S T A T E O F N E W Y O R K

5926

2009-2010 Regular Sessions

I N A S S E M B L Y

February 23, 2009

Introduced by M. of A. SCHIMMINGER -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to repeal section 630 of the business corporation law, relating to the liability of shareholders for wages due to laborers, servants or employees, and to amend the cooperative corporations law, in relation to making conforming changes thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 630 of the business corporation law is REPEALED.

S 2. Paragraph (b) of subdivision 1 of section 5 of the cooperative corporations law, as amended by chapter 618 of the laws of 1968, is amended to read as follows:

(b) The following provisions of the business corporation law shall not apply to cooperative corporations: section two hundred one (a), section four hundred three, the final clause of section five hundred one (a) which reads "and no SUCH limitation or definition of dividend or liquidation rights shall be effective unless at the time one or more classes of outstanding shares, singly or in the aggregate, are entitled to unlimited dividend and liquidation rights", section five hundred five, section five hundred eighteen (c), section six hundred eight (a) and (b), section six hundred nine, section six hundred fourteen (a), section six hundred eighteen, section six hundred twenty-one, section six hundred twenty-two, [section six hundred thirty (a) (except as provided in section forty-seven of this chapter),] section seven hundred three (a), section seven hundred four, and section eight hundred three (a).

S 3. Subdivision 1 of section 47 of the cooperative corporations law, as amended by chapter 664 of the laws of 1966, is amended to read as follows:

1. Members of a cooperative corporation shall not be personally liable for its debts, unless otherwise provided in its certificate of incorporation[; provided, however, that each member and director shall jointly

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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and severally be personally liable for all debts due to any of its laborers, servants or employees, other than contractors, for services performed by them for it as defined by section six hundred thirty (b) of the business corporation law. The liability imposed by this paragraph shall be subject to the notice and limitation of action provisions, set out in section six hundred thirty (a) of the business corporation law, and shall be subject to section six hundred thirty (c) of such law].

S 4. This act shall take effect immediately.