



DCBA Proposed Bylaws: Questions & Facts

Separating Facts from Misinformation

As the vote on the proposed Downtown Chico Business Association (DCBA) bylaws is underway, several statements have been circulated that have created confusion. The Board believes every business owner deserves accurate information before voting. The proposed bylaws were drafted with guidance from specialized nonprofit legal counsel to comply with California nonprofit law, improve governance, and make member voting more meaningful.

Below are answers to some of the most common misconceptions:

Myth: "The Board will have complete control."

Fact: No, they will not. The Board will continue to operate under California nonprofit law, the Articles of Incorporation, Board policies, fiduciary duties, and member-approved bylaws.

The proposed bylaws do not eliminate accountability. These updated bylaws strengthen it. Directors remain legally required to act in the best interests of the organization, and members continue to elect directors and vote on matters reserved for the membership.

Myth: "Business owners will have no voice."

Fact: Not true. The proposed bylaws strengthen our members' voices by making their voting more effective.

Example: Under the current bylaws, **two-thirds of the entire membership must participate** in the vote to be valid. With approximately 480 members, that means **322 members would have to vote** before any member vote is valid.

The proposed bylaws require approval by **two-thirds of the members who vote**, instead of requiring two-thirds of the entire membership to participate before a vote is even valid. For example, under the current bylaws, if only 200 members vote, the vote would fail regardless of the outcome because the participation threshold was not met. Under the proposed bylaws, those 200 votes would determine the result, making member participation meaningful.



Myth: "Six Board seats are being given away to non-business owners."

Fact: Not true.

The proposed bylaws require that **at least 50% of the Board always be representatives of DCBA member businesses in good standing**. In addition, the Board is adopting a policy that **the majority of Board members will be downtown business owners**, reinforcing the organization's commitment to business-led governance.

No more than 50% of Directors may be non-affiliated members, as defined by Board policy. This ensures that downtown business owners maintain the primary voice in guiding the organization while still allowing for valuable community partnerships.

Many affiliated organizations, such as nonprofit partners, educational institutions, and economic development organizations, have historically contributed expertise and resources that strengthen downtown initiatives. Examples of affiliated Board members may include representatives from the Chico Chamber of Commerce, the Museum of Northern California Art (MONCA), 3CORE, and Chico State. These organizations bring valuable perspectives and partnerships, but they do not replace the leadership and decision-making role of downtown business owners.

Myth: "Current Board members will choose all future Board members."

Fact: No. This process has not and will not change.

Director recruitment, nominations, and elections continue to follow the governing procedures established by the organization. The proposed bylaws do not create a new system allowing current Directors to permanently appoint future Boards.

Myth: "The Executive Committee can do whatever it wants."

Fact: It cannot.

Executive Committees are common in California nonprofit organizations. Their authority is established under California law and is intended to address routine matters between Board meetings.

The Executive Committee **serves at the direction of the full Board** and cannot act contrary to Board decisions. The language included in the proposed bylaws was recommended by nonprofit legal counsel because it reflects existing California law.



Myth: "The discipline section gives the Board new power over members."

Fact: It does not.

California law already permits nonprofit corporations to discipline members under specific legal procedures. The proposed bylaws simply include those procedures so members understand their rights to notice, due process, and a hearing.

Including this language increases transparency—it does not create new authority.

Myth: "If my business isn't personally benefiting, DCBA isn't doing its job."

Fact: DCBA's responsibility is to improve the health and vitality of the downtown district as a whole. Success is measured through district-wide outcomes such as increased foot traffic, destination marketing, public events, beautification, economic development, business support, and advocacy. While not every program will directly impact every business equally, the goal is to create a stronger downtown that benefits the entire business community over time.

Question: Why isn't the mission statement included in the bylaws?

Answer: Mission statements are typically contained in organizational policies and strategic documents rather than bylaws.

The proposed bylaws still clearly state DCBA's legal purpose of promoting the economic vitality of Downtown Chico and carrying out the purposes established under California law.

Question: Is DCBA's purpose to promote individual businesses?

Answer: No.

The Downtown Chico Business Association was created to promote the **economic vitality of the whole of the downtown district**. Its purpose is to strengthen downtown through marketing the district, organizing and executing events, providing beautification (ex: planters), encourage business attraction, advocacy, public improvements, and programs that increase visitation and investment.

While many DCBA programs directly benefit individual businesses—such as business spotlights, social media promotion, educational workshops, networking opportunities, and events—the organization is legally responsible for advancing the interests of the downtown



district overall, rather than serving as the marketing agency or advocate for any single business.

It is also important to understand that **DBID (Downtown Business Improvement District) assessments account for approximately 5% of DCBA's annual operating budget.** The remaining 95% of our funding comes from grants, event sponsorships, fundraising events, program revenue, and other sources. These additional funds allow DCBA to provide marketing, events, beautification, business support, and community programs that extend well beyond what assessment funding alone could support.

Like a chamber of commerce or a business improvement district, DCBA's role is to create an environment where all downtown businesses have greater opportunities to succeed.

Question: Will businesses still pay into DBID assessments?

Answer: Yes.

The proposed bylaws **do not change** the DBID assessments.

DBID assessments are established through state law and the City of Chico—not through DCBA's bylaws. Voting either "Yes" or "No" on the bylaws will not change the assessment requirement.

It is also worth noting that **DBID assessments represent approximately 5% of DCBA's annual budget.** The organization relies primarily on grants, event sponsorships, event revenue, and fundraising to support its work. The bylaws vote does not affect these funding sources or the assessment itself.

Question: Why were the bylaws rewritten?

Answer: The current bylaws have become outdated, difficult to administer, and do not fully align with current California nonprofit requirements.

The update was intended to:

- Bring the bylaws into compliance with current nonprofit law.
- Clarify confusing language.
- Improve governance.
- Make member voting practical.
- Better define Board responsibilities and accountability.



- Create a clearer operational framework for the organization.

Question: Where can I review the information myself?

DCBA encourages every member to review the proposed bylaws before voting rather than relying on social media posts or secondhand information.

The following documents are publicly available at www.downtownchico.com under **DCBA**

Resources:

- Proposed Bylaws
- Current Bylaws
- Board agendas
- Approved Board minutes
- Financial reports
- Annual budgets
- Organizational policies
- Reports submitted to the City of Chico

Members are also encouraged to attend Board meetings, submit questions, and review the complete legal documents before casting their vote.

Make an Informed Decision

Every member should vote based on the actual language of the proposed bylaws—not on rumors or incomplete summaries. Whether you vote **Yes** or **No**, an informed vote strengthens the Downtown Chico Business Association and helps ensure its future is guided by facts, transparency, and thoughtful participation.