



House of Representatives *State of Utah*

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL
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March 10, 2015

Mr. Speaker:

The Business and Labor Committee reports a favorable recommendation on **S.B. 218**, NONPROFIT CORPORATION ACT AMENDMENTS, by Senator L. Hillyard, with the following amendments:

1. *Page 1, Lines 17 through 19:*

- 17 ▶ modifies provision addressing no property rights;
- 18 ▶ addresses action without meeting ~~{and action by written ballot}~~ ;
- 19 ▶ modifies provision related to voting entitlement;

2. *Page 2, Lines 41 through 43:*

- 41 16-6a-707, as last amended by Laws of Utah 2002, Chapter 197
- 42 ~~{16-6a-709, as last amended by Laws of Utah 2010, Chapter 378}~~
- 43 16-6a-711, as last amended by Laws of Utah 2007, Chapter 315

3. *Page 18, Line 551 through Page 20, Line 595:*

- 551 members and may be so described in any document.
- 552 ~~{Section 9. Section 16-6a-709 is amended to read:~~
- 553 ~~—16-6a-709. Action by written ballot.~~
- 554 ~~—(1) Unless otherwise provided by the bylaws, any action that may be taken at~~
~~any~~
- 555 ~~annual, regular, or special meeting of members may be taken without a meeting if~~
~~the nonprofit~~
- 556 ~~corporation delivers a written ballot to every member entitled to vote on the matter.~~
- 557 ~~—(2) A written ballot described in Subsection (1) shall:~~
- 558 ~~—(a) set forth each proposed action; and~~
- 559 ~~—(b) provide an opportunity to vote for or against each proposed action.~~
- 560 ~~—(3) (a) Approval by written ballot pursuant to this section shall be valid only~~
~~when:~~
- 561 ~~—(i) the time, as determined under Subsection [(8)] (7), by which all ballots must~~

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be
562 ~~received by the nonprofit corporation has passed so that a quorum can be~~
~~determined; and~~
563 ~~——(ii) the number of approvals equals or exceeds the number of votes that would~~
~~be~~
564 ~~required to approve the matter at a meeting at which the total number of votes cast~~
~~was the~~
565 ~~same as the number of votes cast by ballot.~~
566 ~~——(b) Unless otherwise provided in this chapter or in accordance with Section~~
~~16-6a-716,~~
567 ~~for purposes of taking action by written ballot the number of votes cast by written~~
~~ballot~~
568 ~~pursuant to this section constitute a quorum for action on the matter.~~
569 ~~——(4) All solicitations for votes by written ballot shall:~~
570 ~~——(a) indicate the number of responses needed to meet the quorum requirements;~~
571 ~~——(b) state the percentage of approvals necessary to approve each matter other~~
~~than~~
572 ~~election of directors;~~
573 ~~——(c) specify the time by which a ballot must be received by the nonprofit~~
~~corporation in~~
574 ~~order to be counted; and~~
575 ~~——(d) be accompanied by written information sufficient to permit each person~~
~~casting the~~
576 ~~ballot to reach an informed decision on the matter.~~
577 ~~——(5) Unless otherwise provided by the bylaws, a written ballot may not be~~
~~revoked.~~
578 ~~——(6) Action taken under this section has the same effect as action taken at a~~
~~meeting of~~
579 ~~members and may be described as such in any document.~~
580 ~~——{(7) Unless otherwise provided by the bylaws, a written ballot delivered to~~
~~every~~
581 ~~member entitled to vote on the matter or matters therein, as described in this~~
~~section, may also~~
582 ~~be used in connection with any annual, regular, or special meeting of members;~~

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thereby
583 ~~allowing members the choice of either voting in person or by written ballot delivered~~
by a
584 ~~member to the nonprofit corporation in lieu of attendance at such meeting. Any~~
~~written ballot~~
585 ~~shall comply with the requirements of Subsection (2) and shall be counted equally~~
with the
586 ~~votes of members in attendance at any meeting for every purpose, including~~
satisfaction of a
587 ~~quorum requirement.}~~
588 ~~—[(8)] (7) (a) Members shall be provided a fair and reasonable amount of time~~
before the
589 ~~day on which the nonprofit corporation must receive ballots.~~
590 ~~—(b) An amount of time is considered to be fair and reasonable if:~~
591 ~~—(i) members are given at least 15 days from the day on which the notice is~~
mailed, if
592 ~~the notice is mailed by first-class or registered mail;~~
593 ~~—(ii) members are given at least 30 days from the day on which the notice is~~
mailed, if
594 ~~the notice is mailed by other than first-class or registered mail; or~~
595 ~~—(iii) considering all the circumstances, the amount of time is otherwise~~
reasonable. }

Renumber Remaining Sections Accordingly

Respectfully,

Val L. Peterson
Committee Chair

Voting: 9-0-5

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