

FILE NUMBER: H. F. 404

DATE: March 28, 2001

Version: Delete Everything Amendment

Authors: Wagenius and others

Subject: Neighborhood Organizations and Non Profit Corporation Law

Analyst: Deborah K. McKnight, 651-296-5056

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

OVERVIEW

Neighborhood organizations are nonprofit corporations that exist in some cities for local planning and development purposes. The bill deals with director election, certain meeting notice and voting issues for neighborhood organizations under the nonprofit corporation law.

Section

- 1 **Neighborhood organizations.** Amends a provision of the nonprofit corporation law to add a subdivision on neighborhood organizations. Defines these organizations.
Requires annual election of directors. Requires notice of a meeting to elect directors or change articles or bylaws to be given under this subdivision. Allows election of directors by petition if notice of the petition process follows the process in this subdivision.
Between ten and 30 days before a meeting subject to this subdivision is held, notice of the date, time, and place must be (1) posted at public buildings as provided by the bill, (2) published in the community newspaper with the largest circulation, or (3) provided in a written notice delivered to all households in the area covered by the neighborhood organization.
- 2 **Neighborhood organizations.** Exempts neighborhood organizations from the nonprofit corporation statute that requires setting a date that determines who is a member for purposes of voting at an upcoming meeting.
- 3 **Neighborhood organizations.** Exempts a neighborhood organization from the nonprofit corporation law requirement that a membership list be kept.
- 4 **Right to vote.** Requires a neighborhood organization to allow voting by at least the following: (1) individuals who can provide residency verification indicating they live in the geographic boundaries of the organization, or (2) individuals who own a business or property or are employed in the geographic area, if such members are authorized by the organization's bylaws. Also allows voting by someone who meets voting requirements but lacks supporting

documentation, if a qualified voting member who does have documentation vouches for that individual.

Allows an organization-by its articles or bylaws to permit voting by individuals in addition to those listed here.

- 5 **Application.** Requires neighborhood organizations to amend their bylaws to conform to sections 1 to 4.