

5861

2011-2012 Regular Sessions

I N A S S E M B L Y

March 2, 2011

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

CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY

proposing amendments to sections 1 and 4 of article 10 of the constitution, in relation to corporations

1 Section 1. Resolved (if the Senate concur), That section 1 of article
2 10 of the constitution be amended to read as follows:
3 Section 1. Corporations may be formed under general laws; but shall
4 not be created by special act, except for municipal purposes, and in
5 cases where, in the judgment of the legislature, the objects of the
6 corporation cannot be attained under general laws. All general laws and
7 special acts passed pursuant to this section may be altered from time to
8 time or repealed.
9 ON OR BEFORE JULY FIRST, TWO THOUSAND FOURTEEN, THE LEGISLATURE SHALL
10 ENACT, AND MAY THEREAFTER FROM TIME TO TIME AMEND, A CODE OF CORPORATE
11 RESPONSIBILITY. SUCH CODE SHALL SET FORTH THAT, IN RECOGNITION OF THE
12 GRANTING TO CORPORATIONS OF CERTAIN POWERS AND PRIVILEGES WHICH ARE NOT
13 POSSESSED BY INDIVIDUALS OR PARTNERSHIPS, CORPORATIONS DOING BUSINESS IN
14 THIS STATE HAVE CERTAIN RESPONSIBILITIES TO THE PEOPLE AND COMMUNITIES
15 OF THIS STATE. SUCH RESPONSIBILITIES SHALL INCLUDE (A) THE RESPONSIBIL-
16 ITY TO DO BUSINESS IN THIS STATE IN A MANNER WHICH PROMOTES THE ECONOMIC
17 SECURITY AND DEVELOPMENT OF THE STATE, ITS COMMUNITIES, AND ITS CITI-
18 ZENS, WHICH PROTECTS THE QUALITY OF THE STATE'S AIR AND WATER, WHICH
19 PROVIDES SAFE AND SANITARY WORKPLACES FOR ITS EMPLOYEES, AND WHICH
20 REFRAINS FROM THE EXERCISES OF MONOPOLISTIC OR OLIGOPOLISTIC POWERS TO
21 INCREASE PRICES AND GENERATE WINDFALL PROFITS; AND (B) SUCH OTHER
22 RESPONSIBILITIES AS THE LEGISLATURE MAY DEEM APPROPRIATE AND NECESSARY
23 TO THE PROMOTION OF THE HEALTH, SAFETY, AND WELFARE OF THE PEOPLE AND
24 COMMUNITIES OF THIS STATE. THE CODE OF CORPORATE RESPONSIBILITY, AS
25 ENACTED AND FROM TIME TO TIME AMENDED BY THE LEGISLATURE, MAY ESTABLISH
26 SPECIFIC ACTIONS WHICH MAY NOT BE TAKEN BY CORPORATIONS DOING BUSINESS
27 IN THIS STATE. ALL ENTITIES WHICH HAVE BEEN FORMED UNDER GENERAL OR

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

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1 SPECIAL LAWS OF THIS STATE AND WHICH HAVE ANY OF THE POWERS OR PRIVI-
2 LEGES OF CORPORATIONS NOT POSSESSED BY INDIVIDUALS OR PARTNERSHIPS, AND
3 ALL SUCH ENTITIES WHICH HAVE BEEN FORMED UNDER THE LAWS OF OTHER STATES
4 AND WHICH ARE DOING BUSINESS IN THIS STATE, SHALL CONDUCT THEIR ACTIV-
5 ITIES IN THIS STATE IN ACCORDANCE WITH SUCH CODE OF CORPORATE RESPONSI-
6 BILITY.

7 S 2. Resolved (if the Senate concur), That section 4 of article 10 of
8 the constitution be amended to read as follows:

9 S 4. The term corporations, as used in this section and in sections
10 1, 2, and 3 of this article, shall be construed to include all associ-
11 ations [and], joint-stock companies, LIMITED LIABILITY COMPANIES, AND
12 OTHER ENTITIES having any of the powers or privileges of corporations
13 not possessed by individuals or partnerships. CORPORATIONS FORMED UNDER
14 THE LAWS OF OTHER STATES OR OTHER COUNTRIES MAY DO BUSINESS IN THIS
15 STATE; PROVIDED THAT THEY PAY SUCH REGISTRATION FEES AND TAXES, THAT
16 THEY REGISTER WITH THE SECRETARY OF STATE AND WITH SUCH OTHER STATE
17 OFFICER OR OFFICERS AS THE LEGISLATURE MAY REQUIRE BY LAW, AND THAT THEY
18 AGREE TO COMPLY AND DO COMPLY WITH ALL LAWS OF THIS STATE WITH WHICH
19 CORPORATIONS FORMED UNDER THE LAWS OF THIS STATE MUST COMPLY, EXCEPT AS
20 OTHERWISE PROVIDED BY LAW. THE SUPREME COURT MAY DISSOLVE A CORPORATION
21 FORMED UNDER THE LAWS OF THIS STATE OR REVOKE THE AUTHORITY TO DO BUSI-
22 NESS IN THIS STATE OF A CORPORATION FORMED UNDER THE LAWS OF ANOTHER
23 STATE OR COUNTRY (A) IN AN ACTION BY THE ATTORNEY GENERAL, IF IT IS
24 ESTABLISHED THAT (I) THE CORPORATION OBTAINED ITS CERTIFICATE OF INCOR-
25 PORATION OR ITS AUTHORIZATION TO DO BUSINESS IN THIS STATE THROUGH
26 FRAUD, OR (II) THE CORPORATION HAS EXCEEDED OR ABUSED, ON A CONTINUING
27 BASIS, THE AUTHORITY CONFERRED UPON IT BY LAW OR IT HAS VIOLATED THE
28 LAW, ON A CONTINUING BASIS, OR (III) THE CORPORATION HAS ACTED CONTRARY
29 TO THE PUBLIC POLICY OF THE STATE, OR (IV) THE CORPORATION HAS ACTED IN
30 A MANNER THAT IS INCONSISTENT WITH THE CODE OF CORPORATE RESPONSIBILITY
31 ESTABLISHED PURSUANT TO SECTION 1 OF THIS ARTICLE OR (B) IN AN ACTION BY
32 A SHAREHOLDER, IF IT IS ESTABLISHED THAT THE DIRECTORS OR THOSE IN
33 CONTROL OF THE CORPORATION HAVE ACTED, OR ARE ACTING, OR WILL ACT IN A
34 MANNER THAT IS ILLEGAL, OPPRESSIVE, OR FRAUDULENT. And all corporations
35 shall have the right to sue and shall be subject to be sued in all
36 courts in like cases as natural persons.

37 S 3. Resolved (if the Senate concur), That the foregoing amendment be
38 referred to the first regular legislative session convening after the
39 next succeeding general election of members of the assembly, and, in
40 conformity with section 1 of article 19 of the constitution, be
41 published for 3 months previous to the time of such election.