

S.B. 218
NONPROFIT CORPORATION ACT AMENDMENTS

Representative **V. Lowry Snow** proposes 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 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, 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