

CHAPTER 39

CORPORATIONS AND ASSOCIATIONS

SENATE BILL 12-024

BY SENATOR(S) Harvey;
also REPRESENTATIVE(S) Holbert, Todd, Williams A.**AN ACT**

CONCERNING THE OBLIGATIONS OF A RESIDENTIAL NONPROFIT CORPORATION TO ITS RESIDENTIAL MEMBERS, AND, IN CONNECTION THEREWITH, CLARIFYING OPEN MEETING PROVISIONS AND LIMITING THE CONDITIONS UNDER WHICH THE CORPORATION MUST REFUND MONEYS PAID BY A RESIDENTIAL MEMBER.

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

SECTION 1. In Colorado Revised Statutes, 7-126-304, **amend** (1) as follows:

7-126-304. Residential membership - return of consideration - cessation of periodic payments - time limits - effective date. (1) Notwithstanding any provision of the articles of incorporation or bylaws to the contrary:

(a) (I) A residential nonprofit corporation shall refund the entrance fee of a residential member to the member or his or her heirs within ninety days after ~~the member's resignation, termination, expulsion, or suspension from the corporation or the~~ A transfer of the residential membership.

(II) (A) This paragraph (a) applies only to contracts entered into on or after March 11, 2011.

(B) ~~This subparagraph (H) is repealed, effective April 1, 2012.~~

(b) ~~If the membership of a residential member is terminated due to the member's death or for any other reason beyond the member's control, the member or his or her heirs are not liable for any periodic payments coming due more than thirty days after the effective date of the termination.~~

SECTION 2. In Colorado Revised Statutes, 7-128-203, **amend** (3) (a) (I) as

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

follows:

7-128-203. Notice of meeting - rights of residential members.

(3) Notwithstanding subsections (1) and (2) of this section, and notwithstanding any provision of the articles of incorporation or bylaws to the contrary, the following rules and procedures apply to meetings of the board of directors of a residential nonprofit corporation or any committee of the board:

(a) (I) (A) All regular and special meetings of the residential nonprofit corporation's board of directors OR EXECUTIVE COMMITTEE, or any committee of the board THAT IS AUTHORIZED TO TAKE FINAL ACTION ON THE BOARD'S BEHALF, must be open to attendance by all residential members or their representatives. The board shall make agendas for meetings of the board, AND AGENDAS FOR MEETINGS OF COMMITTEES OF THE BOARD THAT ARE AUTHORIZED TO TAKE FINAL ACTION ON THE BOARD'S BEHALF, reasonably available for examination IN ADVANCE by all residential members or their representatives. IF THERE IS NO FORMAL AGENDA, RESIDENTIAL MEMBERS OR THEIR REPRESENTATIVES ARE NONETHELESS ENTITLED TO A GENERAL DESCRIPTION OF THE PURPOSE OF THE MEETING AND THE SUBJECT MATTER THAT WILL BE DISCUSSED.

(B) THE BOARD SHALL INFORM ALL MEMBERS, AT LEAST ANNUALLY, OF THE METHOD BY WHICH MEETING AGENDAS AND OTHER INFORMATION REQUIRED BY SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I) WILL BE PROVIDED, INCLUDING THE PHYSICAL LOCATION OF PLACES WHERE AGENDAS AND MEETING NOTICES MAY BE POSTED OR THE WEB ADDRESS WHERE ON-LINE POSTINGS MAY BE MADE. THE BOARD SHALL GIVE AT LEAST THIRTY DAYS' ADVANCE NOTICE OF ANY CHANGE IN THE MANNER OR MEANS BY WHICH MEETING INFORMATION WILL BE PROVIDED.

SECTION 3. Applicability. The provisions of this act apply to resignations, terminations, expulsions, and suspensions from residential nonprofit corporations occurring on or after the effective date of this act and to committee meetings occurring on or after the effective date of this act.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 22, 2012