

NACo Bylaws

The bylaws below include amendments adopted at the 2004 NACo Annual Conference in Maricopa County, Arizona.

ARTICLE I

Name and Offices

Section 1. The name of this organization is the National Association of Counties, incorporated under the laws of the state of Delaware. The principal office shall be at 440 First Street, NW, Washington, DC 20001. The association may also have offices in such other places as the board of directors may direct.

ARTICLE II

Objects and Purposes

Section 1. The purposes for which this association is formed are to stimulate the continuing improvement of county government; to speak nationally for county government; to contribute to the knowledge and awareness of the heritage and future of county government; to serve as a liaison between the nation's counties and other levels of government; and to achieve public understanding of the role of counties in the federal system.

Section 2. The association will seek to achieve these purposes by sponsoring conferences, exchanging information and advice, and conducting other activities that benefit county government and improve service to the public rendered by county government.

Section 3. The words "county" or "counties" or "county governments" when used in these bylaws to describe members or membership shall include such other equivalent units of local government as have been accepted as active member counties.

ARTICLE III

Procedures

Section 1. The order of business shall be determined by the board of directors. Except as otherwise provided by these bylaws or as prescribed by the board, Robert's Rules of Order (latest edition) shall govern procedure at all meetings of the association.

ARTICLE IV

Membership Categories

Section 1. This association shall be a membership organization with no capital stock. No dividends or pecuniary profit of any character shall inure to the benefit of the association's officers, members, or employees. There shall be categories of membership as follows:

Section 2. Active member counties shall be those county governments which contribute annually to the financial support of the association according to the schedule of dues or service fees adopted by the board of directors.

Section 3. Separate member categories for organizations or individuals other than counties may be authorized by the board of directors.

ARTICLE V

Conferences and Meetings

Section 1. Annual Conference

There shall be an annual conference of all active member counties of this association at such place and time as shall be determined by the board of directors. Notice of the annual conference shall be given not less than 30 nor more than 60 days before the date of the annual conference to each active member entitled to vote at such meeting by any means authorized by Delaware law. If mailed, notice is considered to have been given when deposited in the United States mail, postage prepaid, directed to the voting member at each member's address. Notice shall be considered to have been given to any active member county which in writing has waived notice. Business coming before the annual conference shall be decided by a majority of the votes cast at the conference. Prior to the business meeting, a count of the number of registered votes shall be made and officially certified by the credentials committee. Twenty-five (25) percent of the votes registered at the conference and 75 active member counties shall constitute a quorum for the transaction of business.

Section 2. Quorum at Annual Conference

Upon opening the meeting, the chair shall determine that the session is open for business and that a quorum is present. If any time during the session the question is raised whether or not a quorum is present, then a show of hands of 35 percent of those delegates present will be sufficient to require a roll call as to whether or not a quorum is present. If a determination is made that a quorum is not present, no further business may be conducted; and if a quorum is not present before the close of final business session of the convention, all unfinished business, with the exception of the election of the officers and directors of the association, will be referred to the board of directors who shall be empowered to act thereon for and on behalf of the membership.

Section 3. Special Meetings

Special meetings of the membership may be called by the president at any time, with the written concurrence of a majority of the board of directors. Thirty (30) days' notice of the special meeting must be given, as prescribed in Section 1 of this article, and an agenda of the business to be considered at the special meeting must accompany the notice.

ARTICLE VI

Board of Directors

Section 1. Membership

The board of directors are elected officials of active member counties or designated officials as follows:

- A. Members of the executive committee as specified in Article VII, Section 2.
- B. One (1) elected official from each state which has an active member county. That official must be from a county whose membership dues are fully paid at the time of the close of credentials registration at the annual conference.

C. Twelve (12) elected officials from active member counties, one (1) from each of the 12 states having the highest number of votes as certified by the Credentials Committee based upon NACo membership as of 60 days before the first day of the annual conference, provided that such state has either 50 percent of its counties as active member counties or has active member counties representing 50 percent of the state's population. Where a state, otherwise qualified, fails to meet either 50 percent standard, it shall not be eligible for an additional director under this paragraph; the state having the next highest number of votes will be elevated to the list, provided that such state meets either 50 percent standard.

D. One elected county official from each state having 100 percent of its counties as active members.

The procedure to be followed in selecting directors in categories B, C, and D is as follows:

(1) A state association whose eligible members include all counties or all county officials in the state shall submit a nomination to the NACo president for each applicable category; however, if there is more than one such association in a state, then each association may submit nominations for each applicable category. If there is no state association whose eligible members include all counties or all county officials in the state, then any association which represents counties or county officials in the state may submit nominations. Each nomination shall be submitted in writing by the governing body of said state association. The written submission shall also designate one or more persons authorized to make the nomination.

(2) Directors in categories B, C, and D shall be elected annually at the association's annual conference.

E. One elected official from each regional district that has been authorized by the board and approved by the voting members.

F. One director from each affiliate organization that has been authorized by the board and approved by the voting members. The number of directors from category F shall not exceed 25 percent of the total number of directors on the board.

The procedure to be followed in selecting directors in categories E and F is as follows:

The directors in categories E and F will be nominated by their respective regional districts or affiliate organizations and elected by the voting members at the association's annual conference.

G. Ten (10) at-large directors shall be appointed by the president. Prior to the first meeting of a newly-elected board, the president in his or her sole discretion shall appoint ten (10) at-large directors from active member counties, nine of whom must be elected officials, to address inequities in representation (especially female, African American, Asian, Hispanic, Native American or urban/rural). There shall be no more than one at-large director from any state.

H. Past presidents of NACo who are serving as elected county officials.

I. The chair of the Large Urban County Caucus and the chair of the Rural Action Caucus.

Section 2. Responsibilities

Association policy shall be decided by the voting active member counties of the association. Interim policy decisions arising between annual conferences may be made by the board of directors in the name of the association until the next annual conference of the association.

The board of directors shall have general supervision, management and control of the business and property of the association, subject to the Articles of Incorporation, these bylaws, and the policies established by a majority vote of the voting active member counties of the association at the annual conference.

The board of directors shall determine the dues, fees, services and benefits for each category of membership. However, the board of directors shall not increase dues in excess of 15 percent annually unless and until such increases are approved by vote at the annual conference, or unless an emergency is declared by the board of directors.

Section 3. Term of Office

The term of office for a member of the board of directors shall be one year.

Section 4. Vacancies

Vacancies occurring in the board of directors, except for officers and Categories E, F and G directors, may be filled for the unexpired term of the remaining directors, after receiving a recommendation from the state association of counties of the state where the former member of the board of directors resided. The board of directors may, by majority vote of the full membership of the board, choose whether or not to appoint the individual recommended by the state association. A vacancy in an at-large position shall be filled by the president.

Section 5. Quorum and Certain Voting Procedures

A. Fifty (50) directors shall constitute a quorum for the transaction of business. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors unless the articles of incorporation or these bylaws require a vote of a greater number. The board of directors may transact business by mail ballot by voting upon specific proposals mailed to them with the approval of the president. Under such circumstances, the affirmative response of a majority of the directors shall be required for adoption.

B. Except as provided in subsection C of this section, funds contained in the Board Designated Building Options Fund, created on February 28, 1998, may be used only for the following purposes:

- a. the rental or purchase of office space, building or land;
- b. securing a loan for the purchase of land or a building;
- c. consultants, counsel or real estate professionals engaged to provide advice or assistance to the association regarding the relocation of the association's headquarters offices; or
- d. other expenses directly associated with the same.

C. Funds contained in the Board Designated Building Options Fund, created on February 28, 1998, may be used for any purpose other than those stated in subsection B of this section, if authorized by resolution of the board of directors. Such a resolution must declare an emergency, and must specifically state the purpose or purposes for which the funds are to be used. The affirmative vote of two-thirds of the directors present at a meeting at which a quorum is present is required to adopt such a resolution. If such a resolution is put to the board of directors by mail ballot, the affirmative vote of two-thirds of the directors shall be required for adoption.

D. Subsections B, C and D of this section expire on December 31, 2007.

Section 6. Resignation and Removal

Any officer or director may resign at any time upon written notice to the association. Resignation will become effective upon acceptance by the board of directors. Any officer or director shall be automatically removed from the board of directors if the officer or director no longer holds elected county office or otherwise fails to meet the qualifications of the position.

Section 7. Indemnification and Insurance

The association may, by resolution of the board of directors, provide for indemnification by the association of any and all of its directors or officers or former directors or officers against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding, in which they or any of them are made parties or a party, by reason of having been directors or officers of the association, to the fullest extent permissible under Delaware law. The association shall also be entitled to purchase and maintain insurance for such indemnification to the full extent as determined from time to time by the board of directors.

Section 8. Interested Directors

No director or other officer of the association shall receive, directly or indirectly, any salary, compensation, or emolument from the association unless authorized by the bylaws of the association, or by the affirmative vote of two-thirds (2/3) of all other directors at a duly held meeting. No director or other officer of the association shall be interested, directly or indirectly, in any contract or transaction relating to the operations conducted by the association, nor in any contract or transaction for furnishing supplies thereto, unless the director or officer has disclosed the director's relationship or interest in the contract or transaction, the contract or transaction is fair to the association, and the contract or transaction is authorized by the bylaws of the association or by the affirmative vote of two-thirds (2/3) of all other directors.

Article VII

Executive Committee

Section 1. Establishment

There shall be an executive committee which shall be responsible for the property, funds and business affairs of the association in the absence of the board of directors. The executive committee shall have and exercise all powers of authority granted by the board of directors. It shall recommend the appointment and compensation of the executive director to the board of directors. The executive committee may establish such positions and salary schedules as necessary to conduct the affairs of the association subject to the approval of the board of directors.

Section 2. Composition

The executive committee shall be composed of the association's president, president-elect, first vice president, second vice president, and immediate past president. The immediate past president is the most recent past president who is still an elected county official of an active member.

Section 3. Chair

The president of the association is the chair of the executive committee.

Section 4. Meeting Notices and Participation

Upon initiation by the president, not less than ten days' written or three days' telephonic or electronic notice shall be given to every member of the executive committee of the time and place of each meeting of the committee. Notice shall be considered to have been given to any member of the executive committee who has signed a waiver of notice. A majority of the executive committee shall constitute a quorum at all meetings thereof and the vote of a majority of the members of the executive committee present at a meeting at which a quorum is present shall be the act of the executive committee. The president may initiate conference calls between meetings of the executive committee. Members of the executive committee may participate in any meeting by means of telephone conference calls or similar communications equipment, provided that all persons participating in such a meeting can hear each other. Participation by means of telephone conference call or other communications equipment shall constitute presence in person at such meeting.

Section 5. Reporting to the Board of Directors

The executive committee shall make a report to the board of directors at each meeting of the board with respect to the general state of the association, significant changes in the financial condition of the association, and actions taken in the interim period between board meetings.

Section 6. Restrictions

No member of the executive committee or NACo staff shall be employed by or receive any compensation directly or indirectly from any person or entity providing services to NACo.

ARTICLE VIII

Officers

Section 1. Titles and Terms

The officers of the association shall be elected officials of active member counties: they shall consist of a president, president-elect, first vice-president, and second vice-president. Each officer shall be elected by those members qualified to vote pursuant to Article XII of these bylaws. Each officer shall serve a term of office of one year.

Section 2. Authority of the President

The president shall be the chief executive officer, preside at all meetings of active member counties, all meetings of the board of directors, and supervise all business of the association. He or she shall appoint members of all committees except for the audit committee and those committee members whose positions are designated by these bylaws.

Section 3. Duties of the President and Other Officers; President's Absence, Vacancy or Inability to Serve

The president shall consult with the other officers on all appointments and other business of the association. The president may assign to other officers specific areas of responsibility; e.g., membership, legislation, affiliate liaison, state association liaison and other appropriate tasks. In the absence, disability, removal from elected office, or retirement of the president, his or her duties shall be performed successively by the president-elect, first vice-president and second vice-president. In the event a president of the association is unable to complete his or her term as president, the president-elect (or, if necessary, remaining officers as herein provided) shall complete such term and remain eligible to serve as president in the succeeding term. Should a vacancy occur prior to the normal expiration of term in the office of president, president-elect, or first vice president, the officer next in line shall succeed to the vacant office.

Section 4. Vacancy in Other Offices

Should a vacancy occur in the office of second vice president prior to the normal expiration of term, the vacancy will be filled at the next annual conference. Should there be a vacancy in two or more offices prior to the normal expiration of term, the board of directors may appoint a past president to fill the vacant office(s).

Section 5. Removal

Any officer may be removed by the board of directors with or without cause if it is determined to be in the best interests of the association by vote of at least two-thirds of the total membership of the board. Any past president so removed is not eligible to serve as a member of the board of directors as provided under Article VI, Section 1.H. of these bylaws, notwithstanding that such past president may be an elected county official. Any past president so removed is not eligible to serve as a member of the executive committee as provided under Article VII, Section 2 or as a member of the nominating committee as provided under Article X, Section 5 of these bylaws.

ARTICLE IX

Executive Director

Section 1. Appointment

The board of directors, upon recommendation of the executive committee, shall appoint the executive director and fix the salary and other compensation related to the position. The executive committee shall establish all other terms and conditions of the employment of the executive director.

Section 2. Responsibilities

The executive director shall be the chief operating officer of the association. Under the general direction of the board of directors and the executive committee, he or she shall establish, maintain, manage, and generally control the executive office or offices of the association. He or she will do or cause to be done on behalf of the association all actions directed by the board of directors. He or she shall have authority generally to carry on the business of the association and to execute necessary or appropriate policies, decisions, and instructions of the board, including the approval of all contracts, vouchers, and other documents involving in any manner the disbursement of association funds. However, all contracts, vouchers, loans and other actions involving in any manner the disbursement or commitment of association funds in excess of an amount to be determined by the board of directors, shall be approved by the president and the president-elect and such information shall be promptly forwarded to the audit committee.

Section 3. Personnel

Appointment or dismissal of personnel shall be the responsibility of the executive director, subject to the personnel policies adopted by the board of directors.

Section 4. Evaluation.

Annually and within 45 days prior to the annual conference the executive committee shall evaluate the executive director and report to the board of directors.

Section 5. Record Keeping

The executive director or his or her designee shall keep all records of the association; take and keep minutes of all meetings of the active member counties and the board of directors; give notice of such meetings at the direction of the president; receive all monies of the association; and record and deposit the same in approved depositories. At the close of the month, he or she shall submit a financial statement to the audit committee.

Section 6. Bond for Executive Director and Secretary

The executive director and secretary shall provide a bond, at a cost to be paid by the association, payable to the association, in such amount as required by the board of directors.

Article X

Committees

Section 1. Audit Committee

A. There shall be an audit committee consisting of five members, elected by the board of directors from its membership. The term of office shall be for five years, with one member being elected each year. No member shall serve for more than one full five-year term. The board of directors shall fill a vacant position of an audit committee member whose term has expired through an election at the first meeting of each new board of directors. In the event of a vacancy occurring during the year, the board of directors shall, at its first meeting following the vacancy, elect a person to serve the unexpired term. No present or former officer of the association shall be eligible to serve. The senior committee member in terms of committee service shall be the chairperson of the audit committee.

B. The purpose of the audit committee is to assist the board of directors in association oversight of (1) the integrity of the financial statements through quarterly and annual reviews; (2) compliance with legal and regulatory requirements; (3) the independent auditor's qualifications, independence and performance; and (4) the internal auditor's qualifications and performance.

C. The audit committee shall develop a charter of operations that details the scope of work and responsibility of the committee. The charter of operations for the audit committee shall be presented to the board of directors for its review and approval. Amendments to the audit committee charter of operations may be proposed from time to time, either by the audit committee itself or by a member of the board of directors. Amendments to the charter of operations require approval by the board of directors.

D. The audit committee shall direct an annual independent audit of the association's finances with an auditor selected by and reporting to the committee. The audit firm shall prepare a letter of recommendation, including any comments on deficiencies observed in internal controls and recommendations to improve the efficiency of operations.

E. The audit committee shall also perform such other duties as are assigned in these bylaws or as may be assigned by the board of directors.

F. The audit committee shall report to the board of directors.

G. The audit committee may hire staff assistance necessary to accomplish these objectives as approved by the board of directors.

Section 2. Finance Committee

A. There shall be a finance committee consisting of thirteen persons from active member counties. One member shall be the chair of the audit committee. Three members shall be those members of the board of directors who represent the National Association of County Treasurers and Finance Officers (NACTFO), the National Association of County Civil Attorneys (NCCA) and the National Association of County Administrators (NACA). Nine members, of whom two shall be county finance officers or finance directors, shall be appointed from active member counties to serve staggered three-year terms. The President of NACo shall appoint members to fill these vacancies in July of each year. The President-Elect shall serve as chair of the committee.

B. The purpose of the finance committee is to assist the executive committee by preparing reports discussing financial policy alternatives and their implications for executive committee deliberation. The finance committee may, from time to time, be given the responsibility of (1) reviewing or analyzing programs, plans or courses of action and advising the executive committee; (2) participating in fund raising activities; and (3) reviewing and recommending reserve funding goals for the association. In addition, the finance committee shall review and make recommendations to the executive committee regarding the annual budget of the association prior to its submission to the board of directors.

C. The finance committee shall develop a charter of operations that details the scope of work and responsibility of the committee. The charter of operations shall be presented first to the audit committee for its review and then to the executive committee for its review and approval. The charter of operations shall then be submitted to the board of directors for its review and approval. Amendments to the finance committee charter of operations may be proposed from time to time, either by a member of the finance committee, by a member of the audit committee, or by a member of the board of directors. Amendments to the charter of operations require the review of the audit committee and the approval of the executive committee.

D. The finance committee works at the direction and request of the executive committee. The finance committee may not direct the use of association resources. Requests for funding or staff assistance for the finance committee shall be made through the executive committee. Findings and recommendations of the finance committee shall be made to the executive committee. The functions and duties of the finance committee shall not interfere with the functions and responsibilities of the audit committee.

E. The membership of the finance committee shall reflect the diversity of the association and of the board of directors.

ARTICLE XI

Annual Budget

Section 1. Role of the Executive Committee

The executive committee shall prepare and recommend to the board of directors an annual budget for the association for each fiscal year. This budget shall be presented in sufficient detail to permit an informed evaluation of the association's proposed programs and the staff and financial resources necessary to conduct these programs. The finance committee shall review the proposed budget and provide advice and comment regarding it to the executive committee prior to its submission to the board of directors. The budget document shall be transmitted to the members of the board of directors at least two weeks prior to the last scheduled meeting of the board in each calendar year.

Section 2. Role of the Board of Directors

Prior to the beginning of the new fiscal year, the board of directors shall adopt a budget as submitted by the executive committee or as amended by the board. Upon adoption by the board of directors, the budget shall control the expenditures of the association for the fiscal year.

Section 3. Budget Amendments During the Fiscal Year

During the fiscal year, the executive committee may, for cause, amend the budget, provided that such amendments are formally adopted at a meeting of the executive committee; and such amendments are submitted to the board of directors for ratification at its next ensuing meeting.

This authority does not authorize the executive committee to amend the budget so as to cause the total of all expenditures to exceed the total amount of the income in the budget last duly adopted by the board of directors.

Section 4. Expense Reimbursements for Officers, Directors and Staff

The budget may include sums sufficient for reimbursement of actual, reasonable expenses, as follows:

Officers and Staff: For all official duties.

Directors: For official duties other than attending regular meetings of the association and of the board of directors.

All expense reimbursements shall be reported quarterly to the board of directors by name of payee, purpose of expense, and amount of reimbursement.

ARTICLE XII

Voting

Section 1. Timely Payment of Dues

Dues are determined by action of the board of directors; timely payment of such dues shall be a requisite to exercising voting rights.

Section 2. Dues and Voting Rights

Each active member county is entitled to at least one vote on every question put before the annual conference or special meetings of the membership. Active member counties whose population requires them to pay more than \$499 in dues are entitled to one additional vote for each additional \$500 or fraction thereof paid in the year in which the meeting is held. Dues paid shall not be more than the amount specified in the approved dues schedule. Every fully paid active member shall be allowed to vote. Each county shall determine the person or persons (delegates) who will cast the county's vote(s). An elected or appointed county official of a fully paid active member may cast all or any portion of the active member's total authorized vote but no fraction of a whole. Any active member may but is not required to permit its votes to be cast by its state as a block.

Section 3. Credentials Registration and Proxy Voting

Delegates must register and be qualified to vote. A nonattending county wishing to cast its vote(s) by proxy must be registered and the annual conference fee must be paid and conform to such other procedures established by the credentials committee. The nonattending county must authorize in writing its state association president or the president's designee to pick up and cast its ballots. Subject to such rules as any active member may prescribe with regard to proxy voting of its delegates, a delegate who has received credentials may leave a proxy with a delegate from the same county, from another active member in the delegate's state, or the head of the delegate's state delegation. Credentials registration shall close by 5:00

p.m. local county convention time the day preceding the annual business meeting. Any dispute about the possession of credentials or ballots shall be resolved by the credentials committee.

Section 4. Other Voting Procedures

Voting shall be by standing or voice vote. At the discretion of the chair or upon motion from the floor and the concurrence of at least 10 percent of the delegates present, voting shall be by roll call vote of each state delegation and shall be announced by a roll call of state delegations.

Any active member not having an elected or appointed official in attendance at an annual conference or special meeting of the general membership may authorize the president of its state association of counties or other qualified delegate from its state to register, qualify, and vote as its delegate at such annual conference or special meeting.

ARTICLE XIII

Seal

Section 1. Form

The seal of the association shall be circular in form and contain the following words: "National Association of Counties, Seal" on the circle and the following words within the circle: "Incorporated in the State of Delaware."

ARTICLE XIV

Amendments

Section 1. Recommendations for Amendments

Bylaws amendments may be recommended by the bylaws review committee. Amendments may also be recommended by a resolution submitted and signed by at least 10 active member counties. The signatory counties shall be drawn from at least five different states.

Section 2. Procedures

To be presented to the membership for vote, a recommended amendment must be submitted in writing to the president of the association at least sixty (60) days prior to the convening of the annual conference, and must appear in a membership publication. The board of directors shall review each recommended amendment at its first scheduled meeting following submission. All such recommended amendments shall then be presented at the first general session of the annual conference and voted upon at the business session.

Section 3. Adoption of Amendments

These bylaws may be amended by a majority vote of all votes cast on the question by the voting active member counties of the association.

Section 4. Effective Date of Amendments

Amendments to the bylaws shall become effective upon adoption, unless otherwise specified.

End of Bylaws