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## Judiciary Committee

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### HB 2532

**Title:** An act relating to allowing the use of electronic mail telecommunications technology by nonprofit corporation committees.

**Brief Description:** Allowing the use of electronic mail telecommunications technology by nonprofit corporation committees.

**Sponsors:** Representatives Linville, Crouse, Morris, Berkey, Morell and Wood.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>· Allows a committee of a nonprofit corporation or a committee of the board of directors to participate in a meeting by electronic mail if a majority of the committee members agree that the matter under consideration does not require discussion.</li></ul>
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**Hearing Date:** 2/1/02

**Staff:** Edie Adams (786-7180).

**Background:**

Nonprofit corporations may form for any lawful purpose, including charitable, benevolent, educational, civic, patriotic, political, religious and social. The powers of a nonprofit corporation include the power to sue and be sued, engage in property transactions, lend money, make contracts and incur liabilities. A nonprofit corporation may not issue stock, make income disbursements to members, officers or directors, or make loans or advance credit to directors or officers.

Nonprofit corporations are managed by a board of directors. If allowed under the articles of incorporation, a majority of the board of directors may appoint committees that have the authority of the board of directors in the management of the corporation, with some exceptions for major actions such as amending the bylaws or articles of incorporation, or approving a merger or dissolution. The board of directors and any committees of the board may hold regular and special meetings. The board acts upon a majority vote of directors present at a meeting where there is a quorum. Unless the articles or bylaws prohibit it, members of the board or any committee designated by the board may participate in a meeting by conference telephone or other communication device that enables all persons to hear each

other at the same time. Participation by these means constitutes presence in person at the meeting.

A nonprofit corporation may have one or more classes of members or no members. An annual meeting of members must be held and special meetings of members may be called. Notice of members' meetings and voting and quorum requirements are generally provided for in the bylaws. Unless the articles or bylaws prohibit it, members of the corporation may participate in a meeting by conference telephone or other communication device that enables all persons to hear each other at the same time. Participation by these means constitutes presence in person at the meeting.

**Summary of Bill:**

A committee of a nonprofit corporation that is designated by the board of directors may participate in a meeting by electronic mail if the committee members are being asked to consider and vote on a matter that a majority of the committee members agree does not require discussion. In addition, a committee may also participate in a meeting by means of a conference call or other means by which all persons are able to hear each other at the same time. Participation by these means constitutes presence in person at the meeting.

A committee of the board of directors may participate in a meeting of the committee by electronic mail if the committee members are being asked to consider and vote on a matter that a majority of the committee members agree does not require discussion. Participation by e-mail constitutes presence in person at the meeting.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.