

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House LLS NO.
12-0409.01 Duane Gall x4335 SENATE BILL 12-024

SENATE SPONSORSHIP

Harvey,

HOUSE SPONSORSHIP

Holbert,

Senate Committees
Local Government

House Committees
Economic and Business Development

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Section 1 of the bill relieves a residential nonprofit corporation of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Am ended 2nd Reading
March 2, 2012

SENATE
3rd Reading Unam ended
January 31, 2012

SENATE
2nd Reading Unam ended
January 30, 2012

its current obligations to:

- ! Refund the entrance fee of a residential member within 90 days after the member's resignation, termination, expulsion, or suspension from the corporation; and
- ! Hold a member or his or her heirs harmless from liability for any periodic payments due more than 30 days after the member's termination due to death or another reason beyond the member's control.

Section 2 specifies that meetings of a committee of the board of directors that is not authorized to take final action on the board's behalf are not subject to open meeting and published agenda requirements.

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

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

4 **7-126-304. Residential membership - return of consideration**
5 **- cessation of periodic payments - time limits - effective date.**

6 (1) Notwithstanding any provision of the articles of incorporation or
7 bylaws to the contrary:

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

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

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

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

1 termination.

2 **SECTION 2.** In Colorado Revised Statutes, 7-128-203, **amend**

3 (3) (a) (I) as follows:

4 **7-128-203. Notice of meeting - rights of residential members.**

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

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

22 (B) THE BOARD SHALL INFORM ALL MEMBERS, AT LEAST
23 ANNUALLY, OF THE METHOD BY WHICH MEETING AGENDAS AND OTHER
24 INFORMATION REQUIRED BY SUB-SUBPARAGRAPH (A) OF THIS
25 SUBPARAGRAPH (I) WILL BE PROVIDED, INCLUDING THE PHYSICAL
26 LOCATION OF PLACES WHERE AGENDAS AND MEETING NOTICES MAY BE
27 POSTED OR THE WEB ADDRESS WHERE ON-LINE POSTINGS MAY BE MADE.

1 THE BOARD SHALL GIVE AT LEAST THIRTY DAYS' ADVANCE NOTICE OF ANY
2 CHANGE IN THE MANNER OR MEANS BY WHICH MEETING INFORMATION
3 WILL BE PROVIDED.

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

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