

**Columbia Land Trust**  
**Report to the Membership**  
**Proposed Change from Member to Non-Member Corporation**  
**August 10, 2020**

**Requested Action:** The membership of Columbia Land Trust approves changing the Land Trust from a Washington member non-profit corporation to a Washington non-profit corporation without members by:

(1) amending Article VIII of the Land Trust's Articles of Incorporation to read:

“The Corporation shall have no members.”

and (2) making such other changes to the Bylaws and Articles of Incorporation as are consistent with that change to the Articles.

**Background:** In the State of Washington, where the Land Trust is incorporated, non-profit corporations can either have members, or not have members, as the term is defined under the Nonprofit Corporation Act. When a non-profit corporation has members under that Act, the key consequence is that the Board of Directors is elected by the members. Member approval may also be necessary to approve certain extraordinary transactions.

Recently, many member non-profit organizations have been converting to non-member status. The reason for this is that, as a member organization grows, the definition of who is a “member” often becomes unclear, and being a member organization creates inefficiencies and complicates governance. Columbia Land Trust has successfully grown and diversified its membership to the point where there are many donors giving varied amounts over different time periods, while other supporters donate time as volunteers. The governing statute does not provide a clear definition for who is or is not a member, and the Land Trust has not itself clearly defined who is, and isn't, a member, or provided for membership to lapse at any point.

Columbia Land Trust has invited its members, broadly considered, to an annual event, often a gathering at a Land Trust preserve. At that gathering the Land Trust has also held a brief, formal annual members meeting for the election of Directors. At that meeting, the supporters of the Land Trust have elected board candidates put forward by the Board of Directors. Changing the Land Trust to a non-profit without members means that at the annual gathering of supporters the Land Trust would no longer hold the formal meeting to elect the new slate of Directors; instead, the Board of Directors would directly elect or re-elect new Directors each year.

In addition to the general considerations above, leading many member organizations to convert to non-member organizations, there are additional, technical and legal considerations. Our General Counsel consulted outside attorneys who work with many local nonprofits, and other land trusts, and they confirmed that many non-profits and land trusts have eliminated legal membership, for reasons including these:

- There is a risk that membership could be used by a minority of land trust supporters not closely aligned with the organization or the majority of our supporters to adversely affect the direction of the Land Trust.

- In fundraising “membership” generally is no longer seen as a useful term—though the land trust expects to have events that will replace the gathering and community time that we’ve had at the summer member meeting.
- Even a non-profit that does not, under the Nonprofit Corporation Act, have formal, legal members, may, if it wishes, use the term “membership” defined by certain benefits (magazine subscription, discounts) if it wishes, without giving such “members” voting powers.

We consulted with other members of the Washington Association of Land Trusts about this issue, and all that responded either were already non-member organizations, including several that had just converted from member organizations, or were investigating making the change.

For those reasons, the Columbia Land Trust Board voted unanimously to eliminate legal membership, and to ask the membership to vote on amending the Articles of Incorporation to make that change. Procedurally, making the change requires revisions to both the Land Trust’s Articles of Incorporation and its Bylaws. Member approval is required for the amendment to the Articles. The Board of Directors will approve the necessary changes to the Bylaws.

If the membership approves, Steve Cook, as General Counsel, will finalize and process the required revisions to the Articles of Incorporation and Bylaws.