

**Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 08-0250.01 Thomas Morris

HOUSE BILL 08-1089

HOUSE SPONSORSHIP

Balmer, Benefield, Borodkin, Gagliardi, Marostica, and McGihon

SENATE SPONSORSHIP

Veiga, Boyd, Harvey, Kester, and Morse

House Committees

Business Affairs and Labor

Senate Committees

Business, Labor and Technology

A BILL FOR AN ACT

101 **CONCERNING THE AUTHORITY OF A NONPROFIT CORPORATION TO**
102 **TAKE ACTION BY VOTES IN WRITING RATHER THAN AT A**
103 **MEETING IN WHICH DECISION-MAKERS ARE PHYSICALLY**
104 **PRESENT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

States that, unless otherwise provided in the bylaws, the board of directors of a nonprofit corporation may take action upon written notice and the board members' written vote or failure to respond.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unam ended
February 21, 2008

HOUSE
3rd Reading Unam ended
February 6, 2008

HOUSE
Am ended 2nd Reading
February 5, 2008

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Under current law, unless otherwise provided in the bylaws,
5 a board of directors of a nonprofit corporation may take action without a
6 meeting by less than unanimous written consent if every board member
7 either votes in writing for or against the action in question, or in writing
8 abstains and waives the right to demand that a meeting be held. The
9 number of affirmative votes must at least equal the number of votes
10 required had a meeting taken place at which all directors were present and
11 voted.

12 (b) Under current law, unless otherwise provided in the bylaws,
13 any such written vote may be received by a nonprofit corporation by
14 electronically transmitted facsimile or other form of electronic
15 communication providing the nonprofit corporation with a complete copy
16 of the document, including a copy of the signature on the document.

17 (c) Because many nonprofit corporations have board members
18 who are not readily available between board meetings, current
19 requirements may delay certain board actions when prompt action by the
20 board is required.

21 (2) The general assembly, therefore, determines that allowing a
22 Colorado nonprofit corporation to provide in its bylaws that any action
23 required or permitted under the "Colorado Revised Nonprofit Corporation
24 Act" to be taken at a board of directors' meeting may be taken without a
25 meeting if certain procedural requirements are complied with.

26 **SECTION 2.** 7-128-202 (1), Colorado Revised Statutes, is

1 amended to read:

2 **7-128-202. Action without meeting.** (1) Unless otherwise
3 provided in the bylaws, any action required or permitted by articles 121
4 to 137 of this title to be taken at a board of directors' meeting may be
5 taken without a meeting if A NOTICE STATING THE ACTION TO BE TAKEN
6 AND THE TIME BY WHICH A DIRECTOR MUST RESPOND IS TRANSMITTED IN
7 WRITING TO EACH MEMBER OF THE BOARD AND each ~~and every~~ member of
8 the board, ~~in writing either~~ BY THE TIME STATED IN THE NOTICE:

9 (a) Votes IN WRITING for such action; or

10 (b) (I) Votes IN WRITING against such action, ~~or~~ abstains IN
11 WRITING from voting, OR FAILS TO RESPOND OR VOTE; and

12 (II) ~~Waives the right~~ FAILS to demand that action not be taken
13 without a meeting.

14 **SECTION 3. Effective date.** This act shall take effect at 12:01
15 a.m. on the day following the expiration of the ninety-day period after
16 final adjournment of the general assembly that is allowed for submitting
17 a referendum petition pursuant to article V, section 1 (3) of the state
18 constitution, (August 6, 2008, if adjournment sine die is on May 7, 2008);
19 except that, if a referendum petition is filed against this act or an item,
20 section, or part of this act within such period, then the act, item, section,
21 or part, if approved by the people, shall take effect on the date of the
22 official declaration of the vote thereon by proclamation of the governor.