

1 **UTAH REVISED NONPROFIT CORPORATION ACT**

2 **AMENDMENTS**

3 2016 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Lyle W. Hillyard**

6 House Sponsor: Gage Froerer

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**LONG TITLE**

8 **General Description:**

9 This bill modifies provisions related to nonprofit corporations.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ addresses when actions may be taken without a meeting; and
- 13 ▶ makes technical changes.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **16-6a-813**, as last amended by Laws of Utah 2015, Chapter 240

21 *Be it enacted by the Legislature of the state of Utah:*

22 Section 1. Section **16-6a-813** is amended to read:

23 **16-6a-813. Action without meeting.**

24 (1) (a) Unless otherwise provided in the bylaws, any action required or permitted by  
25 this chapter to be taken at a board of directors' meeting may be taken without a meeting if all



28 members of the board consent to the action in writing.

29 (b) Action is taken under Subsection (1)(a) at the time the last director signs a writing  
30 describing the action taken, unless, before that time, any director revokes a consent by a writing  
31 signed by the director and received by the secretary or any other person authorized by the  
32 bylaws or the board of directors to receive the revocation.

33 (c) Action under Subsection (1)(a) is effective at the time it is taken under Subsection  
34 (1)(a) unless the board of directors establishes a different effective date.

35 (2) (a) [Hf] Unless otherwise provided in the bylaws, any action required or permitted  
36 by this chapter to be taken at a board of directors' meeting may be taken without a meeting if  
37 notice is transmitted in writing to each member of the board and each member of the board by  
38 the time stated in the notice:

39 (i) (A) signs a writing for such action; or

40 (B) signs a writing against such action, abstains in writing from voting, or fails to  
41 respond or vote; and

42 (ii) fails to demand in writing that action not be taken without a meeting.

43 (b) The notice required by Subsection [(+)] (2)(a) shall state:

44 (i) the action to be taken;

45 (ii) the time by which a director must respond to the notice;

46 (iii) that failure to respond by the time stated in the notice will have the same effect as:

47 (A) abstaining in writing by the time stated in the notice; and

48 (B) failing to demand in writing by the time stated in the notice that action not be taken  
49 without a meeting; and

50 (iv) any other matters the nonprofit corporation determines to include.

51 (c) Action is taken under this Subsection (2) only if at the end of the time stated in the  
52 notice transmitted pursuant to Subsection (2)(a):

53 (i) the affirmative votes in writing for the action received by the nonprofit corporation  
54 and not revoked pursuant to Subsection (2)(e) equal or exceed the minimum number of votes  
55 that would be necessary to take such action at a meeting at which all of the directors then in  
56 office were present and voted; and

57 (ii) the nonprofit corporation has not received a written demand by a director that the  
58 action not be taken without a meeting other than a demand that has been revoked pursuant to

59 Subsection (2)(e).

60 (d) A director's right to demand that action not be taken without a meeting shall be  
61 considered to have been waived unless the nonprofit corporation receives such demand from  
62 the director in writing by the time stated in the notice transmitted pursuant to Subsection (2)(a)  
63 and the demand has not been revoked pursuant to Subsection (2)(e).

64 (e) A director who in writing has voted, abstained, or demanded action not be taken  
65 without a meeting pursuant to this Subsection (2) may revoke the vote, abstention, or demand  
66 in writing received by the nonprofit corporation by the time stated in the notice transmitted  
67 pursuant to Subsection (2)(a).

68 (f) Unless the notice transmitted pursuant to Subsection (2)(a) states a different  
69 effective date, action taken pursuant to this Subsection (2) is effective at the end of the time  
70 stated in the notice transmitted pursuant to Subsection (2)(a).

71 (3) (a) Unless otherwise provided by the bylaws, a communication under this section  
72 may be delivered by an electronic transmission.

73 (b) An electronic transmission communicating a vote, abstention, demand, or  
74 revocation under Subsection (2) is considered to be written, signed, and dated for purposes of  
75 this section if the electronic transmission is delivered with information from which the  
76 nonprofit corporation can determine:

77 (i) that the electronic transmission is transmitted by the director; and

78 (ii) the date on which the electronic transmission is transmitted.

79 (c) The date on which an electronic transmission is transmitted is considered the date  
80 on which the vote, abstention, demand, or revocation is signed.

81 (d) For purposes of this section, communications to the nonprofit corporation are not  
82 effective until received.

83 (4) Action taken pursuant to this section:

84 (a) has the same effect as action taken at a meeting of directors; and

85 (b) may be described as an action taken at a meeting of directors in any document.