

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)

Vote: 5 - 0 - 1

Yeas: Edwards, Girod, Monroe, Thomsen, Beyer

Nays: 0

Exc.: Starr

Prepared By: Patrick Brennan, Administrator

Meeting Dates: 5/7, 5/9

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 that person participating remotely is shareholder, proxy or member, and that participation by remote communication can occur in effective manner.

ISSUES DISCUSSED:

- Confusion related to definition of "place" and how it relates to virtual meetings

EFFECT OF COMMITTEE AMENDMENT: Resolves conflict with Senate Bill 141.

BACKGROUND: Current statute allows participation in shareholder meetings through the use of remote communication technology. However, statute is unclear whether shareholder or member meetings can occur in which only participation through remote communication is allowed. For example, 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 that the technology used for the meeting allows for effective participation.