

SENATE BILL REPORT

HB 1279

As of March 18, 2003

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 History:

Committee Activity: Judiciary: 3/21/03.

SENATE COMMITTEE ON JUDICIARY

Staff: Jinnah Rose-McFadden (786-7421)

Background: A nonprofit corporation may have one or more classes of members, or no members. If a nonprofit has members, an annual meeting must be held and special meetings may be called. Notice of members' meetings, as well as voting and quorum requirements, are generally provided for in the bylaws. Unless the articles of incorporation 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 if there is unanimous consent by all members entitled to vote on the matter.

Summary of Bill: The Washington Nonprofit Corporation Act is amended to authorize a nonprofit to create member committees, in accordance with the nonprofit's articles of incorporation or bylaws.

A committee of members may participate in committee meetings by conference telephone, or other communication device, that enables all persons 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 by the articles of incorporation or bylaws.

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

Appropriation: None.

Fiscal Note: Not requested.

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