

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 320  
PROPOSED COMMITTEE SUBSTITUTE H320-PCS40247-TV-1

Short Title: Modernize Remote Business Access.

(Public)

Sponsors:

Referred to:

March 18, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY AUTHORIZATION TO CONDUCT MEETINGS BY MEANS OF  
3 REMOTE COMMUNICATION FOR CERTAIN ENTITIES, TO AUTHORIZE  
4 NONPROFIT CORPORATIONS TO CONDUCT ALL BUSINESS ELECTRONICALLY  
5 UNLESS PROHIBITED IN THEIR ARTICLES OF INCORPORATION OR BYLAWS,  
6 AND TO MAKE TECHNICAL CHANGES IN THE SURROUNDING LANGUAGE.

7 The General Assembly of North Carolina enacts:

8  
9 **PART I. AUTHORIZE SHAREHOLDER MEETINGS TO BE HELD SOLELY BY**  
10 **MEANS OF REMOTE COMMUNICATION**

11 **SECTION 1.(a)** G.S. 55-7-01 reads as rewritten:

12 "**§ 55-7-01. Annual meeting.**

13 (a) A corporation shall hold a meeting of shareholders annually at a time stated in or fixed  
14 in accordance with the bylaws.

15 (b) ~~Annual~~ Unless the board of directors determines to hold the meeting solely by means  
16 of remote communication in accordance with G.S. 55-7-09(c), annual shareholders' meetings  
17 may be held (i) in or out of this State at the place stated in or fixed in accordance with the bylaws.  
18 ~~If bylaws, or (ii) if no place is stated in or fixed in accordance with the bylaws, annual meetings~~  
19 ~~shall be held~~ at the corporation's principal office.

20 ...."

21 **SECTION 1.(b)** G.S. 55-7-02 reads as rewritten:

22 "**§ 55-7-02. Special meeting.**

23 ...

24 (c) ~~Special~~ Unless the board of directors determines to hold the meeting solely by means  
25 of remote communication in accordance with G.S. 55-7-09(c), special shareholders' meetings  
26 may be held (i) in or out of this State at the place stated in or fixed in accordance with the bylaws.  
27 ~~If bylaws or (ii) if no place is stated or fixed in accordance with the bylaws, special meetings~~  
28 ~~shall be held~~ at the corporation's principal office.

29 ...."

30 **SECTION 1.(c)** G.S. 55-7-05 reads as rewritten:

31 "**§ 55-7-05. Notice of meeting.**

32 (a) A corporation shall notify shareholders of the date, time, and ~~place~~ place, if any,  
33 each annual and special shareholders' meeting no fewer than 10 nor more than 60 days before the  
34 meeting date. If the board of directors has authorized participation by means of remote  
35 communication pursuant to G.S. 55-7-09 for any class or series of shareholders, the notice to  
36 such class or series of shareholders shall describe the means of remote communication to be used.



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1 Unless this Chapter or the articles of incorporation require otherwise, the corporation is required  
2 to give notice only to shareholders entitled to vote at the meeting.

3 ...

4 (e) Unless the bylaws require otherwise, if an annual or special shareholders' meeting is  
5 adjourned to a different date, time, or place, if any, notice need not be given of the new date,  
6 time, or place ~~place, if any, if the new date, time, or place is following~~ are announced at the  
7 meeting before ~~adjournment~~ adjournment:

8 (1) The new date, time, or place, if any.

9 (2) If the meeting is to be continued solely by means of remote communication,  
10 a description of the means of remote communication.

11 If a new record date for the adjourned meeting is or must be fixed under G.S. 55-7-07,  
12 however, notice of the adjourned meeting must be given under this section to persons who are  
13 shareholders as of the new record date.

14 (f) After a public corporation has notified shareholders of the date, time, and place of an  
15 annual or special shareholders' meeting in accordance with subsection (a) of this section, further  
16 notification in accordance with subsection (a) of this section is not required if all of the following  
17 apply:

18 (1) A governmental order restricting travel or group gatherings applicable to the  
19 place of the shareholders' meeting or public corporation's principal office is in  
20 effect and is anticipated in good faith by the board of directors to be in effect  
21 at the date and time set forth in the initial notification, including by an  
22 anticipated extension of an existing order.

23 (2) The public corporation's board of directors determines that the shareholders'  
24 meeting is instead to be held solely by means of remote communication in  
25 accordance with G.S. 55-7-09(c) at the same date and time set forth in the  
26 initial notification or at a different date and time.

27 (3) The public corporation (i) promptly issues a press release for national  
28 dissemination announcing the determination of its board of directors that the  
29 shareholders' meeting is to be held solely by means of remote communication  
30 and describing the means of remote communication to be used and providing  
31 the date and time of the shareholders' meeting to be held solely by means of  
32 remote communication and (ii) files the press release with the Securities and  
33 Exchange Commission as close to the time the press release is issued as  
34 practicable and approximately contemporaneously posts such press release to  
35 its corporate website."

36 **SECTION 1.(d)** G.S. 55-7-09 reads as rewritten:

37 "**§ 55-7-09. Remote participation in ~~meetings~~ meetings; meetings held solely by remote**  
38 **participation.**

39 (a) To the extent authorized by a corporation's board of directors, shareholders of any  
40 class or series designated by the board of directors may participate in any meeting of shareholders  
41 by means of remote communication. Participation by means of remote communication shall be  
42 subject to such guidelines and procedures as the board of directors adopts and shall be in  
43 conformity with subsection (b) of this section.

44 (b) Shareholders participating in a shareholders' meeting by means of remote  
45 communication ~~shall be~~ are deemed present and may vote at ~~such a~~ the meeting if the corporation  
46 has implemented reasonable measures to do all of the following:

47 (1) Verify that each person participating remotely is a shareholder.

48 (2) Provide each shareholder participating remotely a reasonable opportunity to  
49 participate in the meeting and to vote on matters submitted to the shareholders,  
50 including an opportunity to communicate and read or hear the proceedings of  
51 the meeting, substantially concurrently with such proceedings.

1 (c) Unless shareholders' meetings held solely by means of remote communication are  
2 prohibited by the articles of incorporation or the bylaws, the board of directors may, in its sole  
3 discretion, determine that any meeting of shareholders shall not be held at any place and shall  
4 instead be held solely by means of remote communication, but only if the corporation implements  
5 the measures specified in subsection (b) of this section."

6 **SECTION 1.(e)** G.S. 55-7-20 reads as rewritten:

7 **"§ 55-7-20. Shareholders' list for meeting.**

8 (a) After fixing a record date for a meeting, a corporation shall prepare an alphabetical  
9 list of the names of all its shareholders who are entitled to notice of a shareholders' meeting. The  
10 list ~~must shall~~ be arranged by voting group ~~(and within each voting group group,~~ by class or  
11 series of ~~shares)~~ shares within each voting group, and shall show the address of and number of  
12 shares held by each shareholder.

13 (b) The shareholders' list ~~must shall~~ be available for inspection by any shareholder,  
14 beginning two business days after notice of the meeting is given for which the list was prepared  
15 and continuing through the meeting, (i) at the corporation's principal office or at a place identified  
16 in the meeting notice in the city where the meeting will be held, ~~held~~ or (ii) on a reasonably  
17 accessible electronic network, provided that the information required to gain access to the list is  
18 provided with the notice of the meeting. In the event that the corporation determines to make the  
19 list available on an electronic network, the corporation may take reasonable steps to ensure that  
20 the information is available only to shareholders of the corporation. A shareholder, personally or  
21 by or with his the shareholder's representative, is entitled on written demand to inspect and,  
22 subject to the requirements of G.S. 55-16-02(c), to copy the list, during regular business hours  
23 and at his the shareholder's expense, during the period it is available for inspection.

24 (c) ~~The~~ If the meeting is to be held at a place, the corporation shall make the shareholders'  
25 list available at the meeting, and any shareholder, personally or by or with his the shareholder's  
26 representative, is entitled to inspect the list at any time during the meeting or any adjournment.  
27 ~~The~~ If the meeting is to be held at a place, the corporation is not required to make the list available  
28 through electronic or other means of remote communication to a shareholder or proxy attending  
29 the meeting by remote communication pursuant to G.S. 55-7-09. If the meeting is to be held  
30 solely by means of remote communication, then the list shall also be open to inspection during  
31 the meeting on a reasonably accessible electronic network, and the information required to access  
32 the list shall be provided with the notice of the meeting.

33 (d) If the corporation refuses to allow a shareholder or ~~his the shareholder's~~ representative  
34 to inspect the shareholders' list before or at the ~~meeting (or meeting,~~ or copy the list as permitted  
35 by subsection ~~(b))~~, (b), the superior court of the county where a corporation's principal office ~~(or,~~  
36 ~~if none in this State, its registered office)~~ is located, or, if the corporation has no principal office  
37 in this State, the superior court of the county where the corporation's registered office is located,  
38 on application of the shareholder, after notice is given to the corporation, may summarily order  
39 the inspection or copying at the corporation's expense and may postpone the meeting for which  
40 the list was prepared until the inspection or copying is complete.

41 (e) Refusal or failure to prepare or make available the shareholders' list does not affect  
42 the validity of action taken at the meeting."

43 **SECTION 1.(f)** G.S. 55-10-22 reads as rewritten:

44 **"§ 55-10-22. Bylaw increasing quorum or voting requirement for ~~directors~~ directors or**  
45 **prohibiting a meeting of shareholders solely by remote participation.**

46 (a) A bylaw that fixes a greater quorum or voting requirement for the board of directors  
47 or that prohibits a meeting of shareholders solely by means of remote communication may be  
48 amended or ~~repealed~~; repealed as follows:

49 (1) If originally adopted by the shareholders, only by the shareholders, unless  
50 amendment or repeal by the board of directors is permitted pursuant to  
51 subsection ~~(b)~~; (b) of this section.

1 (2) If originally adopted by the board of directors, either by the shareholders or  
2 by the board of directors.

3 (b) A bylaw adopted or amended by the shareholders that fixes a greater quorum or voting  
4 requirement for the board of directors may provide that it may be amended or repealed only by a  
5 specified vote of either the shareholders or the board of directors.

6 (c) ~~A-The following applies to a~~ bylaw referred to in subsection ~~(a)-(a)~~ of this section.

7 (1) ~~May-It shall~~ not be adopted by the board of directors by a vote less than a  
8 majority of the directors then in ~~office, and~~office.

9 (2) ~~May-It shall~~ not itself be amended by a quorum or vote of the directors less  
10 than the quorum or vote therein prescribed or prescribed by the shareholders  
11 pursuant to subsection ~~(b)-(b)~~ of this section."

12 **SECTION 1.(g)** The Revisor of Statutes shall cause to be printed, as annotations to  
13 the published General Statutes, all relevant portions of the Official Comments to the Revised  
14 Model Business Corporation Act and all explanatory comments of the drafters of this section as  
15 the Revisor may deem appropriate.

16 **SECTION 1.(h)** This Part is effective when it becomes law and applies to  
17 shareholder meetings noticed on or after that date.

18  
19 **PART II. AUTHORIZE NONPROFIT MEMBER MEETINGS TO BE HELD BY MEANS**  
20 **OF REMOTE COMMUNICATION; AUTHORIZE NONPROFITS TO CONDUCT ALL**  
21 **BUSINESS ELECTRONICALLY UNLESS PROHIBITED BY THE NONPROFIT**

22 **SECTION 2.(a)** G.S. 55A-1-41 reads as rewritten:

23 "**§ 55A-1-41. Notice.**

24 ...

25 (c) Written notice by a domestic or foreign corporation to its member is effective when  
26 deposited in the United States mail with postage ~~thereon~~prepaid and correctly addressed to the  
27 member's address shown in the corporation's current record of members. ~~To the extent the~~  
28 ~~corporation pursuant to G.S. 55A-1-70 and the member have agreed, notice~~Notice by a domestic  
29 corporation ~~to its member~~in the form of an electronic record sent by electronic means to a  
30 member who has designated an email address as provided in G.S. 55A-1-70(b) is effective when  
31 it is sent as provided in G.S. 66-325. ~~A member may terminate any such agreement at any time~~  
32 ~~on a prospective basis effective upon written notice of termination to the corporation or upon~~  
33 ~~such later date as may be specified in the notice.~~

34 (d) Written notice to a domestic or foreign corporation (~~authorized~~authorized to conduct  
35 affairs in this ~~State~~)State may be addressed to its registered agent at its registered office or to the  
36 corporation or its secretary at its principal office shown in its articles of incorporation, the  
37 Designation of Principal Office Address form, or any Corporation's Statement of Change of  
38 Principal Office Address form filed with the Secretary of State.

39 (e) Except as provided in subsection (c) of this section, written notice is effective at the  
40 earliest of the following:

41 (1) When ~~received~~received.

42 (2) Five days after its deposit in the United States mail, as evidenced by the  
43 postmark or otherwise, if mailed with at least first-class postage thereon  
44 prepaid and correctly ~~addressed~~addressed.

45 (3) On the date shown on the return receipt, if sent by registered or certified mail,  
46 return receipt requested, and the receipt is signed by or on behalf of the  
47 ~~addressee~~addressee.

48 (4) If mailed with less than first-class postage, 30 days after its deposit in the  
49 United States mail, as evidenced by the postmark or otherwise, if mailed with  
50 postage thereon prepaid and correctly ~~addressed~~addressed.

- 1 (5) When delivered to the member's address shown in the corporation's current  
2 list of members.

3 In the case of notice in the form of an electronic record sent by electronic means, the time of  
4 receipt shall be determined as provided in G.S. 66-325.

5 (f) Written notice is correctly addressed to a member of a domestic or foreign corporation  
6 if addressed to the member's address shown in the corporation's current list of members. In the  
7 case of members who are residents of the same household and who have the same address, the  
8 corporation's bylaws may provide that a single notice may be given to ~~such~~the members jointly.  
9 ...."

10 **SECTION 2.(b)** G.S. 55A-1-70 reads as rewritten:

11 "**§ 55A-1-70. Electronic transactions-Conducting business electronically.**

12 ~~For purposes of applying Article 40 of Chapter 66 of the General Statutes to transactions~~  
13 ~~under this Chapter, a corporation may agree to conduct a transaction by electronic means through~~  
14 ~~provision in its articles of incorporation or bylaws or by action of its board of directors.~~

15 (a) Unless prohibited by the articles of incorporation or bylaws, a corporation, its officers,  
16 directors, and members may conduct business by electronic means in accordance with this  
17 Chapter and consistent with Article 40 of Chapter 66 of the General Statutes without further  
18 consent or agreement, except as required by subsection (b) of this section. To the extent that this  
19 Chapter conflicts with Article 40 of Chapter 66 of the General Statutes, this Chapter prevails.

20 (b) Unless otherwise provided in the articles of incorporation or bylaws, before  
21 conducting communication or business by electronic means with a member, including, without  
22 limitation, as permitted in G.S. 55A-1-41, 55A-7-04, 55A-7-08, 55A-7-09, and 55A-7-24, a  
23 corporation shall obtain the member's agreement. In order to obtain agreement, the corporation  
24 shall provide an opportunity for the member to do the following:

- 25 (1) Provide the member's written agreement to communication and business  
26 conducted between the member and the corporation by electronic means.  
27 (2) Designate the email address to be used for communication and business  
28 between the member and the corporation.  
29 (3) Provide any other information necessary to facilitate communication and  
30 business conducted between the member and the corporation by electronic  
31 means.

32 (c) A corporation that receives agreement and information from a member pursuant to  
33 subsection (b) of this section shall inform the member on how to revoke the agreement or update  
34 the information provided."

35 **SECTION 2.(c)** G.S. 55A-2-07 reads as rewritten:

36 "**§ 55A-2-07. Emergency bylaws.**

37 (a) Unless the articles of incorporation provide otherwise, the board of directors of a  
38 corporation may adopt, amend, or repeal bylaws to be effective only in an emergency defined in  
39 subsection (d) of this section. The emergency bylaws, which are subject to amendment or repeal  
40 by the members, may make all provisions necessary for managing the corporation during the  
41 emergency, including:

- 42 (1) Procedures for calling a meeting of the board of directors;  
43 (2) Quorum requirements for the meeting; and  
44 (3) Designation of additional or substitute directors.

45 (b) All provisions of the regular bylaws consistent with the emergency bylaws remain  
46 effective during the emergency. The emergency bylaws are not effective after the emergency  
47 ends.

48 (c) Corporate action taken in good faith in accordance with the emergency bylaws binds  
49 the corporation, and the fact that the action was taken pursuant to emergency bylaws shall not be  
50 used to impose liability on a corporate director, officer, employee, or agent.

1 (d) An emergency exists for purposes of this section ~~if a quorum of the corporation's~~  
2 ~~directors cannot readily be assembled because of some catastrophic event.~~ if a natural or  
3 man-made disaster impedes the ability of the corporation's board of directors or members to  
4 comply with one or more provisions of the corporation's bylaws."

5 **SECTION 2.(d)** G.S. 55A-7-01 reads as rewritten:

6 **"§ 55A-7-01. Annual and regular meetings.**

7 (a) A corporation having members with the right to vote for directors shall hold a meeting  
8 of ~~such~~ the members annually.

9 (b) A corporation with members may hold regular membership meetings at the times  
10 stated in or fixed in accordance with the bylaws.

11 (c) Annual and regular membership meetings may be held (i) in person in or out of this  
12 State at the place stated in or fixed in accordance with the ~~bylaws.~~ bylaws or (ii) by means of  
13 remote communication, as provided in G.S. 55A-7-09. If no place is stated in or fixed in  
14 accordance with the bylaws, in-person annual and regular meetings shall be held at the  
15 corporation's principal office.

16 ...."

17 **SECTION 2.(e)** G.S. 55A-7-02 reads as rewritten:

18 **"§ 55A-7-02. Special meeting.**

19 (a) A corporation with members shall hold a special meeting of ~~members.~~ members in  
20 any of the following circumstances:

21 (1) On call of its board of directors or the person or persons authorized to do so  
22 by the articles of incorporation or ~~bylaws.~~ bylaws.

23 (2) Within 30 days after the holders of at least ten percent (10%) of all the votes  
24 entitled to be cast on any issue proposed to be considered at the proposed  
25 special meeting sign, date, and deliver to the corporation's secretary one or  
26 more written demands for the meeting describing the purpose or purposes for  
27 which it is to be held.

28 (b) If not otherwise fixed under G.S. 55A-7-03 or G.S. 55A-7-07, the record date for  
29 determining members entitled to demand a special meeting is the date the first member signs the  
30 demand.

31 (c) Special meetings of members may be held (i) in person in or out of this State at the  
32 place stated in or fixed in accordance with the ~~bylaws.~~ bylaws or (ii) by means of remote  
33 communication as provided in G.S. 55A-7-09. If no place is stated or fixed in accordance with  
34 the bylaws, in-person special meetings shall be held at the corporation's principal office.

35 (d) Only those matters that are within the purpose or purposes described in the meeting  
36 notice required by G.S. 55A-7-05 may be acted upon at a special meeting of members."

37 **SECTION 2.(f)** G.S. 55A-7-03 reads as rewritten:

38 **"§ 55A-7-03. Court-ordered meeting.**

39 (a) The superior court of the county where a corporation's principal office, or, if there is  
40 none in this State, its registered office, is located may, after notice is given to the corporation and  
41 upon such further notice and opportunity to be heard, if any, as the court may deem appropriate  
42 under the circumstances, summarily order a meeting to be ~~held.~~ held in any of the following  
43 circumstances:

44 (1) On application of any member if an annual meeting was not held within 15  
45 months after the corporation's last annual ~~meeting.~~ meeting.

46 (2) On application of a member who signed a demand for a special meeting valid  
47 under G.S. 55A-7-02, if the corporation has not held the meeting as required  
48 by that section.

49 (b) The court may fix the time and place of the meeting, specify a record date for  
50 determining those persons entitled to notice of and to vote at the meeting, prescribe the form and  
51 content of the meeting notice, fix the quorum required for specific matters to be considered at the

1 meeting ~~(or or~~ direct that the votes represented at the meeting constitute a quorum for action on  
2 those ~~matters), matters,~~ and enter other orders necessary to accomplish the purpose or purposes  
3 of the meeting. The court may order that the meeting be held by means of remote communication  
4 as provided in G.S. 55A-7-09.

5 (c) If the court orders a meeting, it may also order the corporation to pay all or part of the  
6 member's costs ~~(including costs, including reasonable attorneys' fees) fees,~~ incurred to obtain the  
7 order."

8 **SECTION 2.(g)** G.S. 55A-7-04 reads as rewritten:

9 "**§ 55A-7-04. Action by written consent.**

10 (a) Action required or permitted by this Chapter to be taken at a meeting of members may  
11 be taken without a meeting if the action is taken by all members entitled to vote on the action.  
12 The action shall be evidenced by one or more written consents describing the action taken, signed  
13 before or after ~~such the~~ action by all members entitled to vote ~~thereon, on the action,~~ and delivered  
14 to the corporation for inclusion in the minutes or filing with the corporate records. ~~To the extent~~  
15 ~~the corporation has agreed pursuant to~~ If a member has agreed as provided in G.S. 55A-1-70, a  
16 the member's consent to action taken without a meeting may be in electronic form and delivered  
17 by electronic means.

18 ...."

19 **SECTION 2.(h)** G.S. 55A-7-05 reads as rewritten:

20 "**§ 55A-7-05. Notice of meeting.**

21 ...

22 (c) Notice is fair and reasonable ~~if:~~ if it conforms to all of the following:

23 (1) The corporation gives notice to all members entitled to vote at the meeting of  
24 the ~~place, place, if any,~~ date, and time of each annual, regular, and special  
25 meeting of members no fewer than 10, or, if notice is mailed by other than  
26 first class, registered or certified mail, no fewer than 30, nor more than 60 days  
27 before the meeting ~~date;~~ date.

28 (1a) If the meeting will be held by means of remote communication, the notice  
29 shall include all the information required by G.S. 55A-7-09.

30 (2) Notice of an annual or regular meeting includes a description of any matter or  
31 matters that shall be approved by the members under G.S. 55A-8-31,  
32 55A-8-55, 55A-10-03, 55A-10-21, 55A-11-04, 55A-12-02, or ~~55A-14-02;~~  
33 ~~and~~ 55A-14-02.

34 (3) Notice of special meeting includes a description of the matter or matters for  
35 which the meeting is called.

36 (d) Unless the bylaws require otherwise, if an annual, regular, or special meeting of  
37 members is adjourned to a different date, time, or place, notice need not be given of the new date,  
38 time, or place, if the new date, time, or place is announced at the meeting before adjournment. If  
39 the meeting is to be continued by means of remote communication, the announcement shall also  
40 include a description of the means of remote communication. If a new record date for the  
41 adjourned meeting is or must be fixed under G.S. 55A-7-07, however, notice of the adjourned  
42 meeting shall be given under this section to the members of record entitled to vote at the meeting  
43 as of the new record date.

44 (e) When giving notice of an annual, regular, or special meeting of members, a  
45 corporation shall give notice of a matter a member intends to raise at the meeting ~~if:~~ if all of the  
46 following apply:

47 (1) ~~Requested~~ The corporation is requested in writing to do so by a person or  
48 persons entitled to call a special meeting pursuant to ~~G.S. 55A-7-02;~~  
49 ~~and~~ G.S. 55A-7-02.

50 (2) The request is received by the secretary or president of the corporation at least  
51 10 days before the corporation gives notice of the meeting."

1           **SECTION 2.(i)** G.S. 55A-7-06 reads as rewritten:

2   "**§ 55A-7-06. Waiver of notice.**

3       ...

4       (b) A member's attendance at a ~~meeting;~~meeting in person or by means of remote  
5 communication waives objection to all of the following:

6           (1) ~~Waives objection to lack-~~Lack of notice or defective notice of the meeting,  
7           unless the member at the beginning of the meeting objects to holding the  
8           meeting or conducting business at the ~~meeting;~~ and meeting.

9           (2) ~~Waives objection to consideration-~~Consideration of a particular matter at the  
10           meeting that is not within the purpose or purposes described in the meeting  
11           notice, unless the member objects to considering the matter before it is voted  
12           upon upon in an in-person meeting."

13           **SECTION 2.(j)** G.S. 55A-7-08 reads as rewritten:

14   "**§ 55A-7-08. Action-**Member action by written ballot, ballot or electronic voting.

15       (a) Unless prohibited or limited by the articles of incorporation or bylaws and without  
16       regard to the requirements of G.S. 55A-7-04, any action that may be taken at any annual, regular,  
17       or special meeting of members may be taken without a meeting ~~if the corporation delivers a~~  
18 ~~written ballot to every member entitled to vote on the matter. Any requirement that any vote of~~  
19 ~~the members be made by written ballot may be satisfied by a ballot submitted by electronic~~  
20 ~~transmission, including electronic mail, provided that such electronic transmission shall either~~  
21 ~~set forth or be submitted with information from which it can be determined that the electronic~~  
22 ~~transmission was authorized by the member or the member's proxy.~~by written ballots or  
23 electronic voting as follows:

24           (1) Written ballots. – The corporation shall deliver a written ballot to every  
25 member entitled to vote on the matter. The ballot shall set forth each proposed  
26 action and provide an opportunity to vote for or against each proposed action.  
27 Unless secret balloting is required on the proposed action, the ballot shall  
28 contain or request information sufficient to identify the member or the  
29 member's proxy submitting the ballot. Written ballots may be submitted to the  
30 corporation by any reasonable means specified by the corporation, including  
31 email.

32           (2) Electronic voting. – For members who have agreed as provided in  
33 G.S. 55A-1-70, the corporation shall provide an electronic ballot or electronic  
34 notice that sets forth each proposed action and provides an opportunity and  
35 instructions on how to vote for or against each proposed action using the  
36 electronic ballot or an electronic voting system that meets all of the following  
37 requirements:

38           a. Accommodates and complies with all applicable special voting  
39 requirements of the corporation, including, without limitation,  
40 weighted votes, percentage interest votes, class voting, cumulative  
41 voting, or secret balloting.

42           b. Provides control mechanisms that allow the corporation to verify that  
43 each electronic vote is authorized by the member or the member's  
44 proxy.

45           c. Ensures that each member or proxy casts only the number of votes that  
46 the member is entitled to cast.

47           d. Creates a record of all votes cast that is maintained in the corporation's  
48 records and available for inspection by members.

49       (b) ~~A written ballot shall:~~

50           (1) ~~Set forth each proposed action; and~~

51           (2) ~~Provide an opportunity to vote for or against each proposed action.~~



1 (c) A corporation's board of directors may determine, in its discretion, that votes may be  
2 cast by written ballots or by electronic voting, or by both, except that votes may be cast solely by  
3 electronic voting only if all members entitled to vote on the proposed action have agreed as  
4 provided in G.S. 55A-1-70. Approval by written ballot or electronic voting, or both, pursuant to  
5 this section shall be valid only when the number of votes cast by written ballot or electronic  
6 voting, or both, equals or exceeds the quorum required to be present at a meeting authorizing the  
7 action, and the number of approvals equals or exceeds the number of votes that would be required  
8 to approve the matter at a meeting at which the same total number of votes were cast.

9 (d) All written ballots or solicitations for votes by written ballot-ballot, all electronic  
10 ballots or solicitations for votes by electronic ballot, and all electronic voting notices shall  
11 indicate the time by which a written or electronic ballot shall be received by the corporation or  
12 by which electronic votes shall be cast in order to be counted. The deadline for the return of  
13 written ballots and electronic ballots and for the casting of electronic votes on any proposed  
14 action shall be identical.

15 (e) Except as otherwise provided in the articles of incorporation or bylaws, a written  
16 ballot-any written ballot, electronic ballot, or electronic vote that is submitted shall not be  
17 revoked."

18 **SECTION 2.(k)** Article 7 of Chapter 55 of the General Statutes is amended by  
19 adding a new section to read:

20 "**§ 55A-7-09. Meetings held by means of remote communication.**

21 (a) The board of directors may, in its sole discretion, determine that any membership  
22 meeting shall be held by means of remote communication, but only if the remote communication  
23 allows members participating to hear other participants and to be heard by other participants if  
24 recognized by the chairperson during the meeting. If the board of directors determines to hold a  
25 meeting by means of remote communication, (i) all action and business requiring a vote of the  
26 membership shall be taken and conducted pursuant to G.S. 55A-7-08 and (ii) the corporation is  
27 not required to verify the presence of a quorum at the meeting.

28 (b) In addition to the information required by G.S. 55A-7-05, notice of a meeting held by  
29 means of remote communication shall include all of the following:

30 (1) Notice that the meeting will be held by means of remote communication and  
31 sufficient instruction and information on how members may join the meeting  
32 remotely.

33 (2) Notice that the action or business requiring a vote of the membership will be  
34 taken and conducted pursuant to G.S. 55A-7-08.

35 (3) Information required to inspect or gain access to the members' list as provided  
36 in G.S. 55A-7-20.

37 (c) The board of directors may prescribe additional rules and procedures for meetings  
38 held by means of remote communication, consistent with the provisions of this Chapter and  
39 Article 40 of Chapter 65 of the General Statutes.

40 (d) All references to meetings in this Chapter include meetings held by means of remote  
41 communication in accordance with the provisions of this Chapter."

42 **SECTION 2.(l)** G.S. 55A-7-24 reads as rewritten:

43 "**§ 55A-7-24. Proxies.**

44 (a) Unless the articles of incorporation or bylaws prohibit or limit proxy voting, a  
45 member may vote in person or by proxy. A member may appoint one or more proxies to vote or  
46 otherwise act for the member by signing an appointment form, either personally or by the  
47 member's attorney-in-fact. Without limiting G.S. 55A-1-70, an An appointment in the form of an  
48 electronic record submitted by a member who has agreed as provided in G.S. 55A-1-70 that either  
49 bears the member's electronic signature or is sent from the member's designated email address  
50 and that may be directly reproduced in paper form by an automated process shall be deemed a  
51 valid appointment form within the meaning of this section. In addition, if and to the extent

1 permitted by the nonprofit corporation, a member may appoint one or more proxies by any kind  
2 of telephonic transmission, even if not accompanied by written communication, under  
3 circumstances or together with information from which the nonprofit corporation can reasonably  
4 assume that the appointment was made or authorized by the member.

5 ...

6 (c) An appointment of a proxy is revocable by the member unless the appointment form  
7 conspicuously states that it is irrevocable and the appointment is coupled with an interest. An  
8 appointment made irrevocable under this subsection shall be revocable when the interest with  
9 which it is coupled is extinguished. A transferee for value of an interest subject to an irrevocable  
10 appointment may revoke the appointment if ~~he~~the transferee did not have actual knowledge of  
11 its irrevocability.

12 ...

13 (e) A revocable appointment of a proxy is revoked by the person appointing the  
14 ~~proxy~~proxy doing any of the following:

15 (1) Attending any meeting and voting in ~~person~~or person.

16 (2) Signing and delivering to the secretary or other officer or agent authorized to  
17 tabulate proxy votes either a writing stating that the appointment of the proxy  
18 is revoked or a subsequent appointment form.

19 ...."

20 **SECTION 2.(m)** G.S. 55A-7-20 reads as rewritten:

21 "**§ 55A-7-20. Members' list for meeting.**

22 ...

23 (b) Beginning two business days after notice is given of the meeting for which the list  
24 was prepared and continuing through the meeting, the list of members shall be available for  
25 inspection by any member for the purpose of communication with other members concerning the  
26 meeting. The list shall be available at (i) the corporation's principal office or at a reasonable place  
27 identified in the meeting notice in the city where the meeting will be held for inspection by any  
28 member for the purpose of communication with other members concerning the meeting. or (ii)  
29 on a reasonably accessible electronic network, so long as the information required to gain access  
30 to the list is provided with the notice of the meeting. In the event that the corporation determines  
31 to make the list available on an electronic network, the corporation may take reasonable steps to  
32 ensure that the information is available only to members of the corporation. A member,  
33 personally or by or with his~~the member's~~ representatives, is entitled on written demand to inspect  
34 and, subject to the limitations of G.S. 55A-16-02(c) and G.S. 55A-16-05 and at ~~his~~the member's  
35 expense, to copy the list at a reasonable time during the period it is available for inspection.

36 (c) ~~The~~If the meeting is to be held at a place, the corporation shall make the list of  
37 members available at the meeting, and any member, personally or by or with his~~the member's~~  
38 representatives, is entitled to inspect the list at any time during the meeting or any adjournment.

39 (d) If the corporation refuses to allow a member or ~~his~~the member's representative to  
40 inspect or copy the list of members as permitted in subsections (b) and (c) of this section, the  
41 superior court of the county where a corporation's principal ~~office~~(or, office, or, if there is none  
42 in this State, its registered office)~~office~~, is located, on application of the member, after notice is  
43 given to the corporation and upon such further evidence, notice and opportunity to be heard, if  
44 any, as the court may deem appropriate under the circumstances, may summarily order the  
45 inspection or copying at the corporation's expense. The court may postpone the meeting for which  
46 the list was prepared until the inspection or copying is complete and may order the corporation  
47 to pay the member's costs, including reasonable attorneys' fees, incurred to obtain the order.

48 (e) Refusal or failure to prepare or make available the members' list does not affect the  
49 validity of action taken at the meeting."

50 **SECTION 2.(n)** G.S. 55A-8-20 reads as rewritten:

51 "**§ 55A-8-20. Regular and special meetings.**

1 (a) The board of directors may hold regular or special meetings in or out of this State.

2 (b) Unless the articles of incorporation or bylaws provide otherwise, the board of  
3 directors may permit any or all directors to participate in a regular or special meeting by, or  
4 conduct the meeting through the use of, any means of communication by which all directors  
5 participating may simultaneously hear and be heard by each other during the meeting. A director  
6 participating in a meeting by this means is deemed to be present in person at the meeting."

7 **SECTION 2.(o)** G.S. 55A-8-21 reads as rewritten:

8 "**§ 55A-8-21. Action without meeting.**

9 (a) Unless the articles of incorporation or bylaws provide otherwise, action required or  
10 permitted by this Chapter to be taken at a board of directors' meeting may be taken without a  
11 meeting if the action is taken by all members of the board. The action shall be evidenced by one  
12 or more written consents signed by each director before or after ~~such the~~ action, describing the  
13 action taken, and included in the minutes or filed with the corporate records reflecting the action  
14 taken. ~~To the extent the corporation has agreed pursuant to G.S. 55A-1-70,~~ As authorized in  
15 G.S. 55A-1-70, a director's consent to action taken without meeting may be in electronic form  
16 and delivered by electronic means.

17 ...."

18  
19 **PART III. AUTHORIZE CONDOMINIUM ASSOCIATION UNIT OWNER AND**  
20 **PLANNED COMMUNITY ASSOCIATION LOT OWNER MEETINGS TO BE HELD**  
21 **REMOTELY**

22 **SECTION 3.(a)** G.S. 47C-3-108 reads as rewritten:

23 "**§ 47C-3-108. Meetings.**

24 (a) A meeting of the association shall be held at least once each year. Special meetings  
25 of the association may be called by the president, a majority of the executive board, or by unit  
26 owners having twenty percent (20%) or any lower percentage specified in the bylaws of the votes  
27 in the association. Not less than 10 nor more than 60 days in advance of any meeting, the secretary  
28 or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by  
29 United States mail to the mailing address of each unit or to any other mailing address designated  
30 in writing by the unit owner, or sent by electronic means, including by ~~electronic mail over the~~  
31 ~~Internet, to an electronic mailing address designated in writing by the unit owner.~~ email, to any  
32 unit owner who has agreed pursuant to G.S. 55A-1-70. The notice of any meeting must state the  
33 time and place of the meeting and the items on the agenda, including the general nature of any  
34 proposed amendment to the declaration or bylaws, any budget changes, and any proposal to  
35 remove a director or officer.

36 ...

37 (c) Except as otherwise provided for in the bylaws, meetings of the association and  
38 executive ~~board-board, other than meetings held by means of remote communication,~~ shall be  
39 conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised."

40 **SECTION 3.(b)** G.S. 47F-3-108 reads as rewritten:

41 "**§ 47F-3-108. Meetings.**

42 (a) A meeting of the association shall be held at least once each year. Special meetings  
43 of the association may be called by the president, a majority of the executive board, or by lot  
44 owners having ten percent (10%), or any lower percentage specified in the bylaws, of the votes  
45 in the association. Not less than 10 nor more than 60 days in advance of any meeting, the secretary  
46 or other officer specified in the bylaws shall cause notice to be hand-delivered or sent prepaid by  
47 United States mail to the mailing address of each lot or to any other mailing address designated  
48 in writing by the lot owner, or sent by electronic means, including by ~~electronic mail over the~~  
49 ~~Internet, to an electronic mailing address designated in writing by the lot owner.~~ email, to any lot  
50 owner who has agreed pursuant to G.S. 55A-1-70. The notice of any meeting shall state the time  
51 and place of the meeting and the items on the agenda, including the general nature of any

1 proposed amendment to the declaration or bylaws, any budget changes, and any proposal to  
2 remove a director or officer.

3 ...

4 (c) Except as otherwise provided in the bylaws, meetings of the association and the  
5 executive ~~board~~ board, other than meetings held by means of remote communication, shall be  
6 conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised."

7  
8 **PART IV. AUTHORIZE INSURANCE POLICYHOLDER MEETINGS TO BE HELD**  
9 **REMOTELY**

10 **SECTION 4.** G.S. 58-8-10 reads as rewritten:

11 "**§ 58-8-10. Policyholders are members of mutual companies.**

12 (a) Every person insured by a mutual insurance company is a member while that person's  
13 policy is in force, entitled to one vote for each policy that person holds, and ~~must~~ shall be notified  
14 of the (i) time and (ii) place ~~of~~ or method of remote communication, or both, for holding the  
15 company's meetings by a written notice or by an imprint upon the back of each policy, receipt,  
16 or certificate of renewal, as follows:

17 (1) If the meetings are to be held at a place, as follows: The insured is hereby  
18 notified that by virtue of this policy the insured is a member of the \_\_\_\_\_  
19 insurance company, and that the annual meetings of the company are held at  
20 its home office on the \_\_\_\_\_ day of \_\_\_\_\_, in each year, at \_\_\_\_\_ o'clock.

21 (2) If the meetings are to be held solely by remote communication, as follows:  
22 The insured is hereby notified that by virtue of this policy the insured is a  
23 member of the \_\_\_\_\_ insurance company, and that the annual meetings of  
24 the company are held by means of remote communication, which can be  
25 accessed by \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, in each year, at \_\_\_\_\_  
26 o'clock.

27 (3) If the meetings are to be held at a place and by remote communication, as  
28 follows: The insured is hereby notified that by virtue of this policy the insured  
29 is a member of the \_\_\_\_\_ insurance company, and that the annual meetings  
30 of the company are held at its home office and by means of remote  
31 communication, which can be accessed by \_\_\_\_\_ on the \_\_\_\_\_ day of  
32 \_\_\_\_\_, in each year, at \_\_\_\_\_ o'clock.

33 (b) The blanks in subsection (a) of this section shall be duly filled in print and are a  
34 sufficient notice. A corporation that becomes a member of a mutual insurance company may  
35 authorize any person to represent the corporation; and this representative has all the rights of an  
36 individual member. A person holding property in trust may insure it in a mutual insurance  
37 company, and as trustee assume the liability and be entitled to the rights of a member; but is not  
38 personally liable upon the contract of insurance. Members may vote by proxies, dated and  
39 executed within one year after receipt, and returned and recorded on the books of the company  
40 three days or more before the meeting at which they are to be used.

41 (c) Participation by means of remote communication shall be subject to such guidelines  
42 and procedures as the board of directors adopts and shall be in conformity with subsection (d) of  
43 this section.

44 (d) Members participating in meetings by means of remote communication shall be  
45 deemed (i) present and (ii) voting in person at the meeting if the mutual insurance company has  
46 implemented reasonable measures to do all of the following:

47 (1) Verify that each person participating remotely is a member.

48 (2) Provide each member participating remotely a reasonable opportunity to  
49 participate in the meeting and to vote on matters submitted to the members,  
50 including an opportunity to communicate and read or hear the proceedings of  
51 the meeting, substantially concurrently with the proceedings.

1       (e)     The board of directors may, in its sole discretion, determine that any meeting of  
2 members shall not be held at any place and shall instead be held solely by means of remote  
3 communication, but only if the mutual insurance company implements the measures specified in  
4 subsection (d) of this section."  
5

6     **PART V. SEVERABILITY CLAUSE**

7             **SECTION 5.** If any section or provision of this act is declared unconstitutional or  
8 invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
9 the part so declared to be unconstitutional or invalid.  
10

11     **PART VI. EFFECTIVE DATE AND APPLICABILITY**

12             **SECTION 6.** This act is effective when it becomes law and applies to meetings  
13 noticed on or after that date. Remote shareholder meetings noticed before the effective date of  
14 this act as a result of the State of Emergency declared by Executive Order No. 116 on March 10,  
15 2020, and complying with any subsequent executive orders authorizing remote shareholder  
16 meetings issued by Governor Roy A. Cooper shall be deemed in compliance with this act.