

2021 SENATE POLITICAL SUBDIVISIONS

SB 2138

2021 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Sakakawea, State Capitol

SB 2138
1/21/2021

A BILL for an Act to amend and reenact subsection 2 of section 10-33-75 of the North Dakota Century Code, relating to remote communication for nonprofit corporations; and to declare an emergency.

Vice Chair Anderson opened the hearing on SB 2138 at 9:00 a.m. All members present: Senator Burckhard, Senator Anderson, Senator Oban, Senator Kannianen, Senator Heitkamp, Senator Lee, Senator D. Larson.

Discussion Topics:

- Virtual meeting statutory obstacles for nonprofits

[9:00] Senator Hogan, District 21. Introduced SB 2138.

[9:03] Jennifer Greuel, Executive Director, North Dakota Association of Nonprofit Organizations (NDANO). Provided testimony #2113 in favor.

[9:08] Murray Sagsveen, Western North Dakota Synod of the Evangelical Lutheran Church in America (ELCA). Provided testimony #1941 in favor.

Senator Anderson moves **DO PASS**
Senator Lee seconded

Motion passed 7-0-0

Senator Anderson will carry SB 2138.

Additional written testimony: N/A

| Senators | Vote |
|---------------------------------|------|
| Senator Randy A. Burckhard | Y |
| Senator Howard C. Anderson, Jr. | Y |
| Senator Jason G. Heitkamp | Y |
| Senator Jordan Kannianen | Y |
| Senator Diane Larson | Y |
| Senator Judy Lee | Y |
| Senator Erin Oban | Y |

Chairman Burckhard closed hearing 9:12 a.m.

Patricia Lahr, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2138: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2138 was placed on the Eleventh order on the calendar.

#2113

**Testimony by Jennifer Greuel, NDANO Executive Director
Senate Political Subdivisions Committee
In Support of SB 2138
January 21, 2021**

Chairman Burckhard and members of the Committee, my name is Jennifer Greuel, and I am the executive director of the North Dakota Association of Nonprofit Organizations (NDANO). I am here to express support for SB 2138.

NDANO is the statewide membership association for the North Dakota nonprofit sector. Our members work in all mission areas, from human services and the environment to education and the arts, and represent all sizes, from small volunteer-run nonprofits to multi-million-dollar organizations, in all corners of the state. NDANO educates, advocates and connects to strengthen nonprofits.

When the pandemic hit in March, many nonprofits were faced with immediately needing to reschedule their annual meetings, which are required in statute to be held to maintain nonprofit status, or to change processes and hold the meeting remotely. However, many nonprofits encountered a statutory obstacle that does not allow organizations' annual meetings to be held remotely without a change to their bylaws, hindering their ability to conduct business as usual. Depending on the process each organization has chosen to amend bylaws, this can be a difficult undertaking. Some organizations may be unaware of the language in statute about remote annual meetings, and may be unknowingly not following Century Code. This wordage change would allow for annual meetings to be held by remote means and allow nonprofits to continue efficiently serving the state.

NDANO asks for a do pass recommendation to SB 2138. Thank you.

**Senate Political Subdivisions Committee
Testimony on Senate Bill No. 2138
Murray G. Sagsveen**

I am an attorney who provides voluntary legal services to nonprofit organizations in North Dakota including:

- Western North Dakota Synod of the Evangelical Lutheran Church in America [ELCA] (and its 160+ congregations within the Synod)
- North Dakota Association of Nonprofit Organizations (NDANO)

In addition, I serve on the governing boards of several nonprofit organizations including the Theodore Roosevelt Presidential Library Foundation.

Many Lutheran congregations in North Dakota were established a century ago, and many of the remaining congregations have not amended or updated their articles of incorporation for decades (if ever).

Also, all ELCA Lutheran congregations are governed by a constitution and bylaws. The ELCA was established in 1988 when several Lutheran denominations merged into the current organizational structure. Again, many congregations have not amended or updated their constitutions and bylaws in recent years (and some congregations have not updated the governing documents since 1988).

Section 10-33-75 presents a serious problem for many church organizations and other nonprofit corporations. During this pandemic, many nonprofit organizations are unable to safely or legally conduct in-person meetings of the members to amend the articles of incorporation or bylaws to allow membership meetings by means of remote communication.

This bill, if enacted, would solve the problem. It would allow a nonprofit organization to conduct membership meetings by remote communication UNLESS prohibited by the organization's articles of incorporation or bylaws (or, for Lutheran churches, their constitution).

Accordingly, I urge this committee to vote a "do pass" recommendation for the bill.

Murray G. Sagsveen

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Lobbyist Registration 227 (Western North Dakota Synod)

2021 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2138

2021 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2138
3/17/2021

| |
|---|
| Remote communication for nonprofit corporations. |
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(2:52) Chairman Lefor called the hearing to order.

| Representatives | Attendance | Representatives | Attendance |
|----------------------|------------|-----------------|------------|
| Chairman Lefor | P | Rep Ostlie | P |
| Vice Chairman Keiser | P | Rep D Ruby | P |
| Rep Hagert | P | Rep Schauer | P |
| Rep Kasper | P | Rep Stemen | P |
| Rep Louser | P | Rep Thomas | P |
| Rep Nehring | P | Rep Adams | P |
| Rep O'Brien | P | Rep P Anderson | P |

Discussion Topics:

- Remote annual meetings
- Nonprofit status

Jennifer Greuel~Executive Director-ND Association of Nonprofit Organizations. Attachment # 9675.

Murray Sagsveen~Attorney representing a Nonprofit. Attachment # 9001.

Chairman Lefor closed the hearing.

Rep Nehring moved a Do Pass.

Stemen second.

| Representatives | Vote |
|------------------------|-------------|
| Chairman Lefor | Y |
| Vice Chairman Keiser | Y |
| Rep Hagert | Y |
| Rep Jim Kasper | Y |
| Rep Scott Louser | Y |
| Rep Nehring | Y |
| Rep O'Brien | Y |
| Rep Ostlie | Y |
| Rep Ruby | Y |
| Rep Schauer | Y |
| Rep Stemen | Y |
| Rep Thomas | Y |
| Rep Adams | Y |
| Rep P Anderson | Y |

Vote roll call taken Motion carried 14-0-0 & Rep O'Brien is the carrier.

(2:58) End time.

Ellen LeTang, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2138: Industry, Business and Labor Committee (Rep. Lefor, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2138 was placed on the Fourteenth order on the calendar.



**Testimony by Jennifer Greuel, NDANO Executive Director
House Industry, Business and Labor Committee
In Support of SB 2138
March 17, 2021**

Chair Lefor and Members of the Committee, my name is Jennifer Greuel, and I am the executive director of the North Dakota Association of Nonprofit Organizations (NDANO). I am here to express support for SB 2138.

NDANO is the statewide membership association for the North Dakota nonprofit sector. Our members work in all mission areas, from human services and the environment to education and the arts, and represent all sizes, from small volunteer-run nonprofits to multi-million-dollar organizations, in all corners of the state. NDANO educates, advocates and connects to strengthen nonprofits.

When the pandemic hit in March 2020, many nonprofits were faced with immediately needing to reschedule their annual meetings, which are required in statute to be held to maintain nonprofit status, or to change processes and hold the meeting remotely. However, many nonprofits encountered a statutory obstacle that does not allow organizations' annual meetings to be held remotely without a change to their bylaws, hindering their ability to conduct business as usual. Depending on the process each organization has chosen to amend bylaws, this can be a difficult undertaking. Some organizations may be unaware of the language in statute about remote annual meetings, and may be unknowingly not following Century Code. This wordage change would allow for annual meetings to be held by remote means and allow nonprofits to continue efficiently serving the state.

NDANO asks for a do pass recommendation to SB 2138. Thank you.

**House Industry, Business, and Labor Committee
Testimony on Senate Bill No. 2138
Murray G. Sagsveen**

I am testifying in support of Senate Bill 2138.

I am an attorney who provides voluntary legal services to nonprofit organizations in North Dakota including:

- Western North Dakota Synod of the Evangelical Lutheran Church in America [ELCA] (and its 160+ congregations within the Synod)
- North Dakota Association of Nonprofit Organizations (NDANO)

In addition, I serve on the governing boards of several nonprofit organizations including Luther Seminary, St. Paul, MN.

Many Lutheran congregations in North Dakota were established a century ago, and many of the remaining congregations have not amended or updated their articles of incorporation for decades (if ever).

Also, all ELCA Lutheran congregations are governed by a constitution and bylaws. The ELCA was established in 1988 when several Lutheran denominations merged into the current organizational structure. Again, many congregations have not amended or updated their constitutions and bylaws in recent years (and some congregations have not updated the governing documents since 1988).

Section 10-33-75 presents a challenge for many church organizations and other nonprofit corporations. During this pandemic, many nonprofit organizations have been unable to safely or legally conduct in-person meetings of the members to amend the articles of incorporation or bylaws to allow membership meetings by means of remote communication.

This bill, if enacted, would solve the problem. It would allow a nonprofit organization to conduct membership meetings by remote communication UNLESS prohibited by the organization's articles of incorporation or bylaws (or, for Lutheran churches, their constitution).

This bill, if enacted, would also allow greater member participation in annual meetings of nonprofit organizations. For example, this year, even though I could not attend in person, I participated in two nonprofit organization annual meetings by remote communication.

Accordingly, I urge this committee to vote a “do pass” recommendation for the bill.

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