

House Engrossed

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

CHAPTER 204

# **HOUSE BILL 2592**

AN ACT

AMENDING SECTION 10-3708, ARIZONA REVISED STATUTES; RELATING TO NONPROFIT CORPORATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 10-3708, Arizona Revised Statutes, is amended to  
3 read:  
4 10-3708. Action by written ballot; online voting  
5 A. Unless prohibited or limited by the articles of incorporation or  
6 bylaws, any action that the corporation may take at any annual, regular or  
7 special meeting of members may be taken without a meeting if the corporation  
8 delivers a written ballot to every member entitled to vote on the matter.  
9 B. A written ballot shall:  
10 1. Set forth each proposed action.  
11 2. Provide an opportunity to vote for or against each proposed action.  
12 C. Approval by written ballot pursuant to this section is valid only  
13 if both:  
14 1. The number of votes cast by ballot equals or exceeds the quorum  
15 required to be present at a meeting authorizing the action.  
16 2. The number of approvals equals or exceeds the number of votes that  
17 would be required to approve the matter at a meeting at which the total  
18 number of votes cast was the same as the number of votes cast by ballot.  
19 D. All solicitations for votes by written ballot shall:  
20 1. Indicate the number of responses needed to meet the quorum  
21 requirements.  
22 2. State the percentage of approvals necessary to approve each matter  
23 other than election of directors.  
24 3. Specify the time by which a ballot must be delivered to the  
25 corporation in order to be counted, which time shall not be less than three  
26 days after the date that the corporation delivers the ballot.  
27 E. Except as otherwise provided in the articles of incorporation or  
28 bylaws, a written ballot shall not be revoked.  
29 F. AFTER PROVIDING NOTICE THAT COMPLIES WITH SUBSECTION G OF THIS  
30 SECTION TO MEMBERS THAT A VOTE SHALL BE CONDUCTED BY ELECTRONIC MEANS, A  
31 WRITTEN BALLOT MAY BE DELIVERED THROUGH AN ONLINE VOTING SYSTEM THAT DOES ALL  
32 OF THE FOLLOWING:  
33 1. AUTHENTICATES THE MEMBER'S IDENTITY.  
34 2. AUTHENTICATES THE VALIDITY OF EACH ELECTRONIC VOTE TO ENSURE THAT  
35 THE VOTE IS NOT ALTERED IN TRANSIT.  
36 3. TRANSMITS A RECEIPT TO EACH MEMBER WHO CASTS AN ELECTRONIC VOTE.  
37 4. STORES ELECTRONIC VOTES FOR RECOUNT, INSPECTION AND REVIEW  
38 PURPOSES.  
39 G. THE NOTICE PRESCRIBED BY SUBSECTION F OF THIS SECTION SHALL INCLUDE  
40 A REASONABLE PROCEDURE BY WHICH A MEMBER MAY OBTAIN AND CAST A BALLOT THROUGH  
41 SOME OTHER FORM OF DELIVERY, INCLUDING UNITED STATES MAIL DELIVERY AND FAX  
42 TRANSMISSION.

APPROVED BY THE GOVERNOR MAY 11, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 11, 2016.

Passed the House March 3, 20 16

Passed the Senate May 5, 20 16

by the following vote: 55 Ayes,

by the following vote: 29 Ayes,

2 Nays, 3 Not Voting

0 Nays, 1 Not Voting

[Signature]  
Speaker of the House  
 Pro Tempore

[Signature]  
President of the Senate

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this  
6 day of May, 20 16

at 10:21 o'clock A. M.

[Signature]  
Secretary to the Governor

Approved this 11th day of

May

at 10:22 o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State  
this 12 day of May, 20 16

at 3:15 o'clock P. M.

[Signature]  
Secretary of State

H.B. 2592