

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 3
Yeas:	Fagan, Holvey, Kennemer, Thatcher, Thompson, Witt, Doherty
Nays:	0
Exc.:	Barton, Matthews, Weidner
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/11, 3/15

WHAT THE MEASURE DOES: Clarifies that corporate board of directors may authorize shareholder or member participation in annual and special meetings solely by remote communication subject to board’s adopted guidelines and procedures. Requires board to verify person participating remotely is a shareholder, proxy, or member and that participation by remote communication can occur in an effective manner.

ISSUES DISCUSSED:

- Ambiguity in existing statutes
- Use of Delaware General Corporation Law as a model
- Provision of materials to those participating remotely
- Allow remote-only meetings for nonprofit corporations

EFFECT OF COMMITTEE AMENDMENT: Allow nonprofit corporation board of directors to determine annual, regular, and special meetings will occur solely by remote communication. Require nonprofit board of directors to verify person participating is a member and that remote participation can occur in an effective manner. Clarifies language allowing corporate annual and special meetings to be held solely by remote communication.

BACKGROUND: Current statutes allow participation in shareholder meetings using remote communication technology. However, the statute does not clearly state that shareholder or member meetings can occur in which *only* participation through remote-communication is allowed; there are provisions that meetings must be held “at the place” named in the bylaws. House Bill 2567-A clarifies that remote-only shareholder and membership meetings may be held. The measure requires the corporation to implement safeguards to verify participants are actually shareholders, proxies, or members. The corporation must also ensure the technology allows effective participation.