

1 **ELECTRONIC TRANSMISSIONS AND DIRECTORS**

2 **ACTIONS**

3 2011 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Benjamin M. McAdams**

6 House Sponsor: Derek E. Brown

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Utah Revised Business Corporation Act to address how directors
11 may take action without a meeting.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ allows written consent to be given through electronic transmission; and
- 15 ▶ makes technical changes.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **16-10a-821**, as enacted by Laws of Utah 1992, Chapter 277

24 *Be it enacted by the Legislature of the state of Utah:*

25 Section 1. Section **16-10a-821** is amended to read:

26 **16-10a-821. Action without meeting.**

27 (1) Unless the articles of incorporation, bylaws, or this chapter provide otherwise,
28 action required or permitted by this chapter to be taken at a board of directors' meeting may be
29 taken without a meeting if all members of the board consent to the action in writing.

30 (2) (a) Action is taken under this section at the time the last director signs a writing
31 describing the action taken, unless, prior to that time, any director has revoked a consent by a
32 writing signed by the director and received by the secretary or any other person authorized by
33 the bylaws or the board of directors to receive the revocation.

34 (b) (i) Unless otherwise provided by the bylaws, a director may deliver a written
35 consent under this section by an electronic transmission that provides the corporation with a
36 complete copy of the written consent.

37 (ii) An electronic transmission consenting to an action under this section is considered
38 to be written, signed, and dated for purposes of this section if the electronic transmission is
39 delivered with information from which the corporation can determine:

40 (A) that the electronic transmission is transmitted by the director; and

41 (B) the date on which the electronic transmission is transmitted.

42 (iii) The date on which an electronic transmission is transmitted is considered the date
43 on which a consent is signed.

44 (3) Action under this section is effective at the time it is taken under Subsection (2),
45 unless the board of directors establishes a different effective date.

46 (4) Action taken under this section has the same effect as action taken at a meeting of
47 directors and may be described as such in any document.