## Second Regular Session Sixty-eighth General Assembly STATE OF COLORADO

### REREVISED

This Version Includes All Amendments Adopted in the Second House SENATE BILL 12-024

LLS NO. 12-0409.01 Duane Gall x4335

#### SENATE SPONSORSHIP

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Senate Committees Local Government House Committees Economic and Business Development

## A BILL FOR AN ACT

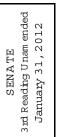
101	CONCERNING THE OBLIGATIONS OF A RESIDENTIAL NONPROFIT
102	CORPORATION TO ITS RESIDENTIAL MEMBERS, AND, IN
103	CONNECTION THEREWITH, CLARIFYING OPEN MEETING
104	PROVISIONS AND LIMITING THE CONDITIONS UNDER WHICH THE
105	CORPORATION MUST REFUND MONEYS PAID BY A RESIDENTIAL
106	MEMBER.

#### **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.)

# HOUSE 3rd Reading Unam ended M arch 5, 2012

HOUSE Am ended 2 nd Reading M arch 2, 2012





**Section 1** of the bill relieves a residential nonprofit corporation of 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 on or after March 11, 2011. 14 15 (B) This subparagraph (II) is repealed, effective April 1, 2012. (b) If the membership of a residential member is terminated due 16 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:

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:

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.

(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.

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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.

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.