David Rubedor
Director

Tri Tech Center Suite 220
331 2nd Avenue South
Minneapolis, MN 55401

Office: 612 673-3737
TTY Line: 612 673-2626
ncr@minneapolismn.gov

www.minneapolismn.gov
Affirmative Action Employer

DRAFT

Neighborhood Organizations and Bylaws

A Guide for Minneapolis Neighborhood Organizations

Prepared by the
Neighborhood and Community Relations Department
City of Minneapolis

Questions? Contact Robert Thompson at (612) 673-2523

WHAT'S IN THIS DOCUMENT:

why Are Bylaws Important? 1

Bylaws In Context 1

Common Provisions In Bylaws 2
Name Of The Organization 2
Purpose Of The Organization 2
Board Of Directors 2
Standards Of Conduct 4
Officers 5
Members 5
Member Meetings 6
Committees 8
Books And Records; Financial Controls 8
Indemnification, Immunity And Insurance 9
Amending The Bylaws 9
Grievance Procedure 9

Appendix A: What statutory provisions are required, are optional, or may be changed in articles or bylaws 10

Appendix B: 2001 amendments to 317A 13

Highlighted paragraphs provide important information about how requirements of City funding for neighborhood organizations, including Community Participation Program funds, may impact provisions in your bylaws.

Items in italics are suggested provisions you will likely want to address in your bylaws, e.g. "You may want to spell out how many Directors serve on your board. You could set a specific number, or a minimum and maximum limit."

WHY ARE BYLAWS IMPORTANT?

According to Minnesota State Law, "'Bylaws' means the code adopted for the regulation or management of the internal affairs of a corporation, regardless of how designated" (317A.011, subd. 5). Nonprofit organizations are required to have Articles of Incorporation, but bylaws are optional (317A.181, subd 1). In the absence of bylaws, your organization is governed by your articles of incorporation and State law (Chapter 317A).

In general, Bylaws can:

- Expand on the Articles of Incorporation;
- Provide structure for the organization;
- Define the authority of directors, officers, the board, and committees;
- Determine rights of members within the organization;
- Establish procedures for operating the organization.

BYLAWS IN CONTEXT

Bylaws are only one part of the chain of governance for your organization. When questions arise about structure, rights of members, procedure, and other questions, remember the order of precedence. Your organization's bylaws are subordinate to your Articles of Incorporation, which are in turn subordinate to State and Federal Law. The order of precedence looks like this:

1. Federal Law
2. State Law
3. Articles of Incorporation
4. Bylaws
5. Funding agreements/contractual requirements
6. Board Resolutions and Policies
7. Parliamentary Procedures

Bylaws may include provisions that allow you to structure your organization differently from what is described in State law (for example, your organization does not have members unless your bylaws specifically state that you have members). Minnesota State Law requires that your articles contain certain provisions, such as the name and registered address of the organization (317A.111, subdivision 1). Some statutory provisions can be modified only by the articles of incorporation (317A.111, subdivision

2), some by either the bylaws or articles (317A.111 subdivision 3). See the appendix for further information.

Also, remember your fiduciary duties as a board member. The fiduciary duty of care requires that board members exercise the care that an ordinarily prudent person would exercise. The duty of loyalty requires that you put the interests of the organization ahead of personal interests. The fiduciary duty of obedience requires that board members follow the organization's bylaws and articles, as well as state and federal law, to the best of their ability.

When revising neighborhood organization bylaws, you may want to have them reviewed by the Neighborhood and Community Relations department to ensure that they are consistent with Community Participation Program Guidelines.

COMMON PROVISIONS IN BYLAWS

NAME OF THE ORGANIZATION

Your bylaws should state the name of your organization (consistent with your Articles of Incorporation) and may state the location of the principle office of the organization. The name should be distinguishable from that of other organizations—if not, you should have permission of that organization to use that name. The Secretary of State's office will determine whether your name is distinguishable.

PURPOSE OF THE ORGANIZATION

The bylaws should include the mission and purpose of the organization. This may already be spelled out in the organization's articles of incorporation.

Neighborhood organizations that are recognized by the City of Minneapolis are those organizations that represent one or more geographically-defined neighborhood (in its entirety) within Minneapolis as identified by the most current Minneapolis Communities and Neighborhoods Map. Funded neighborhood organizations should provide for the participation of all segments of the neighborhood, including, but not limited to, homeowners, renters, property owners, business owners, immigrants, non-English speakers, low-income residents and communities of color. Organizations that primarily represent the interests of one segment of the neighborhood or concentrate primarily on one issue (such as homeowner associations, rental property owner associations or business associations) are not eligible for funding through the Community Participation Program.

BOARD OF DIRECTORS

Neighborhood organizations funded by the Community Participation Program are required to have a board of directors elected, at least in part, annually by the membership of the organization. Neighborhood residents must comprise a majority of

the organization's board. An elected board must be in place for a minimum of one year prior to the beginning of a contract year to be considered eligible for funding.

Number: Your board must have at least three directors, unless your organization only has one or two members (317A.203).

You may want to spell out how many Directors serve on your board. You could set a specific number, or a minimum and maximum limit.

Qualifications: Board members must be natural persons, a majority of the board must be adults, and articles or bylaws may provide for ex-officio members (317A.205).

You may want to consider if someone should first be a member to become a board member, if they must live in the neighborhood, or if institutions within your neighborhood have a right to appoint someone to your board (ex officio).

Terms: Minnesota law says that, unless specified in articles or bylaws, a board member's term is one year. Ex officio members have no limits. The terms may be staggered, meaning that not all board members are elected at the same time (317A.201).

Consider whether your organization will have terms of one or more years in length, and whether you may have staggered terms. If your organization chooses to have staggered terms, at least some board members should be elected each year.

Resignation: Board members may resign at any time by giving notice in writing (317A.221).

You may not change this in your bylaws, but you may want to include this provision to make it clear that board members have this right. You may also want to indicate when the resignation becomes effective (when letter is received, at next board meeting, etc.)

Removal of Directors: Unless stated otherwise in your bylaws, a director may be removed with or without cause by the other directors if that director was appointed by the board to fill a vacancy, if no new directors have been elected, and a majority of directors present vote in the affirmative. A director may also be removed by those members eligible to elect that director. An appointed director may be removed by the person authorized to appoint that director by providing written notice to that director and to the presiding officer of the organization (317A.223).

You will want to consider the pros and cons of removing directors "with cause" vs. "without cause." If you provide a process for removing them "without cause" you can avoid challenges or suits for reinstatement or defamation because you do not need to document the reason for removal. However, provisions for removal without cause can lead to political or arbitrary removal, and can stifle legitimate dissenting discussion and debate.

Vacancies: Unless the articles or bylaws provide otherwise, the members of the organization or the remaining directors (even if less than a quorum) may fill the vacancy. If the vacancy was for an appointed director (ex officio), only the person or organization that appointed that position may appoint a new person to fill the vacancy (317A.227). The term of a director filling a vacancy expires at the end of the unexpired term that the director is filling (from 317A.207).

Consider whether you want to use other procedures to fill a vacancy. For example, will the board always have the authority to fill a vacancy? If state law is adequate for your purposes, you may want to make it clear by quoting state law.

Board Meetings: Unless otherwise stated in your bylaws, the Board must meet at least once per year, and at the registered office; and meetings may be held by electronic means if board members may simultaneously hear each other and a quorum is present. Also, unless the articles or bylaws state otherwise, a director may call a meeting by providing five days notice to all directors of the time, date and location of the meeting (317a.231).

You may want to consider how often your board meets, and if the location may be set by the board. You may also want to establish procedures for notification. What is adequate notification? Is five days enough? Who can call a meeting, and why? Does the purpose of the meeting need to be specified? Should notification be provided only by mail, or are other means such as phone calls, emails, flyers, and etc. adequate notice?

Neighborhood organizations funded by the Community Participation Program are required to hold regular open meetings and take positive steps to encourage all interested parties to attend and participate. An organization may only hold closed meetings in cases of labor management and legal disputes.

Quorum: A majority of directors currently holding office is a quorum. The articles or bylaws may state more or less, but in no case can be less than 1/3 of the directors. You may adjourn a meeting if no quorum is present. You may convene a meeting if a quorum is present, but you do not need to maintain the quorum to conduct business (317A.235).

Clarify what the quorum will be for convening meetings and conducting business.

STANDARDS OF CONDUCT

Directors of nonprofit organizations should be aware of their fiduciary duties (duty of care, duty of loyalty, and duty of obedience). When a director conducts business in a manner the director reasonably believes to be in the best interest of the organization, with the care an ordinarily prudent person would display, they are not liable by reason of being or having been a director of the corporation (317A.251). Directors may rely on information provided by others provided they are officers or employees of the organization who are reliable and competent in the matters presented; counsel,

accountants, or others on matters which are within their professional or expert competence; and a committee on matters within its capacity (317A.251, Subd. 2). Your organization's bylaws should contain clear policies on conflict of interest that comply with state law (317A.255).

Your bylaws should spell out a code of conduct for its board of directors, including procedures for avoiding conflicts of interest.

Neighborhood organizations are also subject to the Conflict of Interest section of the City's NRP Ordinance, and the NRP Conflict of Interest Policy.

OFFICERS

Your organization must have at least one person who plays the role of president and treasurer. The board appoints the president and treasurer, unless your bylaws give this right to the members (317A.301). State law spells out the duties of the President and Treasurer of the organization (317A.305).

State in your bylaws the number and duties of the officers of the organization. For example, that you have a board president, secretary, treasurer, and one or more vice presidents.

MEMBERS

In order to qualify for funding through the Community Participation Program, Neighborhood organizations must have no barriers to resident participation or membership. Neighborhood organizations may not impose membership dues or require attendance at a certain number of meetings before voting rights are conferred. The bylaws should ensure that membership in the organization is open to all residents of the geographically defined neighborhood.

Existence: Your organization may or may not have members. However, you may not admit someone without his or her implied or express consent. They may imply consent by accepting the benefits of membership, for example receiving and keeping a newsletter. You may have one or more classes of membership (317A.361).

Your bylaws should specify (a) who is eligible to be a member, (b) how they are admitted as a member if they are qualified, and (c) how long they are members. For example, any one who lives, owns property, or works within the boundaries of the neighborhood is qualified to become a member of the organization. They become a member by attending a meeting, sending a contribution, or calling the office. They may also become a member by receiving your newsletter as stated above. Therefore, if you have a provision in your bylaws that anyone who lives within your neighborhood may become a member, that they become members by accepting a newsletter, and they are a member until they no

longer live in the neighborhood, then you can make nearly everyone in your neighborhood a de facto member.

Changes to Minnesota Statute 317A in 2001 provided new rules for neighborhood organizations regarding membership. By adopting certain provisions in their articles or bylaws, neighborhood organizations may allow any resident of the neighborhood to have voting rights at organization meetings (including annual meetings or special meetings of the members), if they can provide documentation (drivers license, ID card, utility bill with their name on it, etc) at the meeting. A member with such documentation can vouch for a resident who does not have such documentation. Optionally, the organization can allow anyone who owns or leases a property or business, or anyone who works for a business, nonprofit organization or government agency located within the boundaries of the neighborhood a member as well. These optional rules for neighborhood organizations also change the type of notification required for annual meetings or special meetings of the members (See Appendix B). The organization can also allow other individuals to vote at meetings if provided for in the articles or bylaws.

Resignation: A member may resign at any time (317A.409).

Termination: You may expel a member at any time, however you must follow a fair and reasonable procedure for doing so. The organization must provide at least 15 days prior notice, and an opportunity to be heard. The member may begin a challenge to this expulsion within one year (317A.411).

Your bylaws cannot overrule this part of state law. You may want to adopt a procedure for expulsion, and reference the state law in your bylaws. However, be aware that termination of membership may be a violation of Community Participation Program Guidelines.

MEMBER MEETINGS

Annual Meetings: Unless your articles or bylaws specify otherwise, your organization must hold at least an annual meeting of the members. If an annual meeting is not called by the board, 50 members with voting rights or ten percent of members with voting rights may demand an annual meeting. At the Annual Meeting, you should plan on electing directors whose terms are expired, reporting on financial condition of the organization, and any other matters that were consistent with the notice of the meeting (317A.431).

Your bylaws should specify when and where the Annual Meeting should be held. For example, your bylaws may state the Annual Meeting of the neighborhood organization will be held in March of each year, at any available location within the neighborhood.

In 2001, a change to the Minnesota nonprofit statutes applies specifically to recognized neighborhood organizations (Section 317A.341, paragraphs b and c). By providing in the

bylaws, members with voting rights are, at a minimum, individuals who are on a preexisting membership list (as above) or who, at a meeting of the neighborhood organization, can produce documentation verifying residency (such as a drivers license, utility bill with their name on it, etc.). A member who meets the qualifications may vouch for one who does not have documentation. The neighborhood organization can optionally make anyone who owns or leases a property or business, or anyone who works for a business, nonprofit organization or government agency located within the boundaries of the neighborhood a member as well (317A.435 subd. 4).

Special Meetings of The Members: Your organization must hold a special meeting if at least 50 members with voting rights or ten percent of members with voting rights call a meeting (317A.433).

Your bylaws may also specify if the board or others are authorized to call special meetings.

Notice Requirements: You must give notice to every member with voting rights as of the record date (see below). You may provide this notice less than five days before the date of the meeting if your bylaws specify, or not more than 60 days prior to the meeting. The notice should contain the date, time and place of the meeting, plus any other information regarding business at the meeting (317A.435).

You may want to specify this in your bylaws, to make it clear who receives notice and when.

If you adopt in your bylaws the 2001 provision allowing any resident to be a voting member, as noted above, "notice of the date, time, and place of the meeting or the date and process applicable to petitions and any other information required by this chapter must be given in a manner designed to notify all members with voting rights to the extent practical" (317A.435 subd. 4). (See Appendix B). As a matter of practice, however, you may want to continue providing direct notice to your list of active members, as well as broad notice to the community.

Record Date: The Board may fix a date not more than 60 days prior to the date of a members meeting as the date for determination of membership. Your bylaws may specify a shorter period of time (e.g. 30 days). Only those who are members as of that date may vote at the members meeting (317A.437).

Your bylaws may want to be clear on whether the board has the authority to establish a record date, and what period of time is appropriate.

Members List For Meeting: You must be able to produce a list of your members who are entitled to notice and vote at the meeting, within two days of the record date. The list must be in alphabetical order, and provide the address and number of votes each member is entitled to (317A.439).

If your organization adopts the new provisions adopted in state law in 2001 as noted above, then the neighborhood organization is not required to prepare a membership list for this purpose (317A.439, subd. 6). (See Appendix B).

Quorum: Unless otherwise specified in your articles or bylaws, the quorum for an annual meeting is 10% of the members entitled to vote at the meeting (317A.451).

Your bylaws should state the quorum for members meetings.

COMMITTEES

Neighborhood organizations funded through the Community Participation Program should hold regular open meetings and take positive steps to encourage all interested parties to attend and participate.

Committees: Committees must be established by an affirmative action of the Board (317A.241). Committee members must be natural persons. Unless the articles or bylaws provide otherwise, a committee must consist of one or more persons, who need not be directors, appointed by the affirmative vote of a majority of the directors present (317A.241, subd. 2).

You may want to consider defining standing committees in your bylaws. Examples of standing committees are Executive Committee, Finance Committee, Audit Committee, Personnel Committee, and Governance Committee. You may want to have a clear procedure for establishing committees. For example, some groups recognize committees only after they have created mission statements and developed annual plans.

Neighborhood organizations funded through the Community Participation Program should hold regular open meetings and take positive steps to encourage all interested parties to attend and participate.

BOOKS AND RECORDS; FINANCIAL CONTROLS

Your bylaws may require policies and procedures to ensure good financial management of the organization. For example, it may set up an audit committee and require an annual audit, or an annual report that includes financial information.

Neighborhood organizations funded through the Community Participation Program are required to have the capacity to properly manage and account for grant funds. This includes, but is not limited to, being current on all reporting on any previous Community Participation Program grants.

Your organization must keep at its office copies of important organizational documents, such as your articles and bylaws, accounting records, minutes of meetings of members, board of directors and committees for the last six years. Members have a right to inspect these documents as well as the most current financial statements and copies of

your Federal tax returns (form 990). Your organization has the right to charge a reasonable fee for making copies of these documents. They may only by used for appropriate purposes (317A.461).

Neighborhood organizations utilizing NRP funds or Community Participation Program funds are required to comply with the Minnesota Government Data Practices Act. While much information held by the organization is public, some will still be considered private data. For example, some employee information may be public (i.e., that they are employed by the organization and their salary range), other employee data is protected (i.e., disciplinary action). The articles and bylaws may confer additional rights of members to access corporate data.

Your bylaws should be clear on the rights of members within the organization, including voting rights, and inspection of documents. This is important for your members to know, as well as the board of directors!

INDEMNIFICATION, IMMUNITY AND INSURANCE

As stated above, a board member might not be liable for acts that they believe to be in the best interest of the organization, and which may be deemed reasonably prudent. The bylaws may also provide provisions for indemnifying board members (guaranteeing the cost of legal bills related to their service as a board member, for example) and providing insurance. Two common types of insurance for nonprofits are Directors and Officers insurance, and General Liability.

AMENDING THE BYLAWS

Unless the articles reserve the right of the members to amend the bylaws, the board may amend the bylaws, with certain exceptions. Unless otherwise specified in the articles or bylaws, 50 members with voting rights, or at least 10% of members with voting rights may propose a resolution for action to adopt, amend, or repeal bylaws adopted, amended, or repealed by the board.

Your bylaws may specify the rights of members to amend the bylaws, or the number of members necessary to amend the bylaws. See Appendix A for a list of provisions may be changed in your articles of incorporation or your bylaws.

GRIEVANCE PROCEDURE

Your bylaws should provide a grievance procedure that complies with the Community Participation Program grievance procedure.

Appendix A: What statutory provisions are required, are optional, or may be changed in articles or bylaws

317A.111 Articles.

Subdivision 1. Required provisions. The articles of incorporation must contain:

(1) the name of the corporation;

(2) the address of the registered office of the corporation and the name of its registered agent, if any, at that address;

(3) the name and address of each incorporator; and

(4) a statement that the corporation is organized under this chapter.

Subd. 2. Statutory provisions that may be modified only in articles. The following provisions govern a corporation unless modified in the articles:

(1) a corporation has a general purpose of engaging in any lawful activity (section 317A.101);

(2) the power to initially adopt, amend, or repeal the bylaws is vested in the board (section 317A.181);

(3) cumulative voting for directors is prohibited (section 317A.215);

(4) a written action by the board taken without a meeting must be signed by all directors (section 317A.239); and

(5) members are of one class (section 317A.401).

Subd. 3. Statutory provisions that may be modified in articles or bylaws. The following provisions govern a corporation unless modified in the articles or bylaws:

(1) a certain method must be used for amending the articles (section 317A.133);

(2) a corporation has perpetual duration and certain powers (section 317A.161);

(3) certain procedures apply to the adoption, amendment, or repeal of bylaws by the members (section 317A.181);

(4) a director holds office until expiration of the director's term and election of a successor (section 317A.207);

(5) the term of a director filling a vacancy expires at the end of the term the director is filling (section 317A.207);

(6) the compensation of directors is fixed by the board (section 317A.211);

(7) a certain method must be used for removal of directors (section 317A.223);

(8) a certain method must be used for filling board vacancies (section 317A.227);

(9) board meetings must be held at least once per year and if the board fails to select a place for a board meeting, it must be held at the registered office (section 317A.231);

(10) a director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting (section 317A.231);

(11) a majority of the board is a quorum (section 317A.235);

(12) the affirmative vote of the majority of directors present is required for board action (section 317A.237);

(13) a committee consists of one or more persons, who need not be directors, appointed by the board (section 317A.241);

(14) the president and treasurer have certain duties, until the board determines otherwise (section 317A.305);

(15) a certain method must be used for removal of officers (section 317A.341);

(16) officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so (section 317A.351);

(17) a corporation does not have members (section 317A.401);

(18) the board may determine the consideration required to admit members (section 317A.401);

(19) all members are entitled to vote and have equal rights and preferences in matters (section 317A.401);

(20) memberships may not be transferred (section 317A.405);

(21) a corporation with voting members must hold a regular meeting of voting members annually (section 317A.431);

(22) if a specific minimum notice period has not been fixed by law, at least five days' notice is required for a meeting of members (section 317A.435);

(23) the board may fix a date up to 60 days before the date of a members meeting as the date for determination of the members entitled to notice of and entitled to vote at the meeting (section 317A.437);

(24) each member has one vote (section 317A.441);

(25) the affirmative vote of the majority of members with voting rights present and entitled to vote is required for action of the members, unless this chapter or the articles or bylaws require a greater vote or voting by class (section 317A.443);

(26) members may take action at a meeting by voice or ballot, by unanimous action without a meeting, by mailed ballot, or by electronic communication (section 317A.443);

(27) the number of members required for a quorum is ten percent of the members entitled to vote (section 317A.451);

(28) certain procedures govern acceptance of member acts (section 317A.455); and

(29) indemnification of certain persons is required (section 317A.521).

Subd. 4. Optional provisions; specific subjects. The following provisions relating to the management or regulation of the affairs of a corporation may be included in the articles or, except for naming members of the first board, in the bylaws:

(1) the first board of directors may be named in the articles (section 317A.171);

(2) additional qualifications for directors may be imposed (section 317A.205);

(3) terms of directors may be staggered (section 317A.207);

(4) the day or date, time, and place of board meetings may be fixed (section 317A.231);

(5) in addition to the president, authority to sign and deliver certain documents may be delegated to an officer or agent of the corporation (section 317A.305);

(6) additional officers may be designated (section 317A.311);

(7) additional powers, rights, duties, and responsibilities may be given to officers (section 317A.311);

(8) a method for filling vacant offices may be specified (section 317A.341);

(9) membership criteria and procedures for admission may be established (section 317A.401);

(10) membership terms may be fixed (section 317A.401);

(11) a corporation may levy dues, assessments, or fees on members (section 317A.407);

(12) a corporation may buy memberships (section 317A.413);

(13) a corporation may have delegates with some or all the authority of members (section 317A.415);

(14) the day or date, time, and place of regular member meetings or the place of special meetings may be fixed (section 317A.431);

(15) certain persons may be authorized to call special meetings of members (section 317A.433);

(16) notices of special member meetings may be required to contain certain information (section 317A.433);

(17) a larger than majority vote may be required for member action (section 317A.443);

(18) members may vote by proxy (section 317A.453); and

(19) members may enter into voting agreements (section 317A.457).

Subd. 5. Optional provisions; generally. The articles may contain other provisions consistent with law relating to the management or regulation of the affairs of the corporation.

Subd. 6. Powers need not be stated. It is not necessary to state the corporate powers granted by this chapter in the articles.

Subd. 7. Substantive law controls. If there is a conflict between subdivision 2, 3, or 4 and another section of this chapter, the other section controls.

Appendix B: 2001 amendments to 317A

317A.435 NOTICE REQUIREMENTS.

Subd. 4. **Neighborhood organizations.** (a) A neighborhood organization must hold an annual meeting at which there must be an election of successors to directors whose terms expire at the annual meeting. Notwithstanding subdivisions 1 and 2, notice of a meeting to elect directors and any other meeting at which articles or bylaws are proposed to be amended must be given as specified by this subdivision. The articles or bylaws of a neighborhood organization may provide for electing directors by petition, if notice of the petition process is given as provided by this subdivision.

(b) At least ten but not more than 30 days before a meeting of the members of the neighborhood organization is to be held, notice of the date, time, and place of the meeting or the date and process applicable to petitions and any other information required by this chapter must be given in a manner designed to notify all members with voting rights to the extent practical.

(c) For purposes of this subdivision, "neighborhood organization" means a nonprofit corporation under this chapter that represents a defined geographic area and has been accepted by a political subdivision as the basic planning unit for the area. "Neighborhood organization" does not include a unit owners' association under chapter 515B or a planned unit development or homeowners' association that consists exclusively of property owners within a defined geographic area.

(d) A neighborhood organization may choose to be governed by this subdivision by so providing in its articles or bylaws.

317A.439 MEMBERS' LIST FOR MEETING.

Subd. 6. Neighborhood organizations. A neighborhood organization as defined in section 317A.435, subdivision 4, is not required to prepare a membership list under this

section, if it has chosen to be governed by this subdivision by so providing in its articles or bylaws.

317A.441 RIGHT TO VOTE.

(a) Unless the articles or bylaws provide otherwise, each member with voting rights is entitled to one vote on each matter voted on by the members. If a membership stands of record in the names of two or more persons, their acts with respect to voting have the following effect:

(1) if only one votes, the act binds all; and

(2) if more than one votes, the vote must be divided on a pro rata basis.

(b) In the case of a neighborhood organization, members with voting rights are, at a minimum, individuals who are on a preexisting membership list or who, at a meeting of the neighborhood organization, can produce:

(1) a Minnesota driver's license, Minnesota identification card, or some form of residency verification that indicates the individual resides within the geographic boundaries of the neighborhood organization; or

(2) proof of ownership or lease of a business or property or proof of being employed by a nonprofit organization, business, or government entity located within the geographic boundaries of the neighborhood, if such members are authorized by the bylaws of the neighborhood organization.

(c) An individual who resides within the geographic boundaries of a neighborhood organization or meets membership criteria under paragraph (b), clause (2), but lacks the documentation required by paragraph (b), clause (1), may vote at a meeting of the neighborhood organization if a member who has the required documentation vouches for the individual.

(d) A neighborhood organization through its articles or bylaws may permit voting at its meetings by individuals in addition to those described in paragraph (b) or (c).

(e) For purposes of this section, "neighborhood organization" has the meaning given in section 317A.435, subdivision 4. A neighborhood organization may choose to be governed by paragraphs (b), (c), and (d) by so providing in its articles or bylaws.