

**CBA Business Law Section Working Draft: 12/1/20**



General Assembly		<b><i>Raised Bill No.</i></b>
<i>January Session, 2021</i>		
Referred to Committee on		
Introduced by:		
(JUD)		

***AN ACT CONCERNING REVISIONS TO THE CONNECTICUT BUSINESS CORPORATION ACT AND THE CONNECTICUT REVISED NONSTOCK CORPORATION ACT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (b) of Section 33-695 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective immediately*):

(b) Unless the board of directors determines to hold the meeting solely by means of remote communication in accordance with subsection (c) of section 33-703[A] annual shareholders' meetings may be held (1) in or out of this state at the place stated in or fixed in accordance with the bylaws, [ If] or (2) if no place is stated in or fixed in accordance with the bylaws, annual meetings shall be held at the corporation's principal office.

Sec. 2. Subsections (a) and (c) of Section 33-696 of the general statutes are repealed and the following are substituted in lieu thereof (*Effective*

*immediately*):

(a) A corporation shall hold a special meeting of shareholders: (1) On call of its board of directors or the person or persons authorized to do so by the certificate of incorporation or bylaws; or (2) if the holders of at least ten per cent of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to the corporation's secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held, except that if the corporation has a class of voting stock registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended from time to time, and no person held ten per cent or more of [such votes] all the votes entitled to be cast by the holders of such class of voting stock on February 1, 1988, the corporation need not hold such meeting except upon demand of the holders of not less than thirty-five per cent of such votes.

(c) Unless the board of directors determines to hold the meeting solely by means of remote communication in accordance with subsection (c) of section 33-703, [S]special shareholders' meetings may be held (1) in or out of this state at the place stated in or fixed in accordance with the bylaws, or (2) [.] if no place is stated or fixed in accordance with the bylaws, special meetings shall be held at the corporation's principal office.

Sec. 3. Subsections (a) and (e) of Section 33-699 of the general statutes are repealed and the following are substituted in lieu thereof (*Effective immediately*):

(a) A corporation shall notify shareholders of the date, time and place, if any, of each annual and special shareholders' meeting no fewer than ten nor more than sixty days before the meeting date. The notice shall include the record date for determining the shareholders entitled to vote at the meeting, if such date is different than the record date for determining shareholders entitled to notice of the meeting. If the board

of directors has authorized participation by means of remote communication pursuant to section 33-703 for any class or series of shareholders, the notice to such class or series of shareholders shall describe the means of remote communication to be used. Unless sections 33-600 to 33-998, inclusive, or the certificate of incorporation requires otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting as of the record date for determining the shareholders entitled to notice of the meeting.

(e) Unless the bylaws require otherwise, if an annual or special shareholders' meeting is adjourned to a different date, time or place, if any, notice need not be given of the new date, time or place, if any, if the new date, time or place, if any, is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under section 33-701, however, notice of the adjourned meeting must be given under this section to shareholders entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Sec. 4. Section 33-703 of the general statutes is amended by adding a new subsection (c) thereto (*Effective immediately*):

(c) Unless the bylaws require the meeting of shareholders to be held at a place, the board of directors may determine that any meeting of shareholders shall not be held at any place and shall instead be held solely by means of remote communication, but only if the corporation implements the measures specified in subsection (b) of this section.

Sec. 5. Subsections (b) and (c) of Section 33-704 of the general statutes are repealed and the following are substituted in lieu thereof (*Effective immediately*):

(b) The shareholders' list for notice shall be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through

the meeting, (1) at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held, or (2) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to shareholders of the corporation. A shareholders' list for voting must be similarly available for inspection promptly after the record date for voting. A shareholder, his agent or attorney is entitled on written demand to inspect and, subject to the requirements of subsection (d) of section 33-946, to copy a list, during regular business hours and at his expense, during the period it is available for inspection.

(c) If the meeting is to be held at a place, [T]the corporation shall make the list of shareholders entitled to vote available at the meeting, and any shareholder, his agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment. If the meeting is to be held solely by means of remote communication, then such list shall also be open to such inspection during the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Sec. 6. Subsection (a) of Section 33-808 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective immediately*):

(a) A bylaw that fixes a greater quorum or voting requirement for the board of directors or that requires a meeting of shareholders to be held at a place may be amended or repealed: (1) If originally adopted by the shareholders, only by the shareholders; (2) if originally adopted by the incorporator or incorporators or by the board of directors, either by the shareholders or by the board of directors.

Sec. 7. Subsection (b) of Section 33-1061 of the general statutes is

repealed and the following is substituted in lieu thereof (*Effective immediately*):

(b) Unless the board of directors determines to hold the meeting solely by means of remote communication in accordance with section 33-1069, annual meetings of members may be held (i) in or out of this state at the place stated in or fixed in accordance with the bylaws- or (ii) [I]if no place is stated in or fixed in accordance with the bylaws, annual meetings shall be held at the corporation's principal office.

Sec. 8. Subsection (c) of Section 33-1062 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective immediately*):

(c) Unless the board of directors determines to hold the meeting solely by remote communication in accordance with Section 33-1069, [S]special meetings of members may be held (i) in or out of this state at the place stated in or fixed in accordance with the bylaws- or (ii) [I]if no place is stated or fixed in accordance with the bylaws, special meetings shall be held at the corporation's principal office.

Sec. 9. Section 33-1064 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective immediately*):

(a) Any action which, under any provision of sections 33-1000 to 33-1290, inclusive, may be taken at a meeting of members may be taken without a meeting by one or more consents in writing, setting forth the action so taken or to be taken, signed by all of the persons who would be entitled to vote upon such action at a meeting, or by their duly authorized attorneys which action for purposes of this subsection shall be referred to as "unanimous written consent". The secretary shall file such consent or consents, or certify the tabulation of such consents and file such certificate, with the minutes of the meetings of the members. A unanimous written consent shall have the same force and effect as a vote of the members at a meeting duly held, and may be stated as such in any

certificate or document filed under sections 33-1000 to 33-1290, inclusive.

(b) [Where directors or officers are to be elected by members or any other action is to be voted upon by members, the certificate of incorporation or bylaws may provide that such elections may be conducted and such actions voted upon by mail in such manner as shall be stated therein. The vote of members, or of the members of any particular class, shall be determined from the total number of members who actually vote by mail, rather than from the total number of members entitled so to vote, unless the certificate of incorporation otherwise provides] The certificate of incorporation or bylaws may provide that any action that may be taken at any meeting of members may be taken without a meeting if the corporation delivers notice that includes a ballot to every member entitled to vote on the matter. A ballot shall: (1) be in writing; (2) set forth each proposed action; (3) provide an opportunity to vote for, or withhold a vote for, each candidate for election as a director, if any; and (4) provide an opportunity to vote for or against each other proposed action. [A ballot signed under this section shall have the same force and effect as a vote of the member who signed it at a meeting duly held, and may be stated as such in any certificate or document filed under sections 33-1000 to 33-1290, inclusive.]

(c) [If not otherwise fixed under section 33-1063 or 33-1067, the record date for determining members entitled to take action without a meeting is the date the first member signs the consent or ballot under subsection (a) or (b) of this section.] Approval by ballot pursuant to this section of action other than election of directors is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. A ballot signed under this section

shall have the same force and effect as a vote of the member who signed it at a meeting duly held, and may be stated as such in any certificate or document filed under sections 33-1000 to 33-1290, inclusive.

(d) [The absence from the minutes of any indication that a member objected to holding the meeting shall prima facie establish that no such objection was made.] All solicitations for votes by ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and (3) specify the time by which a ballot must be received by the corporation in order to be counted.

(e) Except as otherwise provided in the certificate of incorporation or bylaws, a ballot may not be revoked.

(f) If not otherwise fixed under section 33-1063 or 33-1067, the record date for determining members entitled to take action without a meeting is: (i) the date the first member signs the consent or ballot under subsection (a) of this section; or (ii) the date the corporation delivers the notice under subsection (b) of this section.

(g) The absence from the minutes of any indication that a member objected to holding the meeting shall prima facie establish that no such objection was made.

Sec. 10. Subsections (a) and (e) of Section 33-1065 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective immediately*):

(a) A corporation shall notify members entitled to vote of the date, time and place, if any, of each annual, regular and special meeting no fewer than ten nor more than sixty days before the meeting date. Unless sections 33-1000 to 33-1290, inclusive, or the certificate of incorporation requires otherwise, the corporation is required to give notice only to members entitled to vote at the meeting.

(e) Unless the bylaws require otherwise, if an annual, regular or special meeting of members is adjourned to a different date, time or place, if any, notice need not be given of the new date, time or place, if any, if the new date, time or place, if any, is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under section 33-1067, however, notice of the adjourned meeting must be given under this section to persons who are members entitled to vote as of the new record date.

Sec. 11. (NEW) (*Effective immediately*):

(a) Members of any class may participate in any meeting of members by means of remote communication to the extent the board of directors authorizes such participation for that class. Participation as a member by means of remote communication is subject to any guidelines and procedures the board of directors adopts that conform to subsection (b) of this section.

(b) Members participating by means of remote communication are deemed present in person and may vote at the meeting if the corporation has implemented reasonable measures: (1) to verify that each person participating remotely as a member is a member; and (2) to provide the members a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to communicate, and to read or hear the proceedings of the meeting, substantially concurrently with the proceedings.

(c) Unless the bylaws require a meeting of members to be held at a place, the board of directors may determine that any meeting of members will not be held at a place, and instead will be held solely by means of remote communication, but only if the corporation implements the measures required by subsection (b) of this section.

Sec. 12. Subsection (a) of Section 33-1152 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective*



*immediately*):

A bylaw that fixes a greater quorum or voting requirement for the board of directors or that requires a meeting of members to be held at a place may be amended or repealed: (1) If originally adopted by the members, only by the members; (2) if originally adopted by the incorporator or incorporators or by the board of directors, either by the members or by the board of directors.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>Effectively immediately</i>	33-695
Sec. 2	<i>Effectively immediately</i>	33-696
Sec. 3	<i>Effectively immediately</i>	33-699
Sec. 4	<i>Effectively immediately</i>	33-703
Sec. 5	<i>Effectively immediately</i>	33-704
Sec. 6	<i>Effectively immediately</i>	33-808
Sec. 7	<i>Effectively immediately</i>	33-1061
Sec. 8	<i>Effectively immediately</i>	33-1062
Sec. 9	<i>Effectively immediately</i>	33-1064
Sec. 10	<i>Effectively immediately</i>	33-1065
Sec. 11	<i>Effectively immediately</i>	New
Sec. 12	<i>Effectively immediately</i>	33-1152

**Statement of Purpose:**

To make various revisions to the Connecticut Business Corporation Act that are consistent with the Model Business Corporation Act, revised to 2016, and to make corresponding revisions to the Connecticut Revised Nonstock Corporation Act that are consistent with the Model Business Corporation Act, revised to 2016.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*