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**Judiciary Committee**

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**HB 1279**

**Title:** An act relating to committees of members of nonprofit corporations.

**Brief Description:** Revising provisions for committees of members of nonprofit corporations.

**Sponsors:** Representatives Lantz, Carrell, Moeller, Newhouse, Kirby, Lovick, Morris, Campbell, Linville, McMahan, Crouse and Flannigan.

**Brief Summary of Bill**

- Authorizes nonprofit corporations to create committees of members.
- Allows action to be taken by members or committees of members without a meeting if a majority of the members or committee of members consents.

**Hearing Date:** 2/7/03

**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.

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.

An action that is either required or allowed to be taken at a meeting of members may be taken without a meeting with the unanimous consent of all members entitled to vote on the matter.

**Summary of Bill:**

The Washington Nonprofit Corporation Act is amended to specifically authorize a nonprofit corporation to create member committees according to the provisions of the nonprofit corporation's articles of incorporation or bylaws.

A committee of members is authorized to participate in a meeting of the committee by conference telephone or other means by which all parties are able to hear each other at the same time.

The consent of members that is required in order to take action without a meeting is changed from unanimous consent to majority consent, and is also allowed for actions taken by committees of members, unless restricted in the articles of incorporation or bylaws.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect ninety days after adjournment of session in which bill is passed.