

1989 Senate Bill 327

Date of enactment: **April 23, 1990**

Date of publication*: **May 7, 1990**

1989 WISCONSIN ACT 308

AN ACT *to renumber* 215.50 (9) and 215.70 (3); *to amend* 215.50 (9) (title), 215.70 (3) (title), 222.21 (1) (a) and 611.51 (8); and *to create* 180.37 (3), 181.24 (3), 185.32 (5), 186.07 (3), 186.22 (12m), 215.50 (9) (b) to (d), 215.70 (3) (b) to (d) and 221.08 (9m) of the statutes, **relating to:** permitting meetings of boards of directors of corporations, cooperatives and financial institutions to be conducted by telephone or by other communication technology.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 180.37 (3) of the statutes is created to read:

180.37 (3) (a) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting or in a committee meeting of the board of directors by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.

2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in par. (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (a) is deemed to be present in person at the meeting. If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

(c) The identity of each director participating in a meeting of the board of directors or a committee of the board of directors by any means described in par. (a) must be verified before the directors vote at the meeting on a

plan of merger or consolidation; to sell, lease, exchange or otherwise dispose of substantial property or assets of the corporation; to voluntarily dissolve or to revoke voluntary dissolution proceedings; or to file for bankruptcy. The procedure for verifying a director's identity shall be specified in the articles of incorporation or bylaws. The articles of incorporation or bylaws shall also specify the types of transactions constituting a disposal of substantial property or assets of the corporation for purposes of this paragraph.

SECTION 2. 181.24 (3) of the statutes is created to read:

181.24 (3) (a) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting or in a committee meeting of the board of directors by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.

2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in par. (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (a) is

deemed to be present in person at the meeting. If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

(c) The identity of each director participating in a meeting of the board of directors or a committee of the board of directors by any means described in par. (a) must be verified before the directors vote at the meeting on a plan of merger or consolidation; to sell, lease, exchange or otherwise dispose of substantial property or assets of the corporation; to voluntarily dissolve or to revoke voluntary dissolution proceedings; or to file for bankruptcy. The procedure for verifying a director's identity shall be specified in the articles of incorporation or bylaws. The articles of incorporation or bylaws shall also specify the types of transactions constituting a disposal of substantial property or assets of the corporation for purposes of this paragraph.

SECTION 3. 185.32 (5) of the statutes is created to read:

185.32 (5) (a) Unless the articles or bylaws provide otherwise, the board may permit any or all directors to participate in a regular or special meeting or in a committee meeting, including an executive committee meeting, of the board by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.
2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in par. (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (a) is deemed to be present in person at the meeting. If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

(c) The identity of each director participating in a meeting of the board or a committee of the board by any means described in par. (a) must be verified before the directors vote at the meeting on a plan of merger, consolidation or division; to sell, lease, exchange or otherwise dispose of substantial property or assets of the cooperative; to voluntarily dissolve; or to file for bankruptcy. The procedure for verifying a director's identity shall be specified in the articles or bylaws. The articles or bylaws shall also specify the types of transactions constituting a disposal of substantial property or assets of the cooperative for purposes of this paragraph.

SECTION 4. 186.07 (3) of the statutes is created to read:

186.07 (3) (a) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may

permit any or all directors to participate in a regular or special meeting or in a committee meeting of the board of directors, including a meeting of the executive committee, in any manner described in par. (b). Unless the articles of incorporation, bylaws or board of directors provide otherwise, the credit committee may permit any or all members of the committee to participate in a credit committee meeting in any manner described in par. (b).

(b) If authorized under par. (a), the directors or credit committee members may participate in a meeting by, or conduct a meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors or members may simultaneously hear each other during the meeting.
2. All communication during the meeting is immediately transmitted to each participating director or member, and each participating director or member is able to immediately send messages to all other participating directors or members.

(c) If a meeting will be conducted through the use of any means described in par. (b), all participating directors or credit committee members shall be informed that a meeting is taking place at which official business may be transacted. A director or member participating in a meeting by any means described in par. (b) is deemed to be present in person at the meeting. If requested by a director or member, minutes of the meeting shall be prepared and distributed to each director or member.

(d) The identity of each director participating in a meeting of the board of directors or a committee of the board of directors by any means described in par. (b) must be verified before the directors vote at the meeting on a plan of merger or consolidation; to sell, lease, exchange or otherwise dispose of substantial property or assets of the credit union; to voluntarily dissolve; or to convert to a federal credit union. The procedure for verifying a director's identity shall be specified in the articles of incorporation or bylaws. The articles of incorporation or bylaws shall also specify the types of transactions constituting a disposal of substantial property or assets of the credit union for purposes of this paragraph.

SECTION 5. 186.22 (12m) of the statutes is created to read:

186.22 (12m) MEETINGS OF DIRECTORS. Section 186.07 (3) applies to a credit union finance corporation.

SECTION 6. 215.50 (9) (title) of the statutes is amended to read:

215.50 (9) MEETINGS OF DIRECTORS.

SECTION 7. 215.50 (9) of the statutes is renumbered 215.50 (9) (a).

SECTION 8. 215.50 (9) (b) to (d) of the statutes are created to read:

215.50 (9) (b) Unless the articles of incorporation or bylaws provide otherwise, the board may permit any or all directors to participate in a regular or special meeting or in a committee meeting, including an executive com-

1989 Senate Bill 327

– 3 –

mittee meeting, of the board by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.

2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(c) If a meeting will be conducted through the use of any means described in par. (b), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (b) is deemed to be present in person at the meeting. If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

(d) The identity of each director participating in a meeting of the board or a committee of the board by any means described in par. (b) must be verified before the directors vote at the meeting on a plan of absorption or merger; to sell, lease, exchange or otherwise dispose of substantial property or assets of the mutual association; to voluntarily liquidate; or to convert to a federal association or a stock association. The procedure for verifying a director's identity shall be specified in the articles of incorporation or bylaws. The articles of incorporation or bylaws shall also specify the types of transactions constituting a disposal of substantial property or assets of the mutual association for purposes of this paragraph.

SECTION 9. 215.70 (3) (title) of the statutes is amended to read:

215.70 (3) (title) MEETINGS OF DIRECTORS.

SECTION 10. 215.70 (3) of the statutes is renumbered 215.70 (3) (a).

SECTION 11. 215.70 (3) (b) to (d) of the statutes are created to read:

215.70 (3) (b) Unless the articles of incorporation or bylaws provide otherwise, the board may permit any or all directors to participate in a regular or special meeting or in a committee meeting of the board by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.

2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(c) If a meeting will be conducted through the use of any means described in par. (b), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (b) is deemed to be present in person at the meeting. If

requested by a director, minutes of the meeting shall be prepared and distributed to each director.

(d) The identity of each director participating in a meeting of the board or a committee of the board by any means described in par. (b) must be verified before the directors vote at the meeting on a plan of absorption or merger; to sell, lease, exchange or otherwise dispose of substantial property or assets of the stock association; to voluntarily liquidate; or to convert to a federal association. The procedure for verifying a director's identity shall be specified in the articles of incorporation or bylaws. The articles of incorporation or bylaws shall also specify the types of transactions constituting a disposal of substantial property or assets of the stock association for purposes of this paragraph.

SECTION 12. 221.08 (9m) of the statutes is created to read:

221.08 (9m) (a) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting or in a committee meeting, including a loan committee or examining committee meeting, of the board of directors by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.

2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in par. (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (a) is deemed to be present in person at the meeting. If requested by a director, a copy of the minutes of the meeting prepared under sub. (10) shall be distributed to each director.

(c) The identity of each director participating in a meeting of the board of directors or a committee of the board of directors by any means described in par. (a) must be verified before the directors vote at the meeting on a plan of merger or consolidation; to sell, lease, exchange or otherwise dispose of substantial property or assets of the bank; or to voluntarily liquidate. The procedure for verifying a director's identity shall be specified in the articles of incorporation or bylaws. The articles of incorporation or bylaws shall also specify the types of transactions constituting a disposal of substantial property or assets of the bank for purposes of this paragraph.

SECTION 13. 222.21 (1) (a) of the statutes is amended to read:

1989 Senate Bill 327

222.21 (1) (a) Every mutual savings bank formed under this chapter shall possess the powers and be subject to the general laws relating to corporations, so far as applicable, and shall be subject to all of the provisions of ss. 220.04, 220.05, 220.07, 220.08 to 220.086, 220.10, 221.04 (1) (j) and (k) and (3), 221.045, 221.046, 221.08 (9m) and 221.31.

SECTION 13m. 611.51 (8) of the statutes is amended to read:

611.51 (8) PLACE AND NOTICE OF DIRECTORS' MEETINGS. Section 180.37 applies to stock corporations ~~and s.~~ except a stock corporation satisfies s. 180.37 (3) (c) by

specifying by resolution, rather than in its articles or bylaws, the procedure for verifying a director's identity under s. 180.37 (3) (c) and the types of transactions constituting a disposal of substantial property or assets of the stock corporation for purposes of s. 180.37 (3) (c). Section 181.24 applies to mutuals, except a mutual satisfies s. 181.24 (3) (c) by specifying by resolution, rather than in its articles or bylaws, the procedure for verifying a director's identity under s. 181.24 (3) (c) and the types of transactions constituting a disposal of substantial property or assets of the mutual for purposes of s. 181.24 (3) (c).
