

IC 23-17-21

Chapter 21. Distributions

IC 23-17-21-1

Prohibited distributions

Sec. 1. Except as authorized under section 2 of this chapter, a corporation may not make distributions.

As added by P.L.179-1991, SEC.1.

IC 23-17-21-2

Exceptions to prohibition

Sec. 2. (a) A mutual benefit corporation may purchase the corporation's memberships if, after the purchase is completed:

(1) the corporation would be able to pay the corporation's debts as the debts become due in the usual course of the corporation's activities; and

(2) the corporation's total assets would at least equal the sum of the corporation's total liabilities.

(b) Corporations may make distributions upon dissolution in conformity with IC 23-17-22, IC 23-17-23, or IC 23-17-24.

(c) A corporation may, in conformity with the purposes of the corporation, make distributions to and confer benefits on a member or an affiliate that is a governmental entity (as defined under IC 34-6-2-49) or a member or an affiliate that is another nonprofit domestic or foreign entity if, after any distribution is completed:

(1) the corporation would be able to pay the corporation's debts as the debts become due in the usual course of the corporation's activities; and

(2) the corporation's total assets would at least equal the corporation's total liabilities.

An affiliate is an entity that directly or indirectly controls, is controlled by, or is under common control with the corporation. Control includes the power to select the corporation's board of directors.

(d) Corporations may repay loans or advances in accordance with and to the extent authorized under IC 23-17-7-9.

As added by P.L.179-1991, SEC.1. Amended by P.L.1-1998, SEC.129.