

House Bill 306 (AS PASSED HOUSE AND SENATE)

By: Representatives Gunter of the 8<sup>th</sup>, Kelley of the 16<sup>th</sup>, Holcomb of the 81<sup>st</sup>, Reeves of the 34<sup>th</sup>, Momtahan of the 17<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 14 of the Official Code of Georgia Annotated, relating to corporations,  
2 partnerships, and associations, so as to provide that a corporation may hold annual  
3 shareholders' meetings and special shareholders' meetings by means of remote  
4 communication; to provide that nonprofit corporations may hold annual meetings of  
5 members and special meetings of members by means of remote communication; to provide  
6 for requirements for such meetings by remote communication; to provide for related matters;  
7 to provide for an effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships,  
11 and associations, is amended by revising subsection (b) of Code Section 14-2-701, relating  
12 to annual meeting, as follows:

13 “(b)(1) Except as provided for in paragraph (2) of this subsection, annual ~~Annual~~  
14 shareholders' meetings may be held in or out of this state at the place stated in or fixed  
15 in accordance with the bylaws. If no place is stated in or fixed in accordance with the  
16 bylaws, annual shareholders' meetings shall be held at the corporation's principal office.

17 (2) Unless the articles of incorporation or the bylaws provide otherwise, the board of  
18 directors may determine that an annual shareholders' meeting may be held wholly or  
19 partially by means of remote communication as authorized by Code Section 14-2-708."

20

## SECTION 2.

21 Said title is further amended by revising subsection (c) of Code Section 14-2-702, relating  
22 to special meeting, as follows:

23 "(c)(1) Except as provided for under paragraph (2) of this subsection, special Special  
24 shareholders' meetings may be held in or out of this state at the place stated in or fixed  
25 in accordance with the bylaws. If no place is stated or fixed in accordance with the  
26 bylaws, special shareholders' meetings shall be held at the corporation's principal office.

27 (2) Unless the articles of incorporation or the bylaws provide otherwise, the board of  
28 directors may determine that a special shareholders' meeting be held wholly or partially  
29 by means of remote communication as authorized by Code Section 14-2-708."

30

## SECTION 3.

31 Said title is further amended by adding a new Code section to read as follows:

32 "14-2-708.

33 When authorized by the board of directors, and subject to such guidelines and procedures  
34 as the board of directors may adopt, shareholders and holders of proxies of any class or  
35 series designated by the board of directors not physically present at a meeting of  
36 shareholders may, by means of remote communication:

37 (1) Participate in a meeting of shareholders; and

38 (2) Be deemed present in person and vote at a meeting of shareholders, whether such  
39 meeting is held at a designated place or held wholly by means of remote communication,  
40 provided that:

41 (A) The corporation implements reasonable procedures to verify that each person  
42 deemed present and permitted to vote at the meeting by means of remote  
43 communication is a shareholder or holder of a proxy;  
44 (B) The corporation implements reasonable procedures to provide such shareholders  
45 and holders of proxies a reasonable opportunity to participate in the meeting and to vote  
46 on matters submitted to such shareholders and holders of proxies, including, but not  
47 limited to, an opportunity to read or hear the proceedings of the meeting substantially  
48 concurrently with such proceedings; and  
49 (C) When any shareholder or holder of a proxy votes or takes other action at the  
50 meeting by means of remote communication, a record of such vote or other action shall  
51 be maintained by the corporation."

52 **SECTION 4.**

53 Said title is further amended by revising subsection (c) of Code Section 14-3-701, relating  
54 to annual meeting, as follows:

55 "(c)(1) Except as provided for in paragraph (2) of this subsection, annual ~~Annual~~ and  
56 regular meetings of members may be held in or out of this state at the place stated in or  
57 fixed in accordance with the bylaws. If no place is stated in or fixed in accordance with  
58 the bylaws, annual and regular meetings shall be held at the corporation's principal office  
59 or other suitable place.

60 (2) Unless the articles of incorporation or the bylaws provide otherwise, the board of  
61 directors may determine that an annual and regular meeting of the members may be held  
62 wholly or partially by means of remote communication which shall mean an opportunity  
63 for members to read or hear the proceedings of the meeting substantially concurrently  
64 with such proceedings as authorized and provided for in Code Section 14-3-709."

65 **SECTION 5.**

66 Said title is further amended by adding a new subsection to Code Section 14-3-702, relating  
67 to special meetings, to read as follows:

68 "(h) Unless the articles or bylaws provide otherwise, any special meeting may be held  
69 wholly or partially by means of remote communication as authorized and provided for in  
70 Code Section 14-3-709."

71 **SECTION 6.**

72 Said title is further amended in Part 1 of Article 7 of Chapter 3, relating to general  
73 provisions, by adding a new Code section to read as follows:

74 "14-3-709.

75 When authorized by the board of directors, and subject to such guidelines and procedures  
76 as such board of directors may adopt, members not physically present at a meeting of the  
77 corporation may, by means of remote communication:

78 (1) Participate in a meeting of members; and

79 (2) Be deemed present in person and vote at a meeting of members, whether such  
80 meeting is held at a designated place or held wholly by means of remote communication,  
81 provided that:

82 (A) The corporation implements reasonable procedures to verify that each person  
83 deemed present at the meeting by means of remote communication is a member or  
84 holder of a proxy; and

85 (B) When any member or holder of a proxy votes at the meeting by means of remote  
86 communication, a record of such vote or such other action shall be maintained by the  
87 corporation."

88

**SECTION 7.**

89 This Act shall become effective upon its approval by the Governor or upon its becoming law  
90 without such approval.

91

**SECTION 8.**

92 All laws and parts of laws in conflict with this Act are repealed.