association's debts, obligations and other liabilities, settle and close the decentralized unincorporated nonprofit association's business and distribute any remaining property:

(A) As required by state law other than this chapter or federal law requiring assets of ~~an~~ a decentralized unincorporated nonprofit association to be distributed to another entity or person with similar nonprofit purposes;

(B) In accordance with the decentralized unincorporated nonprofit association's governing principles. In the absence of applicable governing principles, to the current members of the decentralized unincorporated nonprofit association in proportion to their membership interests; or

(C) If neither ~~subdivision~~ subparagraph (A) or (B) of this paragraph applies, in accordance with the law of unclaimed property contained in W.S. 34-24-101 through 34-24-140.

(ii) May:

(A) Authorize an administrator to wind up the decentralized unincorporated nonprofit association in accordance with W.S. 17-32-120. Any administrator so authorized shall owe the decentralized unincorporated nonprofit association a duty of care in the conduct or winding up of the decentralized unincorporated nonprofit association to refrain from grossly negligent or reckless conduct, willful or intentional misconduct or a knowing violation of the law;

(B) Preserve the decentralized unincorporated nonprofit association's operations and property as a going concern for a reasonable time;

(D) Transfer the decentralized unincorporated nonprofit association's property;

(iii) If the members of a decentralized unincorporated nonprofit association do not appoint an administrator or administrators to wind up the decentralized unincorporated nonprofit association, the members shall owe the decentralized unincorporated nonprofit association a duty of care in the conduct or winding up of the decentralized unincorporated nonprofit association's operations to refrain from engaging in grossly negligent or reckless conduct, willful or intentional misconduct or a knowing violation of the law.

17-32-127. Mergers.

(a) As used in this section:

(vii) "Charitable purpose" means any purpose of an organization that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code or any successor section, or that upon dissolution shall distribute its assets to a public benefit corporation, the United States, a state or a person that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code or any successor section.

(c) A merger involving a decentralized unincorporated nonprofit association is subject to the following requirements:

(iii) The plan of merger shall be approved by the members of each decentralized unincorporated nonprofit association that is a constituent organization in the merger, subject to W.S. 17-32-120. If a member of a decentralized unincorporated nonprofit association that is party to a merger will have personal liability with respect to an obligation of a constituent or surviving organization, the consent in a record of that member to the plan of merger shall also be obtained;

(v) Following approval of the plan, a merger under this section shall be effective if:

(B) The surviving organization is a decentralized unincorporated nonprofit association, as specified in the plan of merger and upon compliance by any constituent organization that is not a decentralized

unincorporated nonprofit association with any requirements, including any required filings in the office of the secretary of state, of the organization's governing statute; or

(d) When a merger becomes effective:

(viii) The merger shall not affect the personal liability, if any, of a member, administrator or manager of a constituent association for a debt, liability or obligation of the decentralized unincorporated nonprofit association incurred before the merger is effective; and

17-32-128. Conversion of entities.

A decentralized unincorporated nonprofit association may effect a conversion by complying with the applicable provisions of W.S. 17-26-101 and any applicable provisions of the decentralized unincorporated nonprofit association's governing principles.

Section 2. W.S. 17-32-102(a)(ii) is repealed.

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ENROLLED ACT NO. 21, SENATE

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING
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Section 3. This act is effective July 1, 2026.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk