

5198

2013-2014 Regular Sessions

I N S E N A T E

May 14, 2013

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Introduced by Sens. RANZENHOFER, MARCELLINO -- (at request of the Attorney General) -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the not-for-profit corporation law, the estates, powers and trusts law, the religious corporations law, the benevolent orders law, the public authorities law, the insurance law, the racing, pari-mutuel wagering and breeding law, the private housing finance law, the education law, the banking law, the general business law, the mental hygiene law and the public lands law, in relation to reform of charitable organizations; and to repeal certain provisions of the not-for-profit corporation law relating thereto (Part A); and to amend the not-for-profit corporation law, the estates, powers and trusts law, the surrogate's court procedure act, the executive law, the education law, the religious corporations law, in relation to reform of charitable organizations; and to repeal certain provisions of the not-for-profit corporation law and the estates, powers and trusts law relating thereto (Part B)

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

1 Section 1. This act enacts into law components of legislation relating  
2 to the reform of charitable organizations. Each component is wholly  
3 contained within a Part identified as Parts A through B. The effective  
4 date for each particular provision contained within such Part is set  
5 forth in the last section of such Part. Any provision in any section  
6 contained within a Part, including the effective date of the Part, which  
7 makes a reference to a section "of this act", when used in connection  
8 with that particular component, shall be deemed to mean and refer to the  
9 corresponding section of the Part in which it is found. Section three of  
10 this act sets forth the general effective date of this act.

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

LBD10894-01-3

1

## PART A

2 Section 1. Subparagraph 6 of paragraph (a) of section 102 of the not-  
3 for-profit corporation law is amended, and six new subparagraphs 3-a,  
4 3-b, 9-a, 19, 20 and 21 are added to read as follows:

5 (3-A) "CHARITABLE CORPORATION" MEANS ANY CORPORATION FORMED, OR FOR  
6 THE PURPOSES OF THIS CHAPTER, DEEMED TO BE FORMED, FOR CHARITABLE  
7 PURPOSES.

8 (3-B) "CHARITABLE PURPOSES" OF A CORPORATION MEANS PURPOSES CONTAINED  
9 IN THE CERTIFICATE OF INCORPORATION OF THE CORPORATION THAT ARE CHARITA-  
10 BLE, EDUCATIONAL, RELIGIOUS, SCIENTIFIC, LITERARY, CULTURAL OR FOR THE  
11 PREVENTION OF CRUELTY TO CHILDREN OR ANIMALS.

12 (6) "Director" means any member of the governing board of a corpo-  
13 ration, whether designated as director, trustee, manager, governor, or  
14 by any other title. The term "board" means "board of directors" OR ANY  
15 OTHER BODY CONSTITUTING A "GOVERNING BOARD" AS DEFINED IN THIS SECTION.

16 (9-A) "NON-CHARITABLE CORPORATION" MEANS ANY CORPORATION FORMED UNDER  
17 THIS CHAPTER, OTHER THAN A CHARITABLE CORPORATION, INCLUDING ONE FORMED  
18 FOR ANY ONE OR MORE OF THE FOLLOWING NON-PECUNIARY PURPOSES: CIVIC,  
19 PATRIOTIC, POLITICAL, SOCIAL, FRATERNAL, ATHLETIC, AGRICULTURAL, HORTI-  
20 CULTURAL, OR ANIMAL HUSBANDRY, OR FOR THE PURPOSE OF OPERATING A PROFES-  
21 SIONAL, COMMERCIAL, INDUSTRIAL, TRADE OR SERVICE ASSOCIATION.

22 (19) "RELATED PARTY" MEANS (I) ANY DIRECTOR, OFFICER OR KEY EMPLOYEE  
23 OF THE CORPORATION OR ANY AFFILIATE OF THE CORPORATION; (II) ANY RELA-  
24 TIVE OF ANY DIRECTOR, OFFICER OR KEY EMPLOYEE OF THE CORPORATION OR ANY  
25 AFFILIATE OF THE CORPORATION; OR (III) ANY ENTITY IN WHICH ANY INDIVID-  
26 UAL DESCRIBED IN CLAUSES (I) AND (II) OF THIS SUBPARAGRAPH HAS A THIR-  
27 TY-FIVE PERCENT OR GREATER OWNERSHIP OR BENEFICIAL INTEREST OR, IN THE  
28 CASE OF A PARTNERSHIP OR PROFESSIONAL CORPORATION, A DIRECT OR INDIRECT  
29 OWNERSHIP INTEREST IN EXCESS OF FIVE PERCENT.

30 (20) "RELATED PARTY TRANSACTION" MEANS ANY TRANSACTION, AGREEMENT OR  
31 ANY OTHER ARRANGEMENT IN WHICH A RELATED PARTY HAS A FINANCIAL INTEREST  
32 AND IN WHICH THE CORPORATION OR ANY AFFILIATE OF THE CORPORATION IS A  
33 PARTICIPANT.

34 (21) "KEY EMPLOYEE" MEANS ANY PERSON WHO IS IN A POSITION TO EXERCISE  
35 SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF THE CORPORATION, AS REFERENCED  
36 IN 26 U.S.C. S4958(F)(1)(A) AND FURTHER SPECIFIED IN 26 CFR S  
37 53.4958-3(C) AND (D), OR SUCCEEDING PROVISIONS.

38 S 2. Paragraphs (b) and (c) of section 515 of the not-for-profit  
39 corporation law, paragraph (c) as amended by chapter 847 of the laws of  
40 1970, are amended to read as follows:

41 (b) A corporation may (1) pay compensation [in a reasonable amount] to  
42 members, directors, [or] officers, OR KEY EMPLOYEES for services  
43 rendered, AS PERMITTED BY THIS CHAPTER, and [may] (2) make distributions  
44 of cash or property to members upon dissolution or final liquidation as  
45 permitted by this chapter. TOTAL COMPENSATION PAID TO ANY PERSON PURSU-  
46 ANT TO SUBPARAGRAPH ONE OF THIS PARAGRAPH SHALL BE FAIR, REASONABLE, AND  
47 COMMENSURATE WITH SERVICES PROVIDED TO THE CORPORATION. NO PERSON WHO  
48 MAY BENEFIT FROM SUCH COMPENSATION MAY BE PRESENT AT OR OTHERWISE  
49 PARTICIPATE IN ANY BOARD OR COMMITTEE DELIBERATION OR VOTE CONCERNING  
50 SUCH PERSON'S COMPENSATION.

51 (c) A corporation may confer benefits upon members or non-members in  
52 conformity with its purposes AS PERMITTED BY THIS CHAPTER, INCLUDING  
53 WITHOUT LIMITATION, SECTION 715 (INTERESTED DIRECTORS AND OFFICERS) OF  
54 THIS CHAPTER, may redeem its capital certificates or subvention certif-  
55 icates, and may make other distributions of cash or property to its

1 members or former members, directors, or officers prior to dissolution  
2 or final liquidation, as authorized by this article, except when the  
3 corporation is currently insolvent or would thereby be made insolvent or  
4 rendered unable to carry on its corporate purposes, or when the fair  
5 value of the corporation's assets remaining after such conferring of  
6 benefits, or redemption, or other distribution would be insufficient to  
7 meet its liabilities.

8 S 3. Paragraph (a) of section 713 of the not-for-profit corporation  
9 law is amended, and a new paragraph (f) is added to read as follows:

10 (a) The board may elect or appoint a CHAIR, WHO MAY BE GIVEN THE TITLE  
11 CHAIR OF THE BOARD, CHAIRPERSON OF THE BOARD, CHAIRMAN OF THE BOARD, OR  
12 CHAIRWOMAN OF THE BOARD, OR president, OR BOTH, one or more vice-presi-  
13 dents, a secretary and a treasurer, and such other officers as it may  
14 determine, or as may be provided in the by-laws. These officers may be  
15 designated by such alternate titles as may be provided in the certif-  
16 icate of incorporation or the by-laws. Any two or more offices may be  
17 held by the same person, except the offices of president and secretary,  
18 or the offices corresponding thereto.

19 (F) NO EMPLOYEE OF THE CORPORATION SHALL SERVE AS CHAIR OF THE BOARD  
20 OR HOLD ANY OTHER TITLE WITH SIMILAR RESPONSIBILITIES.

21 S 4. The not-for-profit corporation law is amended by adding two new  
22 sections 715-a and 715-b to read as follows:

23 S 715-A. CONFLICT OF INTEREST POLICY.

24 (A) EVERY CORPORATION SHALL ADOPT A CONFLICT OF INTEREST POLICY TO  
25 ENSURE THAT ITS DIRECTORS, OFFICERS AND KEY EMPLOYEES ACT IN THE CORPO-  
26 RATION'S BEST INTEREST AND COMPLY WITH APPLICABLE LEGAL REQUIREMENTS,  
27 INCLUDING BUT NOT LIMITED TO THE REQUIREMENTS SET FORTH IN SECTION SEVEN  
28 HUNDRED FIFTEEN OF THIS ARTICLE.

29 (B) THE CONFLICT OF INTEREST POLICY SHALL INCLUDE, AT A MINIMUM, THE  
30 FOLLOWING PROVISIONS:

31 (1) A DEFINITION OF THE CIRCUMSTANCES THAT CONSTITUTE A CONFLICT OF  
32 INTEREST;

33 (2) PROCEDURES FOR DISCLOSING A CONFLICT OF INTEREST TO THE AUDIT  
34 COMMITTEE OR, IF THERE IS NO AUDIT COMMITTEE, TO THE BOARD;

35 (3) A REQUIREMENT THAT THE PERSON WITH THE CONFLICT OF INTEREST NOT BE  
36 PRESENT AT OR PARTICIPATE IN BOARD OR COMMITTEE DELIBERATION OR VOTE ON  
37 THE MATTER GIVING RISE TO SUCH CONFLICT;

38 (4) A PROHIBITION AGAINST ANY ATTEMPT BY THE PERSON WITH THE CONFLICT  
39 TO INFLUENCE THE DELIBERATION OR VOTING ON THE MATTER GIVING RISE TO  
40 SUCH CONFLICT;

41 (5) A REQUIREMENT THAT THE EXISTENCE AND RESOLUTION OF THE CONFLICT BE  
42 DOCUMENTED IN THE CORPORATION'S RECORDS, INCLUDING IN THE MINUTES OF ANY  
43 MEETING AT WHICH THE CONFLICT WAS DISCUSSED OR VOTED UPON; AND

44 (6) PROCEDURES FOR DISCLOSING, ADDRESSING, AND DOCUMENTING RELATED  
45 PARTY TRANSACTIONS IN ACCORDANCE WITH SECTION SEVEN HUNDRED FIFTEEN OF  
46 THIS ARTICLE.

47 (C) THE CONFLICT OF INTEREST POLICY SHALL REQUIRE THAT PRIOR TO THE  
48 INITIAL ELECTION OF ANY DIRECTOR, AND ANNUALLY THEREAFTER, SUCH DIRECTOR  
49 SHALL COMPLETE, SIGN AND SUBMIT TO THE SECRETARY OF THE CORPORATION A  
50 WRITTEN STATEMENT IDENTIFYING ANY ENTITY OF WHICH SUCH DIRECTOR IS AN  
51 OFFICER, DIRECTOR, TRUSTEE, MEMBER, OWNER (EITHER AS A SOLE PROPRIETOR  
52 OR A PARTNER), OR EMPLOYEE AND WITH WHICH THE CORPORATION HAS A  
53 RELATIONSHIP, AND ANY TRANSACTION IN WHICH THE CORPORATION IS A PARTIC-  
54 IPANT AND IN WHICH THE DIRECTOR MIGHT HAVE A CONFLICTING INTEREST. THE  
55 POLICY SHALL REQUIRE THAT EACH DIRECTOR ANNUALLY RESUBMIT SUCH WRITTEN  
56 STATEMENT. THE SECRETARY OF THE CORPORATION SHALL PROVIDE A COPY OF

1 ALL COMPLETED STATEMENTS TO THE CHAIR OF THE AUDIT COMMITTEE OR, IF  
2 THERE IS NO AUDIT COMMITTEE, TO THE CHAIR OF THE BOARD.

3 (D) NOTHING IN THIS SECTION SHALL BE INTERPRETED TO REQUIRE A CORPO-  
4 RATION TO ADOPT ANY SPECIFIC CONFLICT OF INTEREST POLICY NOT OTHERWISE  
5 REQUIRED BY THIS SECTION OR ANY OTHER LAW OR RULE, OR TO SUPERSEDE OR  
6 LIMIT ANY REQUIREMENT OR DUTY GOVERNING CONFLICTS OF INTEREST REQUIRED  
7 BY ANY OTHER LAW OR RULE.

8 S 715-B. WHISTLEBLOWER POLICY.

9 (A) EVERY CORPORATION THAT HAS TWENTY OR MORE EMPLOYEES AND IN THE  
10 PRIOR FISCAL YEAR HAD ANNUAL REVENUE IN EXCESS OF ONE MILLION DOLLARS  
11 SHALL ADOPT A WHISTLEBLOWER POLICY TO PROTECT FROM RETALIATION PERSONS  
12 WHO REPORT SUSPECTED IMPROPER CONDUCT. SUCH POLICY SHALL PROVIDE THAT NO  
13 DIRECTOR, OFFICER, EMPLOYEE OR VOLUNTEER OF A CORPORATION WHO IN GOOD  
14 FAITH REPORTS ANY ACTION OR SUSPECTED ACTION TAKEN BY OR WITHIN THE  
15 CORPORATION THAT IS ILLEGAL, FRAUDULENT OR IN VIOLATION OF ANY ADOPTED  
16 POLICY OF THE CORPORATION SHALL SUFFER INTIMIDATION, HARASSMENT,  
17 DISCRIMINATION OR OTHER RETALIATION OR, IN THE CASE OF EMPLOYEES,  
18 ADVERSE EMPLOYMENT CONSEQUENCE.

19 (B) THE WHISTLEBLOWER POLICY SHALL INCLUDE THE FOLLOWING PROVISIONS:

20 (1) PROCEDURES FOR THE REPORTING OF VIOLATIONS OR SUSPECTED VIOLATIONS  
21 OF LAWS OR CORPORATE POLICIES, INCLUDING PROCEDURES FOR PRESERVING THE  
22 CONFIDENTIALITY OF REPORTED INFORMATION;

23 (2) A REQUIREMENT THAT AN EMPLOYEE, OFFICER OR DIRECTOR OF THE CORPO-  
24 RATION BE DESIGNATED TO ADMINISTER THE WHISTLEBLOWER POLICY AND TO  
25 REPORT TO THE AUDIT COMMITTEE OR OTHER COMMITTEE OF INDEPENDENT DIREC-  
26 TORS OR, IF THERE ARE NO SUCH COMMITTEES, TO THE BOARD; AND

27 (3) A REQUIREMENT THAT A COPY OF THE POLICY BE DISTRIBUTED TO ALL  
28 DIRECTORS, OFFICERS, EMPLOYEES AND VOLUNTEERS.

29 (C) NOTHING IN THIS SECTION SHALL BE INTERPRETED TO RELIEVE ANY CORPO-  
30 RATION FROM ANY ADDITIONAL REQUIREMENTS IN RELATION TO INTERNAL COMPLI-  
31 ANCE, RETALIATION, OR DOCUMENT RETENTION REQUIRED BY ANY OTHER LAW OR  
32 RULE.

33 S 5. The estates, powers and trusts law is amended by adding a new  
34 section 8-1.9 to read as follows:

35 S 8-1.9 TRUST GOVERNANCE

36 (A) FOR PURPOSES OF THIS SECTION:

37 (1) A "TRUST" MEANS A TRUST CREATED SOLELY FOR CHARITABLE PURPOSES, OR  
38 A TRUST THAT CONTINUES SOLELY FOR SUCH PURPOSES AFTER ALL NON-CHARITABLE  
39 INTERESTS HAVE TERMINATED.

40 (2) "CHARITABLE PURPOSE" MEANS ANY RELIGIOUS, CHARITABLE, EDUCATIONAL  
41 OR BENEVOLENT PURPOSE.

42 (3) "KEY EMPLOYEE" MEANS ANY PERSON WHO HAS RESPONSIBILITIES, POWERS  
43 OR INFLUENCE OVER THE TRUST SIMILAR TO THOSE OF AN OFFICER OF A  
44 NOT-FOR-PROFIT CORPORATION, OR IS OTHERWISE IN A POSITION TO EXERCISE  
45 SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF THE TRUST, AS REFERENCED IN 26  
46 U.S.C. S4958(F)(1)(A) AND FURTHER SPECIFIED IN 26 CFR S53.4958-3(C) AND  
47 (D), OR SUCCEEDING PROVISIONS.

48 (4) AN "AFFILIATE" OF A TRUST MEANS ANY ENTITY CONTROLLED BY, IN  
49 CONTROL OF, OR UNDER COMMON CONTROL WITH SUCH TRUST.

50 (5) "RELATIVE" OF AN INDIVIDUAL MEANS THE (I) SPOUSE, DOMESTIC PARTNER  
51 AS DEFINED BY SECTION TWENTY-EIGHT HUNDRED FIVE-Q OF THE PUBLIC HEALTH  
52 LAW, CHILD, GRANDCHILD, BROTHER OR SISTER (WHETHER BY THE WHOLE- OR  
53 HALF-BLOOD) OF THE INDIVIDUAL; AND (II) THE SPOUSE OR DOMESTIC PARTNER  
54 OF A CHILD, GRANDCHILD, BROTHER, OR SISTER (WHETHER BY THE WHOLE- OR  
55 HALF-BLOOD) OF THE INDIVIDUAL.

1 (6) "RELATED PARTY" MEANS (I) ANY TRUSTEE OR KEY EMPLOYEE OF THE TRUST  
2 OR ANY AFFILIATE OF THE TRUST; (II) ANY RELATIVE OF ANY TRUSTEE OR KEY  
3 EMPLOYEE OF THE TRUST OR ANY AFFILIATE OF THE TRUST; OR (III) AN ENTITY  
4 IN WHICH ANY INDIVIDUAL DESCRIBED IN CLAUSES (I) AND (II) OF THIS  
5 SUBPARAGRAPH HAS A THIRTY-FIVE PERCENT OR GREATER OWNERSHIP OR BENEFI-  
6 CIAL INTEREST OR, IN THE CASE OF A PARTNERSHIP OR PROFESSIONAL CORPO-  
7 RATION, A DIRECT OWNERSHIP INTEREST IN EXCESS OF FIVE PERCENT.

8 (7) "INDEPENDENT TRUSTEE" MEANS A TRUSTEE WHO: (I) IS NOT, AND HAS NOT  
9 BEEN WITHIN THE LAST THREE YEARS, AN EMPLOYEE OF THE TRUST OR AN AFFIL-  
10 IATE OF THE TRUST, AND DOES NOT HAVE A RELATIVE WHO IS, OR HAS BEEN  
11 WITHIN THE LAST THREE YEARS, A KEY EMPLOYEE OF THE TRUST OR AN AFFILIATE  
12 OF THE TRUST; (II) HAS NOT RECEIVED, AND DOES NOT HAVE A RELATIVE WHO  
13 HAS RECEIVED, IN ANY OF THE LAST THREE FISCAL YEARS, MORE THAN TEN THOU-  
14 SAND DOLLARS IN DIRECT COMPENSATION FROM THE TRUST OR AN AFFILIATE OF  
15 THE TRUST (OTHER THAN REIMBURSEMENT FOR EXPENSES OR THE PAYMENT OF TRUS-  
16 TEE COMMISSIONS AS PERMITTED BY LAW AND THE GOVERNING INSTRUMENT); AND  
17 (III) IS NOT A CURRENT EMPLOYEE OF OR HAVE A SUBSTANTIAL FINANCIAL  
18 INTEREST IN, AND DOES NOT HAVE A RELATIVE WHO IS A CURRENT OFFICER OF OR  
19 HAVE A SUBSTANTIAL FINANCIAL INTEREST IN, ANY ENTITY THAT HAS MADE  
20 PAYMENTS TO, OR RECEIVED PAYMENTS FROM, THE TRUST OR AN AFFILIATE OF THE  
21 TRUST FOR PROPERTY OR SERVICES IN AN AMOUNT WHICH, IN ANY OF THE LAST  
22 THREE FISCAL YEARS, EXCEEDS THE LESSER OF TWENTY-FIVE THOUSAND DOLLARS  
23 OR TWO PERCENT OF SUCH ENTITY'S CONSOLIDATED GROSS REVENUES. FOR  
24 PURPOSES OF THIS SUBPARAGRAPH, "PAYMENT" DOES NOT INCLUDE CHARITABLE  
25 CONTRIBUTIONS.

26 (8) "RELATED PARTY TRANSACTION" MEANS ANY TRANSACTION, AGREEMENT OR  
27 ANY OTHER ARRANGEMENT IN WHICH A RELATED PARTY HAS A FINANCIAL INTEREST  
28 AND IN WHICH THE TRUST OR ANY AFFILIATE OF THE TRUST IS A PARTICIPANT.

29 (9) "INDEPENDENT AUDITOR" MEANS ANY CERTIFIED PUBLIC ACCOUNTANT  
30 PERFORMING THE AUDIT OF THE FINANCIAL STATEMENTS OF A TRUST REQUIRED BY  
31 SUBDIVISION ONE OF SECTION ONE HUNDRED SEVENTY-TWO-B OF THE EXECUTIVE  
32 LAW.

33 (B)(1) EVERY TRUST SHALL ADOPT A CONFLICT OF INTEREST POLICY TO ENSURE  
34 THAT ITS TRUSTEES, OFFICERS AND KEY EMPLOYEES ACT IN THE BEST INTEREST  
35 OF THE TRUST AND ITS BENEFICIARIES AND COMPLY WITH APPLICABLE LEGAL  
36 REQUIREMENTS, INCLUDING BUT NOT LIMITED TO THE REQUIREMENTS SET FORTH IN  
37 PARAGRAPH (E) OF THIS SECTION.

38 (2) THE CONFLICT OF INTEREST POLICY SHALL INCLUDE, AT A MINIMUM, THE  
39 FOLLOWING PROVISIONS:

40 (A) A DEFINITION OF THE CIRCUMSTANCES THAT CONSTITUTE A CONFLICT OF  
41 INTEREST;

42 (B) PROCEDURES FOR DISCLOSING A CONFLICT OF INTEREST TO THE AUDIT  
43 COMMITTEE OR, IF THERE IS NO AUDIT COMMITTEE, TO THE TRUSTEES;

44 (C) A REQUIREMENT THAT THE PERSON WITH THE CONFLICT OF INTEREST NOT BE  
45 PRESENT AT OR PARTICIPATE IN ANY DELIBERATION OR VOTE ON THE MATTER  
46 GIVING RISE TO SUCH CONFLICT;

47 (D) A PROHIBITION AGAINST ANY ATTEMPT BY THE PERSON WITH THE CONFLICT  
48 TO INFLUENCE THE DELIBERATION OR VOTING ON THE MATTER GIVING RISE TO  
49 SUCH CONFLICT;

50 (E) A REQUIREMENT THAT THE EXISTENCE AND RESOLUTION OF THE CONFLICT BE  
51 DOCUMENTED IN THE TRUST'S RECORDS, INCLUDING IN THE MINUTES OF ANY MEET-  
52 ING AT WHICH THE CONFLICT WAS DISCUSSED OR VOTED UPON; AND

53 (F) PROCEDURES FOR DISCLOSING, ADDRESSING, AND DOCUMENTING RELATED  
54 PARTY TRANSACTIONS IN ACCORDANCE WITH PARAGRAPH (E) OF THIS SECTION.

55 (3) THE CONFLICT OF INTEREST POLICY SHALL REQUIRE THAT PRIOR TO A  
56 TRUSTEE'S INITIAL APPOINTMENT, AND ANNUALLY THEREAFTER, SUCH TRUSTEE

1 SHALL COMPLETE, SIGN AND FILE WITH THE RECORDS OF THE TRUST A WRITTEN  
2 STATEMENT IDENTIFYING ANY ENTITY OF WHICH HE OR SHE IS AN OFFICER,  
3 DIRECTOR, TRUSTEE, MEMBER, OWNER (EITHER AS A SOLE PROPRIETOR OR A PART-  
4 NER), OR EMPLOYEE AND WITH WHICH THE TRUST HAS A RELATIONSHIP, AND ANY  
5 TRANSACTION IN WHICH THE TRUST IS A PARTICIPANT AND IN WHICH THE TRUSTEE  
6 MIGHT HAVE A CONFLICTING INTEREST. THE POLICY SHALL REQUIRE THAT EACH  
7 TRUSTEE ANNUALLY RESUBMIT SUCH WRITTEN STATEMENT. THE TRUSTEES SHALL  
8 PROVIDE A COPY OF ALL COMPLETED STATEMENTS TO THE CHAIR OF THE AUDIT  
9 COMMITTEE, IF THERE IS AN AUDIT COMMITTEE.

10 (4) NOTHING IN THIS PARAGRAPH SHALL BE INTERPRETED TO REQUIRE A TRUST  
11 TO ADOPT ANY SPECIFIC CONFLICT OF INTEREST POLICY NOT OTHERWISE REQUIRED  
12 BY THIS PARAGRAPH OR ANY OTHER LAW OR RULE, OR TO SUPERSEDE OR LIMIT ANY  
13 REQUIREMENT OR DUTY GOVERNING CONFLICTS OF INTEREST REQUIRED BY ANY  
14 OTHER LAW OR RULE.

15 (C)(1) EVERY TRUST THAT HAS TWENTY OR MORE EMPLOYEES AND IN THE PRIOR  
16 FISCAL YEAR HAD ANNUAL REVENUE IN EXCESS OF ONE MILLION DOLLARS SHALL  
17 ADOPT A WHISTLEBLOWER POLICY TO PROTECT FROM RETALIATION PERSONS WHO  
18 REPORT SUSPECTED IMPROPER CONDUCT. SUCH POLICY SHALL PROVIDE THAT NO  
19 OFFICER, TRUSTEE, EMPLOYEE OR VOLUNTEER OF A TRUST WHO IN GOOD FAITH  
20 REPORTS ANY ACTION OR SUSPECTED ACTION TAKEN BY OR WITHIN THE TRUST THAT  
21 IS ILLEGAL, FRAUDULENT OR IN VIOLATION OF ANY ADOPTED POLICY OF THE  
22 TRUST SHALL SUFFER INTIMIDATION, HARASSMENT, DISCRIMINATION OR OTHER  
23 RETALIATION OR, IN THE CASE OF EMPLOYEES, ADVERSE EMPLOYMENT CONSE-  
24 QUENCE.

25 (2) THE WHISTLEBLOWER POLICY SHALL INCLUDE THE FOLLOWING PROVISIONS:

26 (A) PROCEDURES FOR THE REPORTING OF VIOLATIONS OR SUSPECTED VIOLATIONS  
27 OF LAWS OR TRUST POLICIES, INCLUDING PROCEDURES FOR PRESERVING THE  
28 CONFIDENTIALITY OF REPORTED INFORMATION;

29 (B) A REQUIREMENT THAT A TRUSTEE, OFFICER OR EMPLOYEE OF THE TRUST BE  
30 DESIGNATED TO ADMINISTER, THE WHISTLEBLOWER POLICY AND TO REPORT TO THE  
31 AUDIT COMMITTEE OR OTHER COMMITTEE OF INDEPENDENT TRUSTEES, OR TO THE  
32 TRUSTEES; AND

33 (C) A REQUIREMENT THAT A COPY OF THE POLICY BE DISTRIBUTED TO ALL  
34 TRUSTEES, OFFICERS, EMPLOYEES AND VOLUNTEERS, WITH INSTRUCTIONS ON HOW  
35 TO COMPLY WITH THE PROCEDURES SET FORTH IN THE POLICY.

36 (3) NOTHING IN THIS PARAGRAPH SHALL BE INTERPRETED TO RELIEVE ANY  
37 TRUST FROM ANY ADDITIONAL REQUIREMENTS IN RELATION TO INTERNAL COMPLI-  
38 ANCE, RETALIATION, OR DOCUMENT RETENTION REQUIRED BY ANY OTHER LAW OR  
39 RULE.

40 S 6. Section 105 of the not-for-profit corporation law, as amended by  
41 chapter 172 of the laws of 1999, is amended to read as follows:

42 S 105. Certificates; corrections.

43 (A) ANY CERTIFICATE OR OTHER INSTRUMENT RELATING TO A DOMESTIC OR  
44 FOREIGN CORPORATION SUBMITTED TO THE DEPARTMENT OF STATE UNDER THIS  
45 CHAPTER MAY BE CORRECTED WITH RESPECT TO ANY TYPOGRAPHICAL, OR SIMILAR  
46 NON-MATERIAL ERROR APPARENT ON THE FACE OF THE CERTIFICATE OR INSTRU-  
47 MENT, PRIOR TO THE FILING OF SUCH CERTIFICATE OR INSTRUMENT BY THE  
48 DEPARTMENT OF STATE. SUCH CORRECTION SHALL BE EFFECTED BY THE DEPARTMENT  
49 OF STATE UPON AUTHORIZATION IN WRITING OR BY ELECTRONIC MAIL BY THE  
50 INCORPORATOR, OR FOLLOWING INCORPORATION, BY ANY PERSON AUTHORIZED BY  
51 THE CORPORATION.

52 (B) Any certificate or other instrument relating to a domestic or  
53 foreign corporation filed by the department of state under this chapter  
54 may be corrected with respect to any [informality or] TYPOGRAPHICAL OR  
55 SIMILAR NON-MATERIAL error apparent on the face or defect in the  
56 execution thereof including the deletion of any matter not permitted to

1 be stated therein. A certificate, entitled "Certificate of correction  
2 of..... (correct title of certificate and name of corporation)"  
3 shall be signed and delivered to the department of state. It shall set  
4 forth the name of the corporation, the date the certificate to be  
5 corrected was filed by the department of state, the provision in the  
6 certificate as corrected or eliminated and if the execution was defec-  
7 tive, the proper execution. The filing of the certificate by the depart-  
8 ment of state shall not alter the effective time of the instrument being  
9 corrected, which shall remain as its original effective time, and shall  
10 not affect any right or liability accrued or incurred before such  
11 filing. A corporate name may not be changed or corrected under this  
12 section OTHER THAN TO CORRECT ANY TYPOGRAPHICAL OR SIMILAR NON-MATERIAL  
13 ERROR.

14 S 7. Section 113 of the not-for-profit corporation law is REPEALED.

15 S 8. Section 201 of the not-for-profit corporation law, paragraph (b)  
16 as amended by chapter 847 of the laws of 1970 and paragraph (c) as  
17 amended by chapter 1058 of the laws of 1971, is amended to read as  
18 follows:

19 S 201. Purposes.

20 (a) A corporation, as defined in subparagraph [(5)] (10), paragraph  
21 (a) of S 102 (Definitions), may be formed under this chapter [as  
22 provided in paragraph (b)] unless it may be formed under any other  
23 corporate law of this state, in which event it may not be formed under  
24 this chapter unless such other corporate law expressly so provides.

25 (b) [A corporation, of a type and for a purpose or purposes as  
26 follows, may be formed under this chapter, provided consents required  
27 under any other statute of this state have been obtained:

28 Type A -] A CORPORATION FORMED ON OR AFTER JANUARY FIRST, TWO THOUSAND  
29 FOURTEEN SHALL EITHER BE A CHARITABLE CORPORATION OR A NON-CHARITABLE  
30 CORPORATION. ANY CORPORATION FORMED FOR BOTH CHARITABLE PURPOSES AND  
31 NON-CHARITABLE PURPOSES SHALL BE DEEMED A CHARITABLE CORPORATION FOR  
32 PURPOSES OF THIS CHAPTER. A TYPE A not-for-profit corporation [of this  
33 type may be formed for any lawful non-business purpose or purposes  
34 including, but not limited to, any one or more of the following non-pe-  
35 cuniary purposes: civic, patriotic, political, social, fraternal,  
36 athletic, agricultural, horticultural, animal husbandry, and for a  
37 professional, commercial, industrial, trade or service association.

38 Type B - A not-for-profit corporation of this type may be formed for  
39 any one or more of the following non-business purposes: charitable,  
40 educational, religious, scientific, literary, cultural or for the  
41 prevention of cruelty to children or animals.

42 Type C - A not-for-profit corporation of this type may be formed for  
43 any lawful business purpose to achieve a lawful public or quasi-public  
44 objective.

45 Type D - A not-for-profit corporation of this type may be formed under  
46 this chapter when such formation is authorized by any other corporate  
47 law of this state for any business or non-business, or pecuniary or  
48 non-pecuniary, purpose or purposes specified by such other law, whether  
49 such purpose or purposes are also within types A, B, C above or other-  
50 wise.

51 (c) If a corporation is formed for purposes which are within both type  
52 A and type B above, it is a type B corporation. If a corporation has  
53 among its purposes any purpose which is within type C, such corporation  
54 is a type C corporation. A type D corporation is subject to all  
55 provisions of this chapter which are applicable to a type B corporation  
56 under this chapter unless provided to the contrary in, and subject to

1 the contrary provisions of, the other corporate law authorizing forma-  
2 tion under this chapter of the type D corporation.] FORMED PRIOR TO  
3 JANUARY FIRST, TWO THOUSAND FOURTEEN SHALL BE DEEMED A NON-CHARITABLE  
4 CORPORATION UNDER THIS CHAPTER. ANY SUBMISSION OR FILING BY SUCH CORPO-  
5 RATION TO ANY PERSON OR ENTITY SHALL BE DEEMED TO HAVE BEEN SUBMITTED OR  
6 FILED BY A NON-CHARITABLE CORPORATION, AND ANY REFERENCE IN ANY SUCH  
7 FILING OR SUBMISSION REFERRING TO THE STATUS OF SUCH CORPORATION AS A  
8 TYPE A CORPORATION SHALL BE DEEMED TO REFER TO A NON-CHARITABLE CORPO-  
9 RATION.

10 (C) A TYPE B OR C NOT-FOR-PROFIT CORPORATION FORMED PRIOR TO JANUARY  
11 FIRST, TWO THOUSAND FOURTEEN SHALL BE DEEMED A CHARITABLE CORPORATION  
12 FOR ALL PURPOSES UNDER THIS CHAPTER. ANY SUBMISSION OR FILING BY SUCH  
13 CORPORATION TO ANY PERSON OR ENTITY SHALL BE DEEMED TO HAVE BEEN SUBMIT-  
14 TED OR FILED BY A CHARITABLE CORPORATION, AND ANY REFERENCE IN ANY SUCH  
15 FILING OR SUBMISSION REFERRING TO THE STATUS OF SUCH CORPORATION AS A  
16 TYPE B OR TYPE C CORPORATION SHALL BE DEEMED TO REFER TO A CHARITABLE  
17 CORPORATION.

18 (D) A TYPE D NOT-FOR-PROFIT CORPORATION FORMED PRIOR TO JANUARY FIRST,  
19 TWO THOUSAND FOURTEEN FOR CHARITABLE PURPOSES AS THAT TERM IS DEFINED IN  
20 THIS CHAPTER SHALL BE DEEMED A CHARITABLE CORPORATION. ANY SUBMISSION OR  
21 FILING BY SUCH CORPORATION TO ANY PERSON OR ENTITY SHALL BE DEEMED TO  
22 HAVE BEEN SUBMITTED OR FILED BY A CHARITABLE CORPORATION, AND ANY REFER-  
23 ENCE IN ANY SUCH FILING OR SUBMISSION REFERRING TO THE STATUS OF SUCH  
24 CORPORATION AS A TYPE D CORPORATION SHALL BE DEEMED TO REFER TO A CHARI-  
25 TABLE CORPORATION. ANY OTHER TYPE D NOT-FOR-PROFIT CORPORATIONS FORMED  
26 PRIOR TO JANUARY FIRST, TWO THOUSAND FOURTEEN SHALL BE DEEMED A  
27 NON-CHARITABLE CORPORATION. ANY SUBMISSION OR FILING BY SUCH CORPORATION  
28 TO ANY PERSON OR ENTITY SHALL BE DEEMED TO HAVE BEEN SUBMITTED OR FILED  
29 BY A NON-CHARITABLE CORPORATION, AND ANY REFERENCE IN ANY SUCH FILING OR  
30 SUBMISSION REFERRING TO THE STATUS OF SUCH CORPORATION AS A TYPE D  
31 CORPORATION SHALL BE DEEMED TO REFER TO A NON-CHARITABLE CORPORATION.

32 S 9. Section 204 of the not-for-profit corporation law is amended to  
33 read as follows:

34 S 204. Limitation on activities.

35 Notwithstanding any other provision of this chapter or any other  
36 general law, a corporation of any [type or] kind to which this chapter  
37 applies shall conduct no activities for pecuniary profit or financial  
38 gain, [whether or not] EXCEPT in furtherance of, AND AS REASONABLY  
39 NECESSARY TO ACHIEVE, its corporate purposes[, except to the extent that  
40 such activity supports its other lawful activities then being  
41 conducted].

42 S 10. Paragraph (a) of section 104-A of the not-for-profit corporation  
43 law is REPEALED.

44 S 11. Section 115 of the not-for-profit corporation law, as added by  
45 chapter 669 of the laws of 1977, is amended to read as follows:

46 S 115. Power to solicit contributions for charitable purposes.

47 [No corporation having the power to solicit contributions for charita-  
48 ble purposes may solicit contributions for any purpose for which  
49 approval of such solicitation is required under the provisions of  
50 section four hundred four of this chapter unless the certificate specif-  
51 ically makes provision for such solicitation and the required written  
52 approval is endorsed on or annexed to such certificate or unless the  
53 corporation is among those referred to in section one hundred seventy-  
54 two-a of the executive law. If such approval is not obtained and the  
55 corporation continues to solicit or to receive contributions for such  
56 purpose or advertises that it has obtained such approval, the] (A) NO



1 CORPORATION REQUIRED TO OBTAIN APPROVAL OR PROVIDE NOTICE OF FORMATION  
2 PURSUANT TO SECTION 404 (APPROVALS, NOTICES AND CONSENTS) OF THIS CHAP-  
3 TER MAY SOLICIT CONTRIBUTIONS FOR ANY PURPOSE UNLESS AND UNTIL SUCH  
4 CORPORATION (1) OBTAINS AND SUBMITS ANY APPROVAL OR NOTICE REQUIRED  
5 THEREUNDER, AND (2) IS IN COMPLIANCE WITH THE REGISTRATION AND REPORTING  
6 REQUIREMENTS OF ARTICLE SEVEN-A OF THE EXECUTIVE LAW AND SECTION 8-1.4  
7 OF THE ESTATES, POWERS AND TRUSTS LAW.

8 (B) THE attorney general[, at the request of the officer or body  
9 authorized to grant such approval, shall] MAY maintain an action or  
10 proceeding pursuant to the provisions of subparagraph one of paragraph  
11 (a) of section one hundred twelve of this [chapter] ARTICLE AGAINST ANY  
12 CORPORATION THAT SOLICITS CONTRIBUTIONS IN VIOLATION OF PARAGRAPH (A) OF  
13 THIS SECTION. Such an action may also be maintained in relation to a  
14 corporation hereinafter incorporated if the name, purposes, objects or  
15 the activities of such corporation may, in any manner, lead to the  
16 belief that the corporation possesses or may exercise any of such  
17 purposes.

18 S 12. The section heading and paragraph (a) of section 304 of the  
19 not-for-profit corporation law, as amended by chapter 168 of the laws of  
20 1982, is amended to read as follows:

21 Statutory designation of secretary of state as agent of domestic  
22 corporations [formed under article four of this chapter] and authorized  
23 foreign corporations for service of process.

24 (a) The secretary of state shall be the agent of every domestic corpo-  
25 ration [formed under article four of this chapter] and every authorized  
26 foreign corporation upon whom process against the corporation may be  
27 served.

28 S 13. Paragraphs (b) and (c) of section 306 of the not-for-profit  
29 corporation law, paragraph (b) as amended by chapter 168 of the laws of  
30 1982, and paragraph (c) as amended by chapter 93 of the laws of 1984,  
31 are amended to read as follows:

32 (b) Service of process on the secretary of state as agent of a domes-  
33 tic corporation [formed under article four of this chapter] or an  
34 authorized foreign corporation shall be made by personally delivering to  
35 and leaving with [him or his] THE deputy OF THE SECRETARY OF STATE, or  
36 with any person authorized by the secretary of state to receive such  
37 service, at the office of the department of state in the city of Albany,  
38 duplicate copies of such process together with the statutory fee, which  
39 fee shall be a taxable disbursement. Service of process on such corpo-  
40 ration shall be complete when the secretary of state is so served. The  
41 secretary of state shall promptly send one of such copies by certified  
42 mail, return receipt requested, to such corporation, at the post office  
43 address, on file in the department of state, specified for the purpose.  
44 If a domestic corporation [formed under article four of this chapter] or  
45 an authorized foreign corporation has no such address on file in the  
46 department of state, the secretary of state shall so mail such copy to  
47 such corporation at the address of its office within this state on file  
48 in the department.

49 (c) If an action or special proceeding is instituted in a court of  
50 limited jurisdiction, service of process may be made in the manner  
51 provided in this section if the office of the domestic corporation  
52 [formed under article four of this chapter] or foreign corporation is  
53 within the territorial jurisdiction of the court.

54 S 14. Subparagraphs 2 and 4 of paragraph (a) of section 402 of the  
55 not-for-profit corporation law, subparagraph 2 as amended by chapter 847

1 of the laws of 1970 and subparagraph 4 as amended by chapter 679 of the  
2 laws of 1985, are amended to read as follows:

3 (2) That the corporation is a corporation as defined in subparagraph  
4 (a) (5) of section 102 (Definitions)[;], the purpose or purposes for  
5 which it is formed, and [the type of] WHETHER IT IS A CHARITABLE corpo-  
6 ration [it shall be] OR A NON-CHARITABLE CORPORATION under section 201  
7 (Purposes)[; and in the case of a Type C corporation, the lawful public  
8 or quasi-public objective which each business purpose will achieve].  
9 ANY CORPORATION MAY ALSO SET FORTH ANY ACTIVITIES THAT IT INTENDS TO  
10 CARRY OUT IN FURTHERANCE OF SUCH PURPOSE OR PURPOSES; PROVIDED THAT THIS  
11 SUBPARAGRAPH SHALL NOT BE INTERPRETED TO REQUIRE THAT THE CERTIFICATE OF  
12 INCORPORATION SET FORTH SUCH ACTIVITIES OR OTHERWISE STATE HOW THE  
13 CORPORATION'S PURPOSES WILL BE ACHIEVED.

14 (4) [In the case of a Type A, Type B, or Type C corporation, the] THE  
15 names and addresses of the initial directors. [In the case of a Type D  
16 corporation, the names and addresses of the initial directors, if any,  
17 may but need not be set forth.]

18 S 15. The section heading and paragraphs (b) and (d) of section 404 of  
19 the not-for-profit corporation law, the section heading and paragraph  
20 (d) as amended by chapter 139 of the laws of 1993, paragraph (b) as  
21 amended by section 4 of part D of chapter 58 of the laws of 2006, and  
22 paragraph (d) as relettered by chapter 431 of the laws of 1993, are  
23 amended to read as follows:

24 Approvals, NOTICES and consents.

25 (b) (1) Every certificate of incorporation which includes among its  
26 purposes the care of destitute, delinquent, abandoned, neglected or  
27 dependent children; the establishment or operation of any adult care  
28 facility, or the establishment or operation of a residential program for  
29 victims of domestic violence as defined in subdivision four of section  
30 four hundred fifty-nine-a of the social services law, or the placing-out  
31 or boarding-out of children or a home or shelter for unmarried mothers,  
32 excepting the establishment or maintenance of a hospital or facility  
33 providing health-related services as those terms are defined in article  
34 twenty-eight of the public health law and a facility for which an oper-  
35 ating certificate is required by articles sixteen, nineteen, twenty-two  
36 and thirty-one of the mental hygiene law; or the solicitation of  
37 contributions for any such purpose or purposes, shall have endorsed  
38 thereon or annexed thereto the approval of the commissioner of the  
39 office of children and family services or with respect to any adult care  
40 facility, the commissioner of health.

41 (2) A corporation whose statement of purposes specifically includes  
42 the establishment or operation of a child day care center, as that term  
43 is defined in section three hundred ninety of the social services law,  
44 shall provide a certified copy of the certificate of incorporation, each  
45 amendment thereto, and any certificate of merger, consolidation or  
46 dissolution involving such corporation to the office of children and  
47 family services within [thirty] TEN BUSINESS days after the filing of  
48 such certificate, amendment, merger, consolidation or dissolution with  
49 the department of state. This requirement shall also apply to any  
50 foreign corporation filing an application for authority under section  
51 thirteen hundred four of this chapter, any amendments thereto, and any  
52 surrender of authority or termination of authority in this state of such  
53 corporation.

54 (d) Every CORPORATION THE certificate of incorporation OF WHICH  
55 INCLUDES AMONG ITS PURPOSES THE OPERATION OF A SCHOOL, COLLEGE, UNIVER-  
56 SITY, LIBRARY, MUSEUM OR HISTORICAL SOCIETY SHALL HAVE ENDORSED THEREON

1 OR ANNEXED THERETO THE APPROVAL OF THE COMMISSIONER OF EDUCATION. ANY  
2 OTHER CORPORATION THE CERTIFICATE OF INCORPORATION OF which includes a  
3 purpose for which a corporation might be chartered by the regents of the  
4 university of the State of New York shall [have endorsed thereon or  
5 annexed thereto the consent of the commissioner of education.] PROVIDE A  
6 CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION TO THE COMMISSIONER  
7 OF EDUCATION WITHIN TEN BUSINESS DAYS AFTER THE CORPORATION RECEIVES  
8 CONFIRMATION FROM THE DEPARTMENT OF STATE THAT THE CERTIFICATE HAS BEEN  
9 ACCEPTED FOR FILING.

10 S 16. Paragraph (w) of section 404 of the not-for-profit corporation  
11 law is REPEALED.

12 S 17. The section heading and paragraph (a) of section 804 of the  
13 not-for-profit corporation law, as amended by chapter 139 of the laws of  
14 1993, and subparagraph (i) of paragraph (a) as amended by chapter 198 of  
15 the laws of 2010, are amended to read as follows:

16 Approvals, NOTICES and effect.

17 (a) (i) A certificate of amendment shall not be filed if the amendment  
18 adds, changes or eliminates a purpose, power or provision the inclusion  
19 of which in a certificate of incorporation requires consent or approval  
20 of a governmental body or officer or any other person or body, or if the  
21 amendment changes the name of a corporation whose certificate of incor-  
22 poration had such consent or approval endorsed thereon or annexed there-  
23 to, unless such consent or approval is no longer required or is endorsed  
24 on or annexed to the certificate of amendment. A CERTIFICATE OF AMEND-  
25 MENT ADDING, CHANGING OR ELIMINATING A PURPOSE, POWER OR PROVISION THE  
26 INCLUSION OF WHICH IN A CERTIFICATE OF INCORPORATION REQUIRES THE INCOR-  
27 PORATOR TO SEND SUCH CERTIFICATE TO A GOVERNMENTAL BODY OR OFFICER OR  
28 ANY OTHER PERSON OR BODY, OR IF THE AMENDMENT CHANGES THE NAME OF A  
29 CORPORATION WHOSE CERTIFICATE OF INCORPORATION WAS REQUIRED TO BE DELIV-  
30 ERED BY THE INCORPORATOR TO A GOVERNMENTAL BODY OR OFFICER OR ANY OTHER  
31 PERSON OR BODY, SHALL BE DELIVERED BY THE PERSON OR ENTITY FILING THE  
32 CERTIFICATE OF AMENDMENT WITHIN TEN BUSINESS DAYS AFTER THE CORPORATION  
33 RECEIVES CONFIRMATION FROM THE DEPARTMENT OF STATE THAT THE CERTIFICATE  
34 HAS BEEN ACCEPTED FOR FILING.

35 (ii) Every certificate of amendment of a CHARITABLE corporation [clas-  
36 sified as type B or type C under section 201 (Purposes)] which seeks to  
37 change or eliminate a purpose or power enumerated in the corporation's  
38 certificate of incorporation, or to add a power or purpose not enumer-  
39 ated therein, shall have endorsed thereon or annexed thereto the  
40 approval of EITHER (A) THE ATTORNEY GENERAL, OR (B) a justice of the  
41 supreme court of the judicial district in which the office of the corpo-  
42 ration is located. [Ten days' written notice of the application for such  
43 approval shall be given to the attorney-general] IF THE ATTORNEY GENERAL  
44 DOES NOT APPROVE A CERTIFICATE OF AMENDMENT SUBMITTED PURSUANT TO CLAUSE  
45 (A) OF THIS SUBPARAGRAPH THE CORPORATION MAY APPLY FOR APPROVAL OF THE  
46 AMENDMENT TO A JUSTICE OF THE SUPREME COURT OF THE JUDICIAL DISTRICT IN  
47 WHICH THE OFFICE OF THE CORPORATION IS LOCATED. ANY APPLICATION FOR  
48 APPROVAL OF A CERTIFICATE OF AMENDMENT BY THE SUPREME COURT PURSUANT TO  
49 THIS PARAGRAPH SHALL BE ON TEN DAYS' WRITTEN NOTICE TO THE ATTORNEY  
50 GENERAL.

51 S 18. Section 909 of the not-for-profit corporation law, as amended by  
52 section 6 of part D of chapter 58 of the laws of 2006, is amended to  
53 read as follows:

54 S 909. Consent to filing; NOTICES.

55 (A) If the purposes of any constituent or consolidated corporation  
56 would require the approval or consent of any governmental body or offi-

1 cer or any other person or body under section 404 (Approvals, NOTICES  
2 and consents) OF THIS CHAPTER no certificate of merger or consolidation  
3 shall be filed pursuant to this article unless such approval or consent  
4 is endorsed thereon or annexed thereto. A corporation whose statement of  
5 purposes specifically includes the establishment or operation of a child  
6 day care center, as that term is defined in section three hundred ninety  
7 of the social services law, shall provide a certified copy of any  
8 certificate of merger or consolidation involving such corporation to the  
9 office of children and family services within thirty days after the  
10 filing of such merger or consolidation with the department of state.

11 (B) IF THE PURPOSES OF ANY CONSTITUENT OR CONSOLIDATED CORPORATION  
12 WOULD REQUIRE THE CERTIFICATE OF INCORPORATION OR ANY OTHER NOTICE TO BE  
13 DELIVERED TO ANY PERSON OR ENTITY UNDER SECTION 404 (APPROVALS, NOTICES  
14 AND CONSENTS) OF THIS CHAPTER, THE CORPORATION SHALL PROVIDE TO SUCH  
15 PERSON OR ENTITY A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION  
16 WITHIN TEN BUSINESS DAYS AFTER THE CORPORATION RECEIVES CONFIRMATION  
17 FROM THE DEPARTMENT OF STATE THAT THE CERTIFICATE HAS BEEN ACCEPTED FOR  
18 FILING.

19 S 19. Paragraphs (a), (b) and (c) of section 103 of the not-for-profit  
20 corporation law, paragraph (a) as amended by chapter 807 of the laws of  
21 1973, paragraph (b) as amended by chapter 847 of the laws of 1970, and  
22 paragraph (c) as amended by chapter 961 of the laws of 1972, are amended  
23 to read as follows:

24 (a) Except as otherwise provided in this section, this chapter  
25 applies to every domestic corporation as herein defined, and to every  
26 foreign corporation as herein defined which is authorized to conduct or  
27 which conducts any activities in this state. This chapter also applies  
28 to any other domestic corporation or foreign corporation of any [type  
29 or] kind to the extent, if any, provided under this chapter or any law  
30 governing such corporation and, if no such provision for application is  
31 made, to the extent, if any, that the membership corporations law  
32 applied to such corporation as of the effective date of this chapter. A  
33 corporation formed by a special act of this state which has as its prin-  
34 cipal purpose an education purpose and which is a member of the univer-  
35 sity of the state of New York, is an "education corporation" under  
36 section two hundred sixteen-a of the education law.

37 To the extent that the membership corporations law or the general  
38 corporation law applied to it as of the effective date of this chapter,  
39 the corresponding provisions of this chapter apply to a corporation  
40 heretofore formed by or pursuant to a special act of this state other  
41 than a religious corporation or an "education corporation" under clause  
42 (b) of subdivision one of section two hundred sixteen-a of the education  
43 law, if (1) its principal purpose is a religious, charitable or educa-  
44 tion purpose, and (2) it is operated, supervised or controlled by or in  
45 connection with a religious organization. [Any such corporation may  
46 elect hereunder at any time after the effective date of this chapter to  
47 file a certificate of type under section one hundred thirteen (Certif-  
48 icate of type of not-for-profit corporation). Upon the filing of such  
49 certificate by the department of state, this chapter shall apply in all  
50 respects to such corporation.]

51 This chapter also applies to any other corporation of any [type or]  
52 kind, formed not for profit under any other chapter of the laws of this  
53 state except a chapter of the consolidated laws, to the extent that  
54 provisions of this chapter do not conflict with the provisions of such  
55 unconsolidated law. If an applicable provision of such unconsolidated  
56 law relates to a matter embraced in this chapter but is not in conflict

1 therewith, both provisions shall apply. Any corporation to which this  
2 chapter is made applicable by this paragraph shall be treated as a  
3 "corporation" or "domestic corporation" as such terms are used in this  
4 chapter, except that the purposes of any such corporation formed or  
5 formable under such unconsolidated law shall not thereby be extended.  
6 For the purpose of this paragraph, the effective date of this chapter as  
7 to corporations to which this chapter is made applicable by this para-  
8 graph shall be September one, nineteen hundred seventy-three.

9 (b) The general corporation law does not apply to a corporation of  
10 any [type or] kind to which this chapter applies. A reference in any  
11 statute of this state which makes a provision of the general corporation  
12 law applicable to a corporation of any [type or] kind to which this  
13 chapter is applicable or a reference in any statute of this state, other  
14 than the membership corporations law, which makes a provision of the  
15 membership corporations law applicable to a corporation of any [type or]  
16 kind shall be deemed and construed to refer to and make applicable the  
17 corresponding provision, if any, of this chapter.

18 (c) If any provision in articles one to thirteen inclusive of this  
19 chapter conflicts with a provision of any subsequent articles or of any  
20 special act under which a corporation to which this chapter applies is  
21 formed, the provision in such subsequent article or special act  
22 prevails. A provision of any such subsequent article or special act  
23 relating to a matter referred to in articles one to thirteen inclusive  
24 and not in conflict therewith is supplemental and both shall apply.  
25 Whenever the board of a [Type B] corporation, formed under a special  
26 act, reasonably makes an interpretation as to whether a provision of the  
27 special act or this chapter prevails, or both apply, such interpretation  
28 shall govern unless and until a court determines otherwise, if such  
29 board has acted in good faith for a purpose which it reasonably believes  
30 to be in the best interests of the corporation, provided however, that  
31 such interpretation shall not bind any governmental body or officer.

32 S 20. Subparagraphs 7, 8 and 9 of paragraph (a) of section 112 of the  
33 not-for-profit corporation law, subparagraphs 7 and 9 as amended by  
34 chapter 1058 of the laws of 1971, are amended to read as follows:

35 (7) To enforce any right given under this chapter to members, a  
36 director or an officer of a [Type B or Type C] CHARITABLE corporation.  
37 The attorney-general shall have the same status as such members, direc-  
38 tor or officer.

39 (8) [To compel the directors and officers, or any of them, of a Type B  
40 or Type C corporation which has been dissolved under section 1011  
41 (Dissolution for failure to file certificate of type of Not-for-Profit  
42 Corporation Law under section 113) to account for the assets of the  
43 dissolved corporation.

44 (9)] Upon application, ex parte, for an order to the supreme court at  
45 a special term held within the judicial district where the office of the  
46 corporation is located, and if the court so orders, to enforce any right  
47 given under this chapter to members, a director or an officer of a [Type  
48 A corporation] NON-CHARITABLE CORPORATION. For such purpose, the attor-  
49 ney-general shall have the same status as such members, director or  
50 officer.

51 S 21. Subparagraph 1 of paragraph (c) of section 112 of the not-for-  
52 profit corporation law is amended to read as follows:

53 (1) As used in this paragraph the term "resident" shall include indi-  
54 viduals, domestic corporations of any [type or] kind and foreign corpo-  
55 rations of any [type or] kind authorized to do business or carry on  
56 activities in the state.

1 S 22. Section 114 of the not-for-profit corporation law, as added by  
2 chapter 847 of the laws of 1970, is amended to read as follows:

3 S 114. Visitation of supreme court.

4 [Type B and Type C] CHARITABLE corporations, whether formed under  
5 general or special laws, with their books and vouchers, shall be subject  
6 to the visitation and inspection of a justice of the supreme court, or  
7 of any person appointed by the court for that purpose. If it appears by  
8 the verified petition of a member, DIRECTOR, OFFICER or creditor of any  
9 such corporation ON NOTICE TO THE ATTORNEY GENERAL, that it, or its  
10 directors, officers, MEMBERS, KEY EMPLOYEES or agents, have misappropri-  
11 ated any of the funds or property of the corporation, or diverted them  
12 from the purpose of its incorporation, or that the corporation has  
13 acquired property in excess of the amount which it is authorized by law  
14 to hold, or has engaged in any business other than that stated in its  
15 certificate of incorporation, the court may order that notice of at  
16 least eight days, with a copy of the petition, be served on the corpo-  
17 ration and the persons charged with misconduct, requiring them to show  
18 cause at a time and place specified, why they should not be required to  
19 make and file an inventory and account of the property, effects and  
20 liabilities of such corporation with a detailed statement of its trans-  
21 actions during the twelve months next preceding the granting of such  
22 order. On the hearing of such application, the court may make an order  
23 requiring such inventory, account and statement to be filed, and proceed  
24 to take and state an account of the property and liabilities of the  
25 corporation, or may appoint a referee for that purpose. When such  
26 account is taken and stated, after hearing all the parties to the appli-  
27 cation, the court may enter a final order determining the amount of  
28 property so held by the corporation, its annual income, whether any of  
29 the property or funds of the corporation have been misappropriated or  
30 diverted to any other purpose than that for which such corporation was  
31 incorporated, and whether such corporation has been engaged in any  
32 activity not covered by its certificate of incorporation. An appeal may  
33 be taken from the order by any party aggrieved to the appellate division  
34 of the supreme court, and to the court of appeals, as in a civil action.  
35 No corporation shall be required to make and file more than one invento-  
36 ry and account in any one year, nor to make a second account and inven-  
37 tory, while proceedings are pending for the statement of an account  
38 under this section.

39 S 23. Subparagraphs 2 and 3 of paragraph (a) of section 301 of the  
40 not-for-profit corporation law, subparagraph 2 as amended by chapter 344  
41 of the laws of 2004, are amended to read as follows:

42 (2) (A) Shall be such as to distinguish it from the names of corpo-  
43 rations of any [type or] kind, or a fictitious name of an authorized  
44 foreign corporation filed pursuant to article thirteen of this chapter,  
45 as such names appear on the index of names of existing domestic and  
46 authorized foreign corporations of any [type or] kind, including ficti-  
47 tious names of authorized foreign corporations filed pursuant to article  
48 thirteen of this chapter, in the department of state, division of corpo-  
49 rations, or a name the right to which is reserved.

50 (B) Shall be such as to distinguish it from (i) the names of domestic  
51 limited liability companies, (ii) the names of authorized foreign limit-  
52 ed liability companies, (iii) the fictitious names of authorized foreign  
53 limited liability companies, (iv) the names of domestic limited partner-  
54 ships, (v) the names of authorized foreign limited partnerships, or (vi)  
55 the fictitious names of authorized foreign limited partnerships, in each  
56 case, as such names appear on the index of names of existing domestic

1 and authorized foreign limited liability companies, including fictitious  
2 names of authorized foreign limited liability companies, in the depart-  
3 ment of state, or on the index of names of existing domestic or author-  
4 ized foreign limited partnerships, including fictitious names of author-  
5 ized foreign limited partnerships, in the department of state, or names  
6 the rights to which are reserved; provided, however, that no corporation  
7 that was formed prior to the effective date of this clause and no  
8 foreign corporation that was qualified to conduct activities in this  
9 state prior to such effective date shall be required to change the name  
10 or fictitious name it had on such effective date solely by reason of  
11 such name or fictitious name being indistinguishable from the name or  
12 fictitious name of any domestic or authorized foreign limited liability  
13 company or limited partnership or from any name the right to which is  
14 reserved by or on behalf of any domestic or foreign limited liability  
15 company or limited partnership.

16 (3) Shall not contain any word or phrase, or any abbreviation or  
17 derivative thereof, the use of which is prohibited or restricted by  
18 section 404 (Approvals, NOTICES and consents) or any other statute of  
19 this state, unless in the latter case the restrictions have been  
20 complied with.

21 S 24. Subparagraph 3 of paragraph (b) of section 302 of the not-for-  
22 profit corporation law, as amended by chapter 847 of the laws of 1970,  
23 is amended to read as follows:

24 (3) Shall not prevent a foreign corporation from being authorized  
25 under a name which is similar to the name of a corporation of any [type  
26 or] kind existing or authorized under any statute, if the department of  
27 state finds, upon proof by affidavit or otherwise as it may determine,  
28 that a difference between such names exists in the terms or abbrevi-  
29 ations indicating corporate character or otherwise, that the applicant  
30 has conducted activities as a corporation under its said name for not  
31 less than ten consecutive years immediately prior to the date of its  
32 application, that the activities to be conducted in this state are not  
33 the same or similar to the business or activities conducted by the  
34 corporation with whose name it may conflict and that the public is not  
35 likely to be confused or deceived, and if the applicant shall agree in  
36 its application for authority to use with its corporate name, in this  
37 state, to be placed immediately under or following such name, the words  
38 "a ..... (name of jurisdiction of incorporation) corporation".

39 S 25. Paragraph (c) of section 303 of the not-for-profit corporation  
40 law, as amended by chapter 590 of the laws of 1982, is amended to read  
41 as follows:

42 (c) Application to reserve a corporate name shall be delivered to the  
43 department of state. It shall set forth the name and address of the  
44 applicant, the name to be reserved and a statement of the basis under  
45 paragraph (a) or (b) for the application. The secretary of state may  
46 require the applicant to set forth in his application the nature of the  
47 activities to be conducted by the corporation. If the name is available  
48 for corporate use, the department of state shall reserve the name for  
49 the use of the applicant for a period of sixty days and issue a certif-  
50 icate of reservation. The prohibitions, restrictions and qualifications  
51 set forth in section 301 (Corporate name; general), section 302 (Corpo-  
52 rate name; exceptions) and section 404 (Approvals, NOTICES and consents)  
53 are not waived by the issuance of a certificate of reservation. The  
54 certificate of reservation shall include the name of the applicant, the  
55 name reserved and the date of the reservation. The certificate of reser-  
56 vation (or in lieu thereof an affidavit by the applicant or by his agent

1 or attorney that the certificate of reservation has been lost or  
2 destroyed) shall accompany the certificate of incorporation or the  
3 application for authority when either is delivered to the department of  
4 state.

5 S 26. Paragraph (a) of section 305 of the not-for-profit corporation  
6 law, as amended by chapter 131 of the laws of 1985, is amended to read  
7 as follows:

8 (a) Every domestic corporation or authorized foreign corporation may  
9 designate a registered agent in this state upon whom process against  
10 such corporation may be served. The agent shall be a natural person who  
11 is a resident of or has a business address in this state or a domestic  
12 corporation or foreign corporation of any [type or] kind formed, or  
13 authorized to do business in this state, under this chapter or under any  
14 other statute of this state.

15 S 27. Paragraph (d) of section 502 of the not-for-profit corporation  
16 law is amended to read as follows:

17 (d) A member's capital contribution shall be evidenced by a capital  
18 certificate which shall be non-transferable, except that the certificate  
19 of incorporation of a [Type A] NON-CHARITABLE corporation may provide  
20 that its capital certificates, or some of them, may be transferable to  
21 other members with the consent of the corporation upon specified terms  
22 and conditions.

23 S 28. Paragraphs (b) and (c) of section 503 of the not-for-profit  
24 corporation law, subparagraph 1 of paragraph (b) and paragraph (c) as  
25 amended by chapter 847 of the laws of 1970, are amended to read as  
26 follows:

27 (b) Each capital certificate shall when issued state upon the face  
28 thereof:

29 (1) [That the corporation is a Type ..... corporation under section  
30 113 or section 402 of the New York Not-for-Profit Corporation Law.

31 (2)] The name of the member to whom issued.

32 [(3)] (2) The amount of the member's capital contribution evidenced by  
33 such certificate.

34 [(4)] (3) If appropriate, that the corporation is a [Type A] NON-CHAR-  
35 ITABLE corporation, and that its certificate of incorporation provides  
36 that the capital certificate is transferable to other members with the  
37 consent of the corporation.

38 [(c)] (4) The fact that the corporation is a not-for-profit corpo-  
39 ration, and that the capital certificate is non-transferable or is  
40 transferable to other members, with the consent of the corporation,  
41 shall be noted conspicuously on the face or back of each such certif-  
42 icate.

43 S 29. Paragraph (b) of section 505 of the not-for-profit corporation  
44 law, subparagraph 1 as amended by chapter 847 of the laws of 1970, is  
45 amended to read as follows:

46 (b) Each subvention certificate shall when issued state upon the face  
47 thereof:

48 (1) [That the corporation is a Type ..... corporation under section  
49 113 or section 402 of the New York Not-for-Profit Corporation Law.

50 (2)] The name of the person or persons to whom issued.

51 [(3)] (2) The amount of the subvention evidenced by such certificate.

52 [(4)] (3) The amount of the periodic payment thereon, if any, author-  
53 ized by the resolution of the board.

54 [(5)] (4) If appropriate, that the certificate is redeemable and a  
55 summary of the conditions for redemption at the option of the corpo-  
56 ration or of the holder.



1 [(6)] (5) If appropriate, that the certificate is transferable, either  
2 at will or subject to specified restrictions.

3 S 30. Paragraph (a) of section 510 of the not-for-profit corporation  
4 law, the opening paragraph as amended by chapter 961 of the laws of  
5 1972, subparagraph 3 as amended by chapter 847 of the laws of 1970, is  
6 amended to read as follows:

7 (a) A sale, lease, exchange or other disposition of all, or substan-  
8 tially all, the assets of a corporation may be made upon such terms and  
9 conditions and for such consideration, which may consist in whole or in  
10 part of cash or other property, real or personal, including shares,  
11 bonds or other securities of any other domestic or foreign corporation  
12 or corporations of any [type or] kind, as may be authorized in accord-  
13 ance with the following procedure:

14 (1) If there are members entitled to vote thereon, the board shall  
15 adopt a resolution recommending such sale, lease, exchange or other  
16 disposition. The resolution shall specify the terms and conditions of  
17 the proposed transaction, including the consideration to be received by  
18 the corporation and the eventual disposition to be made of such consid-  
19 eration, together with a statement that the dissolution of the corpo-  
20 ration is or is not contemplated thereafter. The resolution shall be  
21 submitted to a vote at a meeting of members entitled to vote thereon,  
22 which may be either an annual or a special meeting. Notice of the meet-  
23 ing shall be given to each member and each holder of subvention certif-  
24 icates or bonds of the corporation, whether or not entitled to vote. At  
25 such meeting by two-thirds vote as provided in paragraph (c) of section  
26 613 (Vote of members) the members may approve the proposed transaction  
27 according to the terms of the resolution of the board, or may approve  
28 such sale, lease, exchange or other disposition and may authorize the  
29 board to modify the terms and conditions thereof.

30 (2) If there are no members entitled to vote thereon, such sale,  
31 lease, exchange or other disposition shall be authorized by the vote of  
32 at least two-thirds of the entire board, provided that if there are  
33 twenty-one or more directors, the vote of a majority of the entire board  
34 shall be sufficient.

35 (3) If the corporation is, or would be if formed under this chapter,  
36 classified as a [Type B or Type C] CHARITABLE corporation under section  
37 201[,] (Purposes) such sale, lease, exchange or other disposition shall  
38 in addition require [leave] APPROVAL of the supreme court in the judi-  
39 cial district or of the county court of the county in which the corpo-  
40 ration has its office or principal place of carrying out the [puropses]  
41 PURPOSES for which it was formed IN ACCORDANCE WITH SECTION 511 (PETI-  
42 TION FOR LEAVE OF COURT) OF THIS ARTICLE.

43 S 31. Paragraph (a) of section 513 of the not-for-profit corporation  
44 law, as amended by chapter 690 of the laws of 1978, is amended to read  
45 as follows:

46 (a) A corporation which is, or would be if formed under this chapter,  
47 [classified as] a [Type B] CHARITABLE corporation shall hold full owner-  
48 ship rights in any assets consisting of funds or other real or personal  
49 property of any kind, that may be given, granted, bequeathed or devised  
50 to or otherwise vested in such corporation in trust for, or with a  
51 direction to apply the same to, any purpose specified in its certificate  
52 of incorporation, and shall not be deemed a trustee of an express trust  
53 of such assets. Any other corporation subject to this chapter may simi-  
54 larly hold assets so received, unless otherwise provided by law or in  
55 the certificate of incorporation.

1 S 32. Paragraph (a) of section 601 of the not-for-profit corporation  
2 law, as amended by chapter 1058 of the laws of 1971, is amended to read  
3 as follows:

4 (a) A corporation shall have one or more classes of members, or, in  
5 the case of a [Type B] CHARITABLE corporation, may have no members, in  
6 which case any such provision for classes of members or for no members  
7 shall be set forth in the certificate of incorporation or the by-laws.  
8 Corporations, joint-stock associations, unincorporated associations and  
9 partnerships, as well as any other person without limitation, may be  
10 members.

11 S 33. Section 716 of the not-for-profit corporation law, as amended by  
12 chapter 644 of the laws of 1971, is amended to read as follows:

13 S 716. Loans to directors and officers.

14 No loans, other than through the purchase of bonds, debentures, or  
15 similar obligations of the type customarily sold in public offerings, or  
16 through ordinary deposit of funds in a bank, shall be made by a corpo-  
17 ration to its directors or officers, or to any other corporation, firm,  
18 association or other entity in which one or more of its directors or  
19 officers are directors or officers or hold a substantial financial  
20 interest, except a loan by one [type B] CHARITABLE corporation to another  
21 [type B] CHARITABLE corporation. A loan made in violation of this  
22 section shall be a violation of the duty to the corporation of the  
23 directors or officers authorizing it or participating in it, but the  
24 obligation of the borrower with respect to the loan shall not be  
25 affected thereby.

26 S 34. Paragraphs (a) and (c) of section 722 of the not-for-profit  
27 corporation law, as amended by chapter 368 of the laws of 1987, are  
28 amended to read as follows:

29 (a) A corporation may indemnify any person, made, or threatened to be  
30 made, a party to an action or proceeding other than one by or in the  
31 right of the corporation to procure a judgment in its favor, whether  
32 civil or criminal, including an action by or in the right of any other  
33 corporation of any [type or] kind, domestic or foreign, or any partner-  
34 ship, joint venture, trust, employee benefit plan or other enterprise,  
35 which any director or officer of the corporation served in any capacity  
36 at the request of the corporation, by reason of the fact that he, his  
37 testator or intestate, was a director or officer of the corporation, or  
38 served such other corporation, partnership, joint venture, trust,  
39 employee benefit plan or other enterprise in any capacity, against judg-  
40 ments, fines, amounts paid in settlement and reasonable expenses,  
41 including attorneys' fees actually and necessarily incurred as a result  
42 of such action or proceeding, or any appeal therein, if such director or  
43 officer acted, in good faith, for a purpose which he reasonably believed  
44 to be in, or, in the case of service for any other corporation or any  
45 partnership, joint venture, trust, employee benefit plan or other enter-  
46 prise, not opposed to, the best interests of the corporation and, in  
47 criminal actions or proceedings, in addition, had no reasonable cause to  
48 believe that his conduct was unlawful.

49 (c) A corporation may indemnify any person made, or threatened to be  
50 made, a party to an action by or in the right of the corporation to  
51 procure a judgment in its favor by reason of the fact that he, his  
52 testator or intestate, is or was a director or officer of the corpo-  
53 ration, or is or was serving at the request of the corporation as a  
54 director or officer of any other corporation of any [type or] kind,  
55 domestic or foreign, of any partnership, joint venture, trust, employee  
56 benefit plan or other enterprise, against amounts paid in settlement and

1 reasonable expenses, including attorneys' fees, actually and necessarily  
2 incurred by him in connection with the defense or settlement of such  
3 action, or in connection with an appeal therein, if such director or  
4 officer acted, in good faith, for a purpose which he reasonably believed  
5 to be in, or, in the case of service for any other corporation or any  
6 partnership, joint venture, trust, employee benefit plan or other enter-  
7 prise, not opposed to, the best interests of the corporation, except  
8 that no indemnification under this paragraph shall be made in respect of  
9 (1) a threatened action, or a pending action which is settled or other-  
10 wise disposed of, or (2) any claim, issue or matter as to which such  
11 person shall have been adjudged to be liable to the corporation, unless  
12 and only to the extent that the court in which the action was brought,  
13 or, if no action was brought, any court of competent jurisdiction,  
14 determines upon application that, in view of all the circumstances of  
15 the case, the person is fairly and reasonably entitled to indemnity for  
16 such portion of the settlement amount and expenses as the court deems  
17 proper.

18 S 35. Subparagraph 3 of paragraph (a) of section 803 of the not-for-  
19 profit corporation law, as amended by chapter 168 of the laws of 1982,  
20 is amended to read as follows:

21 (3) That the corporation is a corporation as defined in subparagraph  
22 (a) (5) of section 102 (Definitions)[; the type of corporation it is  
23 under section 201 (Purposes); and if the corporate purposes are  
24 enlarged, limited or otherwise changed, the type of corporation it shall  
25 thereafter be under section 201].

26 S 36. Paragraphs (a) and (f) of section 908 of the not-for-profit  
27 corporation law are amended to read as follows:

28 (a) One or more domestic or foreign corporations which is, or would be  
29 if formed under this chapter, a NON-CHARITABLE CORPORATION, OR ANY  
30 CORPORATION FORMED AS A type A or [type] C corporation [under section  
31 201 (Purposes)] PRIOR TO JANUARY FIRST, TWO THOUSAND FOURTEEN, may be  
32 merged or consolidated into a domestic or foreign corporation which is,  
33 or would be if formed under the laws of this state, a corporation formed  
34 under the business corporation law of this state if such merger or  
35 consolidation is not contrary to the law of the state of incorporation  
36 of any constituent corporation. With respect to such merger or consol-  
37 idation, any reference in paragraph (b) of section 901 (POWER OF MERGER  
38 OR CONSOLIDATION) of this article or paragraph (b) of section 901 (POWER  
39 OF MERGER OR CONSOLIDATION) of the business corporation law to a corpo-  
40 ration shall, unless the context otherwise requires, include both domes-  
41 tic and foreign corporations.

42 (f) Where any constituent corporation is, or would be if formed under  
43 this chapter, a [Type C] CHARITABLE corporation [under section 201  
44 (Purposes)], no certificate shall be filed pursuant to this section  
45 until an order approving the plan of merger or consolidation and author-  
46 izing the filing of the certificate has been made by the supreme court,  
47 as provided in section 907 (Approval by the supreme court) OF THIS ARTI-  
48 CLE.

49 S 37. Paragraphs (b) and (d) of section 1001 of the not-for-profit  
50 corporation law, as amended by chapter 434 of the laws of 2006, are  
51 amended to read as follows:

52 (b) If the corporation is a [Type B, C or D] CHARITABLE corporation  
53 and has no assets to distribute and no liabilities at the time of  
54 dissolution, the plan of dissolution shall include a statement to that  
55 effect.

1 (d) If the corporation has assets to distribute or liabilities, the  
2 plan of dissolution shall contain:

3 (1) a description with reasonable certainty of the assets of the  
4 corporation and their fair value, and the total amount of debts and  
5 other liabilities incurred or estimated by the corporation, including  
6 the total amount of any accounting and legal fees incurred or estimated,  
7 in connection with the dissolution procedure.

8 (2) a statement as to whether any gifts or other assets are legally  
9 required to be used for a particular purpose.

10 (3) if there are assets received and held by the corporation either  
11 for a CHARITABLE purpose [specified as Type B in paragraph (b) of  
12 section 201 (Purposes)] or which are legally required to be used for a  
13 particular purpose, a statement that the assets owned by the corpo-  
14 ration, subject to any unpaid liabilities of the corporation, shall be  
15 distributed as required by any gift instrument or to a charitable organ-  
16 ization or organizations exempt from taxation pursuant to federal and  
17 state laws and engaged in activities substantially similar to those of  
18 the dissolved corporation. Each such recipient organization shall be  
19 identified and the governing instrument and amendments thereto of each  
20 of the proposed recipient organizations shall be annexed to such state-  
21 ment, along with the MOST RECENT financial [reports] REPORT of each  
22 recipient organization for the last three years and a sworn affidavit  
23 from a director and officer of each recipient organization stating the  
24 purposes of the organization, and that it is currently exempt from  
25 federal income taxation.

26 (4) if any of the assets of the corporation are to be distributed to a  
27 recipient for a particular legally required purpose, an agreement by the  
28 recipient to apply the assets received only for such purpose shall be  
29 included.

30 S 38. Paragraphs (a) and (d) of section 1002 of the not-for-profit  
31 corporation law, as amended by chapter 434 of the laws of 2006, are  
32 amended to read as follows:

33 (a) Upon adopting a plan of dissolution and distribution of assets,  
34 the board shall submit it to a vote of the members, if any, and such  
35 plan shall be approved at a meeting of members by two-thirds vote as  
36 provided in paragraph (c) of section 613 (Vote of members) OF THIS CHAP-  
37 TER; provided, however, that if the corporation is a [Type B, C or D]  
38 CHARITABLE corporation, other than a corporation incorporated pursuant  
39 to article 15 (Public cemetery corporations) OF THIS CHAPTER, [and has  
40 no assets to distribute, other than a reserve not to exceed twenty-five  
41 thousand dollars for the purpose of paying ordinary and necessary  
42 expenses of winding up its affairs including attorney and accountant  
43 fees, and liabilities not in excess of ten thousand dollars at the time  
44 of adoption of the plan of dissolution,] the vote required by the corpo-  
45 ration's board of directors for adoption of the plan of dissolution of  
46 such a corporation or by the corporation's members for the authorization  
47 thereof shall be:

48 (1) In the case of a vote by the board of directors: (i) the number of  
49 directors required under the certificate of incorporation, by-laws, this  
50 chapter and any other applicable law; or

51 (ii) if the number of directors actually holding office as such at the  
52 time of the vote to adopt the plan is less than the number required to  
53 constitute a quorum of directors under the certificate of incorporation,  
54 the by-laws, this chapter or any other applicable law, the remaining  
55 directors unanimously;

1 (2) In the case of a vote by the members, (i) the number of members  
2 required under the certificate of incorporation, by-laws, this chapter  
3 and any other applicable law; or (ii) by the vote of members authorized  
4 by an order of the supreme court pursuant to section 608 (QUORUM AT  
5 MEETING OF MEMBERS) of this chapter permitting the corporation to  
6 dispense with the applicable quorum requirement.

7 Notice of a special or regular meeting of the board of directors or of  
8 the members entitled to vote on adoption and authorization or approval  
9 of the plan of dissolution shall be sent to all the directors and  
10 members of record entitled to vote. Unless otherwise directed by order  
11 of the supreme court pursuant to section 608 (QUORUM AT MEETING OF  
12 MEMBERS) of this chapter, the notice shall be sent by certified mail,  
13 return receipt requested, to the last known address of record of each  
14 director and member not fewer than thirty, and not more than sixty days  
15 before the date of each meeting provided, however, that if the last  
16 known address of record of any director or member is not within the  
17 United States, the notice to such director shall be sent by any other  
18 reasonable means.

19 (d) (1) The plan of dissolution and distribution of assets shall have  
20 annexed thereto the approval of [a justice of the supreme court in the  
21 judicial district in which the office of the corporation is located] THE  
22 ATTORNEY GENERAL in the case of a [Type B, C or D] CHARITABLE corpo-  
23 ration, and in the case of any [other] NON-CHARITABLE corporation which  
24 [holds assets] at the time of dissolution HOLDS ASSETS legally required  
25 to be used for a particular purpose[, except that no such approval shall  
26 be required with respect to the plan of dissolution of a corporation,  
27 other than a corporation incorporated pursuant to article 15 (Public  
28 cemetery corporations), which has no assets to distribute at the time of  
29 dissolution, other than a reserve not to exceed twenty-five thousand  
30 dollars for the purpose of paying ordinary and necessary expenses of  
31 winding up its affairs including attorney and accountant fees, and  
32 liabilities not in excess of ten thousand dollars, and which has  
33 complied with the requirements of section 1001 (Plan of dissolution and  
34 distribution of assets) and this section applicable to such a corpo-  
35 ration].

36 (2) Application to the [supreme court for an order] ATTORNEY GENERAL  
37 for such approval shall be by verified petition, with the plan of  
38 dissolution and distribution of assets and certified copies of the  
39 consents prescribed by this section annexed thereto[, and upon ten days  
40 written notice to the attorney general accompanied by copies of such  
41 petition, plan and consents. In such case where approval of a justice of  
42 the supreme court is not required for a Type B, C or D corporation, a  
43 copy of such plan certified under penalties of perjury shall be filed  
44 with the attorney general within ten days after its authorization].

45 (3) THE ATTORNEY GENERAL MAY APPROVE THE PETITION IF THE CORPORATION  
46 HAS ADOPTED A PLAN IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 1001  
47 (PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS) OF THIS ARTICLE, AND  
48 ANY OTHER REQUIREMENTS IMPOSED BY LAW OR RULE. IF THE ATTORNEY GENERAL  
49 DOES NOT APPROVE THE PETITION, OR THE ATTORNEY GENERAL CONCLUDES, IN HIS  
50 OR HER DISCRETION, THAT COURT REVIEW OF THE PETITION IS APPROPRIATE, THE  
51 CORPORATION MAY APPLY FOR APPROVAL TO THE SUPREME COURT IN THE JUDICIAL  
52 DISTRICT IN WHICH THE PRINCIPAL OFFICE OF THE SURVIVING OR CONSOLIDATED  
53 CORPORATION IS TO BE LOCATED, OR IN WHICH THE OFFICE OF ONE OF THE  
54 DOMESTIC CONSTITUENT CORPORATIONS IS LOCATED, FOR AN ORDER DISSOLVING  
55 THE CORPORATION. APPLICATION TO THE SUPREME COURT FOR AN ORDER FOR SUCH  
56 APPROVAL SHALL BE BY VERIFIED PETITION UPON TEN DAYS WRITTEN NOTICE TO

1 THE ATTORNEY GENERAL, AND SHALL INCLUDE ALL INFORMATION REQUIRED TO BE  
2 INCLUDED IN THE APPLICATION TO THE ATTORNEY GENERAL PURSUANT TO THIS  
3 SECTION.

4 S 39. Paragraphs (a) and (b) of section 1003 of the not-for-profit  
5 corporation law, as amended by chapter 434 of the laws of 2006, are  
6 amended to read as follows:

7 (a) After the plan of dissolution and distribution of assets has been  
8 adopted, authorized, approved and carried out pursuant to the terms of  
9 the plan within the time period set forth pursuant to section 1002-a  
10 (Carrying out the plan of dissolution and distribution of assets), a  
11 certificate of dissolution, entitled "Certificate of dissolution  
12 of ..... (name of corporation) under section 1003 of the Not-for-Pro-  
13 fit Corporation Law" shall be signed and, if required pursuant to  
14 subparagraph two of paragraph (b) of this section, after the attorney  
15 general has affixed thereon his or her consent to the dissolution, such  
16 certificate of dissolution shall be delivered to the department of  
17 state. It shall set forth:

18 (1) The name of the corporation and, if its name has been changed, the  
19 name under which it was formed.

20 (2) The date its certificate of incorporation was filed by the depart-  
21 ment of state.

22 (3) The name and address of each of its officers and directors.

23 (4) [The type of corporation it is at the time of dissolution] A  
24 STATEMENT AS TO WHETHER THE CORPORATION IS A CHARITABLE CORPORATION OR A  
25 NON-CHARITABLE CORPORATION.

26 (5) A statement as to whether or not the corporation holds assets at  
27 the time of authorization of its plan of dissolution and distribution of  
28 assets as provided in section 1002 of this article (Authorization of  
29 plan) which are legally required to be used for a particular purpose.

30 (6) That the corporation elects to dissolve.

31 (7) The manner in which the dissolution was authorized. If the dissol-  
32 ution of the corporation is authorized by a vote of the directors and/or  
33 members of the corporation that is less than that ordinarily required by  
34 the certificate of incorporation, the by-laws, this chapter or any other  
35 applicable law, as permitted by paragraph (a) of section 1002 (Authori-  
36 zation of plan) OF THIS ARTICLE, then the certificate of dissolution  
37 shall so state.

38 (8) A statement that prior to delivery of such certificate of dissol-  
39 ution to the department of state for filing, the plan of dissolution and  
40 distribution of assets has been approved by THE ATTORNEY GENERAL OR BY a  
41 justice of the supreme court, if such approval is required PURSUANT TO  
42 SECTION 1002 (AUTHORIZATION OF PLAN) OF THIS ARTICLE. A copy of the  
43 order shall be attached to the certificate of dissolution. In the case  
44 of a corporation, other than a corporation incorporated pursuant to  
45 article 15 (Public cemetery corporations), having no assets to distrib-  
46 ute, other than a reserve not to exceed twenty-five thousand dollars for  
47 the purpose of paying ordinary and necessary expenses of winding up its  
48 affairs including attorney and accountant fees, and liabilities not in  
49 excess of ten thousand dollars at the time of dissolution, a statement  
50 that a copy of the plan of dissolution which contains the statement  
51 prescribed by paragraph (b) of section 1001 (Plan of dissolution and  
52 distribution of assets) has been duly filed with the attorney general,  
53 if required.

54 (b) Such certificate of dissolution shall have [indorsed] ENDORSED  
55 thereon or annexed thereto the approval of the dissolution:

1 (1) By a governmental body or officer, if such approval is required. A  
2 corporation whose statement of purposes specifically includes the estab-  
3 lishment or operation of a child day care center, as that term is  
4 defined in section three hundred ninety of the social services law,  
5 shall provide a certified copy of any certificate of dissolution involv-  
6 ing such corporation to the office of children and family services with-  
7 in thirty days after the filing of such dissolution with the department  
8 of state.

9 (2) By the attorney general in the case of a [Type B, C or D] CHARITA-  
10 BLE corporation, or any other corporation that holds assets at the time  
11 of dissolution legally required to be used for a particular purpose.

12 S 40. Subparagraph 15 of paragraph (a) of section 1008 of the not-for-  
13 profit corporation law, as amended by chapter 434 of the laws of 2006,  
14 is amended to read as follows:

15 (15) Where assets were received and held by the corporation either for  
16 a CHARITABLE purpose [specified as Type B in paragraph (b) of section  
17 201 (Purposes),] or [were] legally required to be used for a particular  
18 purpose, the distribution of such assets to one or more domestic or  
19 foreign corporations or other organizations engaged in activities  
20 substantially similar to those of the dissolved corporation, on notice  
21 to the attorney general and to such other persons, and in such manner,  
22 as the court may deem proper.

23 S 41. Subparagraph 6 of paragraph (a) of section 1012 of the not-for-  
24 profit corporation law, as amended by chapter 726 of the laws of 2005,  
25 is amended to read as follows:

26 (6) That[, under section 201 (Purposes),] it is a [Type .....  
27 (Insert A, B, C or D) not-for-profit] CHARITABLE corporation OR A  
28 NON-CHARITABLE CORPORATION, AS APPLICABLE.

29 S 42. Section 1302 of the not-for-profit corporation law, as amended  
30 by chapter 847 of the laws of 1970, is amended to read as follows:

31 S 1302. Application to existing authorized foreign corporations.

32 Every foreign corporation which on the effective date of this chapter  
33 is authorized to conduct activities in this state under a certificate of  
34 authority heretofore issued to it by the secretary of state shall  
35 continue to have such authority. Such foreign corporation, its members,  
36 directors, and officers shall have the same rights, franchises, and  
37 privileges and shall be subject to the same limitations, restrictions,  
38 liabilities, and penalties as a foreign corporation authorized under  
39 this chapter, its members, directors, and officers respectively. A  
40 foreign corporation may by amendment to its certificate of authority set  
41 forth [the type of] WHETHER IT IS A CHARITABLE corporation [it is under  
42 section 201 (Purposes);] OR A NON-CHARITABLE CORPORATION and in the  
43 absence of such amendment an authorized foreign corporation shall be a  
44 [Type B] CHARITABLE corporation. Reference in this chapter to an appli-  
45 cation for authority shall, unless the context otherwise requires,  
46 include the statement and designation and any amendment thereof required  
47 to be filed by the secretary of state under prior statutes to obtain a  
48 certificate of authority.

49 S 43. Subparagraph 4 of paragraph (a) of section 1304 of the not-for-  
50 profit corporation law, as amended by chapter 847 of the laws of 1970  
51 and as renumbered by chapter 590 of the laws of 1982, is amended to read  
52 as follows:

53 (4) That the corporation is a foreign corporation as defined in  
54 subparagraph [(a)] (7) OF PARAGRAPH (A) of section 102 (Definitions)[;  
55 the type of] OF THIS CHAPTER, WHETHER IT WOULD BE A CHARITABLE corpo-  
56 ration [it shall be under section 201 (Purposes); a statement] OR

1 NON-CHARITABLE CORPORATION IF FORMED IN THIS STATE; A STATEMENT of its  
2 purposes to be pursued in this state and of the activities which it  
3 proposes to conduct in this state; AND a statement that it is authorized  
4 to conduct those activities in the jurisdiction of its incorporation[;  
5 and in the case of a Type C corporation, the lawful public or quasi-  
6 public objective which each business purpose will achieve].

7 S 44. Paragraph (c) of section 1304 of the not-for-profit corporation  
8 law is amended, and a new paragraph (d) is added to read as follows:

9 (c) If the application for authority sets forth any purpose or activ-  
10 ity for which a domestic corporation could be formed only with the  
11 consent or approval of any governmental body or officer, or other person  
12 or body under section 404 (Approvals, NOTICES and consents) OF THIS  
13 CHAPTER, such consent or approval shall be endorsed thereon or annexed  
14 thereto.

15 (D) IF THE APPLICATION FOR AUTHORITY SETS FORTH ANY PURPOSE OR ACTIV-  
16 ITY REQUIRING A DOMESTIC CORPORATION TO PROVIDE NOTICE OF THE FILING OF  
17 A CERTIFICATE OF INCORPORATION TO ANY PERSON OR ENTITY UNDER SECTION 404  
18 (APPROVALS, NOTICES AND CONSENTS), THEN THE CORPORATION SHALL PROVIDE A  
19 CERTIFIED COPY OF THE CERTIFICATE OF AUTHORITY TO SUCH PERSON OR ENTITY  
20 WITHIN TEN BUSINESS DAYS AFTER THE CORPORATION RECEIVES CONFIRMATION  
21 FROM THE DEPARTMENT OF STATE THAT THE CERTIFICATE HAS BEEN ACCEPTED FOR  
22 FILING.

23 S 45. Subparagraph 1 of paragraph (a) of section 1309 of the not-for-  
24 profit corporation law, as amended by chapter 186 of the laws of 1983,  
25 is amended to read as follows:

26 (1) The name of the foreign corporation as it appears on the index of  
27 names of existing domestic and authorized foreign corporations of any  
28 [type or] kind in the department of state and the fictitious name the  
29 corporation has agreed to use in this state pursuant to paragraph (d) of  
30 section 1301 of this [chapter] ARTICLE.

31 S 46. Subparagraph 1 of paragraph (b) of section 1310 of the not-for-  
32 profit corporation law, as amended by chapter 186 of the laws of 1983,  
33 is amended to read as follows:

34 (1) The name of the foreign corporation as it appears on the index of  
35 names of existing domestic and authorized foreign corporations of any  
36 [type or] kind in the department of state and the fictitious name the  
37 corporation has agreed to use in this state pursuant to paragraph (d) of  
38 section 1301 of this [chapter] ARTICLE.

39 S 47. Subparagraph 1 of paragraph (a) of section 1311 of the not-for-  
40 profit corporation law, as amended by chapter 186 of the laws of 1983,  
41 is amended to read as follows:

42 (1) The name of the foreign corporation as it appears on the index of  
43 names of existing domestic and authorized foreign corporations of any  
44 [type or] kind in the department of state and the fictitious name the  
45 corporation has agreed to use in this state pursuant to paragraph (d) of  
46 section 1301 of this [chapter] ARTICLE.

47 S 48. Paragraphs (a) and (b) of section 1315 of the not-for-profit  
48 corporation law, subparagraph 5 of paragraph (b) as amended by chapter  
49 847 of the laws of 1970, are amended to read as follows:

50 (a) An action or special proceeding against a foreign corporation may  
51 be maintained by a resident of this state or by a domestic corporation  
52 of any [type or] kind for any cause of action.

53 (b) Except as otherwise provided in this article, an action or  
54 special proceeding against a foreign corporation may be maintained by  
55 another foreign corporation of any [type or] kind or by a nonresident in  
56 the following cases only:



1 (1) Where the action is brought to recover damages for the breach of  
2 a contract made or to be performed within this state, or relating to  
3 property situated within this state at the time of the making of the  
4 contract.

5 (2) Where the subject matter of the litigation is situated within  
6 this state.

7 (3) Where the cause of action arose within this state, except where  
8 the object of the action or special proceeding is to affect the title of  
9 real property situated outside this state.

10 (4) Where, in any case not included in the preceding subparagraphs, a  
11 non-domiciliary would be subject to the personal jurisdiction of the  
12 courts of this state under section [302] THREE HUNDRED TWO of the civil  
13 practice law and rules.

14 (5) Where the defendant is a foreign corporation conducting activ-  
15 ities or authorized to conduct activities in this state.

16 S 49. Paragraph (b) of section 1316 of the not-for-profit corporation  
17 law is amended to read as follows:

18 (b) An examination authorized by paragraph (a) may be denied to such  
19 member or other person upon his refusal to furnish to the foreign corpo-  
20 ration or its transfer agent or registrar an affidavit that such  
21 inspection is not desired for a purpose which is in the interests of a  
22 business or object other than the activities of the foreign corporation  
23 and that such member or other person has not within five years sold or  
24 offered for sale any list or record of members of any corporation of any  
25 [type or] kind, whether or not formed under the laws of this state, or  
26 aided or abetted any person in procuring any such list or record of  
27 members for any such purpose.

28 S 50. Paragraph (a) of section 1321 of the not-for-profit corporation  
29 law, subparagraphs 1, 2 and 3 as amended by chapter 847 of the laws of  
30 1970, is amended to read as follows:

31 (a) Notwithstanding any other provision of this chapter, a foreign  
32 corporation conducting activities in this state which is authorized  
33 under this article, its directors, officers and members, shall be exempt  
34 from the provisions of paragraph (e) of section 1317 (Voting trust  
35 records), subparagraph [(a)] (1) OF PARAGRAPH (A) of section 1318  
36 (Liabilities of directors and officers of foreign corporations), and  
37 subparagraph [(a)] (2) OF PARAGRAPH (A) of section 1320 (Applicability  
38 of other provisions) OF THIS ARTICLE if when such provision would other-  
39 wise apply:

40 (1) The corporation is a [Type A] NON-CHARITABLE corporation under  
41 this chapter; its principal activities are conducted outside this state;  
42 the greater part of its property is located outside this state; and less  
43 than one third of its members are residents of this state; or

44 (2) The corporation is a [Type B] CHARITABLE corporation under this  
45 chapter; its principal activities are conducted outside this state; the  
46 greater part of its property is located outside this state; and less  
47 than ten per cent of its annual revenues is derived from solicitation of  
48 funds within this state[; or

49 (3) The corporation is a Type C corporation under this chapter; its  
50 principal activities are conducted outside this state; the greater part  
51 of its property is located outside this state; and less than one half of  
52 its revenues for the preceding three fiscal years, or such portion ther-  
53 eof as the foreign corporation was in existence, was derived from sourc-  
54 es within this state].

1 S 51. Paragraph (d) of section 1401 of the not-for-profit corporation  
2 law, as added by chapter 871 of the laws of 1977, is amended to read as  
3 follows:

4 (d) Type of corporation. A family or private cemetery corporation is a  
5 [type B] CHARITABLE corporation under this chapter.

6 S 52. Paragraph (b) of section 1402 of the not-for-profit corporation  
7 law is amended to read as follows:

8 (b) Type of corporation.

9 A fire corporation is a [Type B] CHARITABLE corporation under this  
10 chapter.

11 S 53. Paragraph (c) of section 1403 of the not-for-profit corporation  
12 law is amended to read as follows:

13 (c) Type of corporation.

14 A corporation for the prevention of cruelty is a [Type B] CHARITABLE  
15 corporation under this chapter.

16 S 54. Paragraph (b) of section 1404 of the not-for-profit corporation  
17 law, as amended by chapter 1058 of the laws of 1971, is amended to read  
18 as follows:

19 (b) Type of corporation.

20 A christian association is a [Type B] CHARITABLE corporation under  
21 this chapter.

22 S 55. Paragraph (b) of section 1405 of the not-for-profit corporation  
23 law is amended to read as follows:

24 (b) Type of corporation.

25 A soldiers' monument corporation is a [Type B] CHARITABLE corporation.

26 S 56. Paragraph (b) of section 1406 of the not-for-profit corporation  
27 law is amended to read as follows:

28 (b) Type of corporation.

29 A medical society is a [Type A] NON-CHARITABLE corporation under this  
30 chapter.

31 S 57. Paragraph (b) of section 1407 of the not-for-profit corporation  
32 law is amended to read as follows:

33 (b) Type of corporation.

34 An alumni corporation is a [Type A] NON-CHARITABLE corporation.

35 S 58. Paragraph (b) of section 1408 of the not-for-profit corporation  
36 law is amended to read as follows:

37 (b) Type of corporation.

38 An historical society is a [Type B] CHARITABLE corporation under this  
39 chapter.

40 S 59. Paragraph (b) of section 1409 of the not-for-profit corporation  
41 law, as amended by chapter 1058 of the laws of 1971, is amended to read  
42 as follows:

43 (b) Type of corporation. An agricultural or horticultural corporation  
44 is a [Type A] NON-CHARITABLE corporation under this chapter, except that  
45 any such corporation which has received moneys from the state or has  
46 acted as agent for the state under paragraph (c) OF THIS SECTION, or has  
47 acquired or does acquire real property by condemnation is or becomes a  
48 [Type B] CHARITABLE corporation under this chapter. [If such corporation  
49 has not already filed as a Type B corporation it shall, upon such  
50 receipt of moneys or acting as such agent or such acquisition of real  
51 property by condemnation, amend its certificate to that effect.]

52 S 60. Paragraph (b) of section 1410 of the not-for-profit corporation  
53 law is amended to read as follows:

54 (b) Type of corporation.

55 A board of trade or a chamber of commerce is a [Type A] NON-CHARITABLE  
56 corporation under this chapter.

1 S 61. Paragraph (b) of section 1411 of the not-for-profit corporation  
2 law is amended to read as follows:

3 (b) Type of corporation.

4 A local development corporation is a [Type C] CHARITABLE corporation  
5 under this chapter.

6 S 62. Paragraph (d) of section 1412 of the not-for-profit corporation  
7 law, as added by chapter 555 of the laws of 1993, is amended to read as  
8 follows:

9 (d) Type. A university faculty practice corporation is a [Type B]  
10 CHARITABLE corporation under this chapter.

11 S 63. Paragraph (c) of section 1505 of the not-for-profit corporation  
12 law, as added by chapter 871 of the laws of 1977, is amended to read as  
13 follows:

14 (c) Type of corporation. A cemetery corporation is a [Type B] CHARI-  
15 TABLE corporation under this chapter.

16 S 64. Paragraph (b) of section 1602 of the not-for-profit corporation  
17 law, as added by chapter 257 of the laws of 2011, is amended to read as  
18 follows:

19 (b) "land bank" shall mean a land bank established as a [type C] CHAR-  
20 ITABLE not-for-profit corporation under this chapter and in accordance  
21 with the provisions of this article and pursuant to this article;

22 S 65. Paragraph (f) of section 1603 of the not-for-profit corporation  
23 law, as added by chapter 257 of the laws of 2011, is amended to read as  
24 follows:

25 (f) Each land bank created pursuant to this act shall be a [type C  
26 not-for-profit] CHARITABLE corporation, and shall have permanent and  
27 perpetual duration until terminated and dissolved in accordance with the  
28 provisions of section sixteen hundred thirteen of this article.

29 S 66. The opening paragraph of paragraph (a) of section 1607 of the  
30 not-for-profit corporation law, as added by chapter 257 of the laws of  
31 2011, is amended to read as follows:

32 A land bank shall constitute a [type C] CHARITABLE not-for-profit  
33 corporation under New York law, which powers shall include all powers  
34 necessary to carry out and effectuate the purposes and provisions of  
35 this article, including the following powers in addition to those herein  
36 otherwise granted:

37 S 67. Section 1613 of the not-for-profit corporation law, as added by  
38 chapter 257 of the laws of 2011, is amended to read as follows:

39 S 1613. Dissolution of land bank.

40 A land bank may be dissolved as a [type C] CHARITABLE not-for-profit  
41 corporation sixty calendar days after an affirmative resolution approved  
42 by two-thirds of the membership of the board of directors. Sixty calen-  
43 dar days advance written notice of consideration of a resolution of  
44 dissolution shall be given to the foreclosing governmental unit or units  
45 that created the land bank, shall be published in a local newspaper of  
46 general circulation, and POSTED PROMINENTLY AND CONTINUOUSLY ON THE  
47 HOMEPAGE OF ANY WEBSITE MAINTAINED BY THE LAND BANK, AND shall be sent  
48 certified mail to the trustee of any outstanding bonds of the land bank.  
49 Upon dissolution of the land bank all real property, personal property  
50 and other assets of the land bank shall become the assets of the fore-  
51 closing governmental unit or units that created the land bank. In the  
52 event that two or more foreclosing governmental units create a land bank  
53 in accordance with section sixteen hundred three of this article, the  
54 withdrawal of one or more foreclosing governmental units shall not  
55 result in the dissolution of the land bank unless the intergovernmental

1 agreement so provides, and there is no foreclosing governmental unit  
2 that desires to continue the existence of the land bank.

3 S 68. Paragraph (c) of subdivision 1 of section 2-b of the religious  
4 corporations law, as amended by chapter 490 of the laws of 2010, is  
5 amended to read as follows:

6 (c) The following provisions of the not-for-profit corporation law  
7 shall not apply to religious corporations: [subparagraphs] SUBPARAGRAPH  
8 (7) [and (8)] of paragraph (a) of section one hundred twelve, [section  
9 one hundred thirteen,] section one hundred fourteen, section two hundred  
10 one, section three hundred three, section three hundred four, section  
11 three hundred five, section three hundred six, article four except  
12 section four hundred one, section five hundred fourteen, that portion of  
13 section five hundred fifty-five (b) and section five hundred fifty-five  
14 (c) which reads "The institution shall notify the donor, if available,  
15 and the attorney general of the application, and the attorney general  
16 and such donor must be given an opportunity to be heard", section six  
17 hundred five, section six hundred seven, section six hundred nine,  
18 section eight hundred four, article nine except section nine hundred  
19 ten, article ten except as provided in section eleven hundred fifteen,  
20 section eleven hundred two, and article fifteen except paragraph (c) of  
21 section fifteen hundred seven.

22 S 69. Paragraph (c) of subdivision 1 of section 1-a of the benevolent  
23 orders law, as added by chapter 703 of the laws of 1970, is amended to  
24 read as follows:

25 (c) The following provisions of the not-for-profit corporation law  
26 shall not apply to benevolent orders: [section one hundred thirteen,]  
27 section two hundred one, article four, paragraphs (a), (b), and (c) of  
28 section eight hundred four, section nine hundred seven, section nine  
29 hundred eight, section nine hundred nine, [section ten hundred eleven,]  
30 section ten hundred twelve, and article fourteen.

31 S 70. Subdivision 1 of section 1825 of the public authorities law, as  
32 amended by chapter 1045 of the laws of 1974, is amended to read as  
33 follows:

34 1. The corporation shall (a) be incorporated or reincorporated under  
35 [article nineteen of the membership corporations law, or under] section  
36 fourteen hundred eleven of the not-for-profit corporation law, or (b) be  
37 incorporated under [article two of the membership corporations law, or  
38 under] article four of the not-for-profit corporation law, in addition  
39 to other purposes, to construct new industrial or manufacturing plants  
40 or new research and development buildings and acquire machinery and  
41 equipment deemed related thereto or acquire, rehabilitate, and improve  
42 for use by others, industrial or manufacturing plants in the area of the  
43 state in which an assisted project is to be located, to assist finan-  
44 cially in such construction, acquisition, rehabilitation and improvement  
45 and to maintain such plants, buildings and equipment for others, and may  
46 also be authorized to study and promote, alone or in concert with local  
47 officials and interested local groups, the economic growth and business  
48 prosperity of the area and the solution of other civic problems of the  
49 region which includes such areas[, and (c) if incorporated or reincorpo-  
50 rated under the membership corporations law, have complied with the  
51 requirements of section one hundred thirteen of the not-for-profit  
52 corporation law].

53 S 71. Subsection (a) of section 3435 of the insurance law, as added by  
54 chapter 220 of the laws of 1986, is amended to read as follows:

55 (a) This section shall apply to public entities as defined in section  
56 one hundred seven of this chapter, organizations described by section

1 501(c)(3) of the United States internal revenue code, [Type B] CHARITA-  
2 BLE corporations AS DEFINED IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO  
3 (DEFINITIONS) OF THE NOT-FOR-PROFIT CORPORATION LAW AND formed pursuant  
4 to paragraph [(b)] (A) of section two hundred one of the not-for-profit  
5 corporation law, and organizations described by section two hundred  
6 sixteen-a of the education law.

7 S 72. Subsection (a) of section 6703 of the insurance law, as added by  
8 chapter 598 of the laws of 2000, is amended to read as follows:

9 (a) A corporation may be organized as a [type B] CHARITABLE corpo-  
10 ration [pursuant to paragraph (b) of section two hundred one] AS DEFINED  
11 IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) of the not-  
12 for-profit corporation law or as a nonprofit reciprocal insurer under  
13 article sixty-one of this chapter to write the kinds of insurance speci-  
14 fied in subsection (a) of section one thousand one hundred thirteen of  
15 this chapter other than (1) those types of insurance specified in para-  
16 graphs one, two, eighteen, twenty-two, twenty-three and twenty-five of  
17 such subsection, (2) insurance against legal liability of the insured,  
18 and against loss, damage or expense incident to a claim of such liabil-  
19 ity arising out of death or injury of any person, due to medical or  
20 hospital malpractice by any licensed physician or hospital, and (3)  
21 insurance subject to section three thousand four hundred twenty-five of  
22 this chapter.

23 S 73. The opening paragraph of subsection (b) of section 6704 of the  
24 insurance law, as added by chapter 598 of the laws of 2000, is amended  
25 to read as follows:

26 The superintendent may pursuant to this article issue a license to a  
27 nonprofit property/casualty insurance company that is organized as a  
28 [type B] CHARITABLE corporation [pursuant to paragraph (b) of section  
29 two hundred one] AS DEFINED IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO  
30 (DEFINITIONS) of the not-for-profit corporation law if such company:

31 S 74. Subsection (a) of section 6706 of the insurance law, as added by  
32 chapter 598 of the laws of 2000, is amended to read as follows:

33 (a) Except as otherwise provided in this article, where inconsistent  
34 with this article, or where the context otherwise requires, all of the  
35 provisions of this chapter and the rules and regulations of the super-  
36 intendent, relating to all insurers and those relating to  
37 property/casualty insurance companies transacting the same kind or kinds  
38 of insurance shall be applicable to a nonprofit property/casualty insur-  
39 ance company organized as a [type B] CHARITABLE corporation AS DEFINED  
40 IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) OF THE  
41 NOT-FOR-PROFIT CORPORATION LAW AND FORMED pursuant to paragraph (b) of  
42 section two hundred one of the not-for-profit corporation law and  
43 licensed pursuant to subsection (b) of section six thousand seven  
44 hundred four of this article. Where any of such provisions of law refer  
45 to a corporation, company or insurer, such references, when read in  
46 connection with and applicable to this article, shall mean such a  
47 nonprofit property/casualty insurance company.

48 S 75. Section 202 of the racing, pari-mutuel wagering and breeding  
49 law, as amended by chapter 18 of the laws of 2008, is amended to read as  
50 follows:

51 S 202. Restriction upon commencement of business. No business corpo-  
52 ration organized under the provisions of this article shall engage in  
53 the prosecution or management of its business until the whole of its  
54 capital stock shall have been subscribed, nor until it shall have filed  
55 in the offices where certificates of incorporation were filed, a further  
56 certificate stating that the whole of its capital stock has been in good

1 faith subscribed, executed and acknowledged by its president or vice-  
2 president and treasurer or secretary, and verified by them to the effect  
3 that the statements contained in it are true.

4 Notwithstanding the foregoing, corporations organized pursuant to  
5 section two hundred one of the not-for-profit corporation law as [type  
6 C] CHARITABLE corporations AS DEFINED IN PARAGRAPH (A) OF SECTION ONE  
7 HUNDRED TWO (DEFINITIONS) OF THE NOT-FOR-PROFIT CORPORATION LAW shall  
8 not engage in the prosecution or management of its business until its  
9 certificate of incorporation has been accepted for filing by the secre-  
10 tary of state and such confirmation of filing has been filed with the  
11 board and the franchise oversight board.

12 S 76. Subdivision 2 of section 2-b of the religious corporations law,  
13 as added by chapter 956 of the laws of 1971, is amended to read as  
14 follows:

15 2. Every corporation to which the not-for-profit corporation law is  
16 made applicable by this section is a [type B] CHARITABLE corporation AS  
17 DEFINED IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) OF THE  
18 NOT-FOR-PROFIT CORPORATION LAW for all purposes of that law.

19 S 77. Subdivision 2 of section 13-a of the private housing finance  
20 law, as added by chapter 547 of the laws of 1971, is amended to read as  
21 follows:

22 2. Every corporation to which the not-for-profit corporation law is  
23 made applicable by this section is a [type B] CHARITABLE corporation AS  
24 DEFINED IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) OF THE  
25 NOT-FOR-PROFIT CORPORATION LAW for all purposes of that law.

26 S 78. Subdivision 5 of section 216-a of the education law, as added by  
27 chapter 901 of the laws of 1972, is amended to read as follows:

28 5. Every corporation to which the not-for-profit corporation law is  
29 made applicable by this section, is a [type B] CHARITABLE corporation AS  
30 DEFINED IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) OF THE  
31 NOT-FOR-PROFIT CORPORATION LAW under all applicable provisions of that  
32 law.

33 S 79. Section 579 of the banking law, as amended by chapter 629 of the  
34 laws of 2002, is amended to read as follows:

35 S 579. Doing business without license prohibited. Only a [type B not-  
36 for-profit] CHARITABLE corporation as defined in [section two hundred  
37 one] PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) of the not-  
38 for-profit corporation law of this state, or an entity incorporated in  
39 another state and having a similar not-for-profit status, shall engage  
40 in the business of budget planning as defined in subdivision one of  
41 section four hundred fifty-five of the general business law of this  
42 state except as authorized by this article and without first obtaining a  
43 license from the superintendent.

44 S 80. Subdivision 4 of section 455 of the general business law, as  
45 amended by chapter 456 of the laws of 2006, is amended to read as  
46 follows:

47 4. Person or entity as used in this article shall not include a [type  
48 B not-for-profit] CHARITABLE corporation as defined in [section two  
49 hundred one] PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) of  
50 the not-for-profit corporation law of this state, or an entity incorpo-  
51 rated in another state and having a similar not-for-profit status,  
52 licensed by the superintendent, to engage in the business of budget  
53 planning as defined in this section.

54 S 81. Paragraph (a) of subdivision 1 of section 458-b of the general  
55 business law, as added by chapter 386 of the laws of 1986, is amended to  
56 read as follows:

1 (a) Any [type B not-for-profit] CHARITABLE corporation AS DEFINED IN  
2 PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) OF THE  
3 NOT-FOR-PROFIT CORPORATION LAW licensed pursuant to article twelve-c of  
4 the banking law.

5 S 82. Subdivision (b) of section 16.32 of the mental hygiene law, as  
6 amended by chapter 669 of the laws of 1995, is amended to read as  
7 follows:

8 (b) No loans, other than through the purchase of bonds, debentures, or  
9 similar obligations of the type customarily sold in public offerings, or  
10 through ordinary deposit of funds in a bank, shall be made by a not-for-  
11 profit corporation which is certified as a provider of services pursuant  
12 to this article to its employee who receives an annual salary in excess  
13 of thirty thousand dollars, or to any other corporation, firm, associ-  
14 ation or other entity in which such employee is a director or officer or  
15 employee or holds a direct or indirect substantial financial interest,  
16 except a loan by one corporation incorporated as a [type B] CHARITABLE  
17 corporation [pursuant to] AS DEFINED IN PARAGRAPH (A) OF SECTION ONE  
18 HUNDRED TWO (DEFINITIONS) OF the not-for-profit corporation law to  
19 another type B corporation, or a loan for a temporary or emergency  
20 purpose which will further the health and welfare of the employee so  
21 long as the purpose and amount of such loan are disclosed to and  
22 approved by the board of directors of such agency. Such disclosure shall  
23 be filed with the secretary of the corporation and entered in the  
24 minutes of the meeting, and, if approved by such board, such disclosure  
25 shall also be forwarded in writing to the commissioner and to the direc-  
26 tor of community services of each local governmental unit that has, at  
27 the time of such disclosure, a contract with such corporation for the  
28 rendition of services pursuant to article forty-one of this chapter. A  
29 loan made in violation of this section shall be a violation of the duty  
30 to the not-for-profit corporation of the directors or officers authoriz-  
31 ing it or participating in it, but the obligation of the borrower with  
32 respect to the loan shall not be affected thereby.

33 S 83. Subdivision (b) of section 31.31 of the mental hygiene law, as  
34 amended by chapter 669 of the laws of 1995, is amended to read as  
35 follows:

36 (b) No loans, other than through the purchase of bonds, debentures, or  
37 similar obligations of the type customarily sold in public offerings, or  
38 through ordinary deposit of funds in a bank, shall be made by a not-for-  
39 profit corporation which is licensed as a provider of services pursuant  
40 to this article to its employee who receives an annual salary in excess  
41 of thirty thousand dollars, or to any other corporation, firm, associ-  
42 ation or other entity in which such employee is a director or officer or  
43 employee or holds a direct or indirect substantial financial interest,  
44 except a loan by one corporation incorporated as a [type B] CHARITABLE  
45 corporation [pursuant to] AS DEFINED IN PARAGRAPH (A) OF SECTION ONE  
46 HUNDRED TWO (DEFINITIONS) OF the not-for-profit corporation law to  
47 another type B corporation, or a loan for a temporary or emergency  
48 purpose which will further the health and welfare of the employee so  
49 long as the purpose and amount of such loan are disclosed to and  
50 approved by the board of directors of such agency. Such disclosure shall  
51 be filed with the secretary of the corporation and entered in the  
52 minutes of the meeting, and, if approved by such board, such disclosure  
53 shall also be forwarded in writing to the commissioner and to the direc-  
54 tor of community services of each local governmental unit that has, at  
55 the time of such disclosure, a contract with such corporation for the  
56 rendition of services pursuant to article forty-one of this chapter. A

1 loan made in violation of this section shall be a violation of the duty  
2 to the not-for-profit corporation of the directors or officers authoriz-  
3 ing it or participating in it, but the obligation of the borrower with  
4 respect to the loan shall not be affected thereby.

5 S 84. Paragraph (f) of subdivision 7 of section 75 of the public lands  
6 law, as added by chapter 791 of the laws of 1992, is amended to read as  
7 follows:

8 (f) The commissioner, in consultation with the commissioner of envi-  
9 ronmental conservation, the secretary of state, the office of parks,  
10 recreation and historic preservation and other interested state agencies  
11 administering state-owned lands underwater, shall promulgate pursuant to  
12 article two of the state administrative procedure act such rules with  
13 respect to grants, leases, easements and lesser interests for the use of  
14 state-owned land underwater, and the cession of jurisdiction thereof, as  
15 in his or her judgment are reasonable and necessary to protect the  
16 interests of the people in such lands underwater. Such regulations shall  
17 include without being limited to: the fees to be charged, consistent  
18 with the provisions of this section, including mitigation of such fees  
19 in the event of economic hardship on existing commercial enterprises;  
20 fee limitations to administrative expenses for municipal uses which are  
21 public, non-commercial and offer services free or for nominal fees, and  
22 for uses undertaken and operated for public and non-commercial purposes  
23 by not-for-profit corporations characterized as ["Type B"] CHARITABLE  
24 corporations [pursuant to paragraph (b) of section two hundred one] AS  
25 DEFINED IN PARAGRAPH (A) OF SECTION ONE HUNDRED TWO (DEFINITIONS) of the  
26 not-for-profit corporation law, and for uses undertaken and operated for  
27 public purposes by a corporation formed pursuant to the religious corpo-  
28 ration law or by a corporation formed pursuant to A special act of this  
29 state and which has as its principal purpose a religious purpose; such  
30 further exemptions for projects as the commissioner determines do not  
31 represent significant encroachments; limitations on grants, including  
32 conversion grants, with respect to underwater lands consistent with the  
33 public purposes of this subdivision and limiting such grants to excep-  
34 tional circumstances; and factors to be examined in considering an  
35 application for a lease, easement or other interest. Those factors shall  
36 include without limitation the following: (i) the environmental impact  
37 of the project; (ii) the values for natural resource management, recre-  
38 ational uses, and commercial uses of the pertinent underwater land;  
39 (iii) the size, character and effects of the project in relation to  
40 neighboring uses; (iv) the potential for interference with navigation,  
41 public uses of the waterway and rights of other riparian owners; (v) the  
42 effect of the project on the natural resource interests of the state in  
43 the lands; (vi) the water-dependent nature of the use; (vii) and any  
44 adverse economic impact on existing commercial enterprises. The final  
45 promulgation of rules establishing fees or fee structures shall be  
46 subject to the approval of the director of the budget.

47 S 85. This act shall take effect January 1, 2014, provided that  
48 section three of this act shall take effect January 1, 2015.

49

#### PART B

50 Section 1. Paragraph (a) of section 102 of the not-for-profit corpo-  
51 ration law is amended by adding six new subparagraphs 6-a, 22, 23, 24,  
52 25 and 26 to read as follows:

53 (6-A) "ENTIRE BOARD" MEANS THE TOTAL NUMBER OF DIRECTORS ENTITLED TO  
54 VOTE WHICH THE CORPORATION WOULD HAVE IF THERE WERE NO VACANCIES. IF



1 THE BY-LAWS OF THE CORPORATION PROVIDE THAT THE BOARD SHALL CONSIST OF A  
2 FIXED NUMBER OF DIRECTORS, THEN THE "ENTIRE BOARD" SHALL CONSIST OF THAT  
3 NUMBER OF DIRECTORS. IF THE BY-LAWS OF ANY CORPORATION PROVIDE THAT THE  
4 BOARD MAY CONSIST OF A RANGE BETWEEN A MINIMUM AND MAXIMUM NUMBER OF  
5 DIRECTORS, THEN THE "ENTIRE BOARD" SHALL CONSIST OF THE NUMBER OF DIREC-  
6 TORS WITHIN SUCH RANGE THAT WERE ELECTED AS OF THE MOST RECENTLY HELD  
7 ELECTION OF DIRECTORS.

8 (22) AN "AFFILIATE" OF A CORPORATION MEANS ANY ENTITY CONTROLLED BY,  
9 IN CONTROL OF, OR UNDER COMMON CONTROL WITH SUCH CORPORATION.

10 (23) "INDEPENDENT AUDITOR" MEANS ANY CERTIFIED PUBLIC ACCOUNTANT  
11 PERFORMING THE AUDIT OF THE FINANCIAL STATEMENTS OF A CORPORATION  
12 REQUIRED BY SUBDIVISION ONE OF SECTION ONE HUNDRED SEVENTY-TWO-B OF THE  
13 EXECUTIVE LAW.

14 (24) "INDEPENDENT DIRECTOR" MEANS A DIRECTOR WHO: (I) IS NOT, AND HAS  
15 NOT BEEN WITHIN THE LAST THREE YEARS, AN EMPLOYEE OF THE CORPORATION OR  
16 AN AFFILIATE OF THE CORPORATION, AND DOES NOT HAVE A RELATIVE WHO IS, OR  
17 HAS BEEN WITHIN THE LAST THREE YEARS, A KEY EMPLOYEE OF THE CORPORATION  
18 OR AN AFFILIATE OF THE CORPORATION; (II) HAS NOT RECEIVED, AND DOES NOT  
19 HAVE A RELATIVE WHO HAS RECEIVED, IN ANY OF THE LAST THREE FISCAL YEARS,  
20 MORE THAN TEN THOUSAND DOLLARS IN DIRECT COMPENSATION FROM THE CORPO-  
21 RATION OR AN AFFILIATE OF THE CORPORATION (OTHER THAN REIMBURSEMENT FOR  
22 EXPENSES REASONABLY INCURRED AS A DIRECTOR OR REASONABLE COMPENSATION  
23 FOR SERVICE AS A DIRECTOR AS PERMITTED BY PARAGRAPH (A) OF SECTION 202  
24 (GENERAL AND SPECIAL POWERS)); AND (III) IS NOT A CURRENT EMPLOYEE OF OR  
25 HAVE A SUBSTANTIAL FINANCIAL INTEREST IN, AND DOES NOT HAVE A RELATIVE  
26 WHO IS A CURRENT OFFICER OF OR HAS A SUBSTANTIAL FINANCIAL INTEREST IN,  
27 ANY ENTITY THAT HAS MADE PAYMENTS TO, OR RECEIVED PAYMENTS FROM, THE  
28 CORPORATION OR AN AFFILIATE OF THE CORPORATION FOR PROPERTY OR SERVICES  
29 IN AN AMOUNT WHICH, IN ANY OF THE LAST THREE FISCAL YEARS, EXCEEDS THE  
30 LESSER OF TWENTY-FIVE THOUSAND DOLLARS OR TWO PERCENT OF SUCH ENTITY'S  
31 CONSOLIDATED GROSS REVENUES. FOR PURPOSES OF THIS SUBPARAGRAPH,  
32 "PAYMENT" DOES NOT INCLUDE CHARITABLE CONTRIBUTIONS.

33 (25) "RELATIVE" OF AN INDIVIDUAL MEANS THE (I) SPOUSE, DOMESTIC PART-  
34 NER AS DEFINED BY SECTION TWENTY-EIGHT HUNDRED FIVE-Q OF THE PUBLIC  
35 HEALTH LAW, CHILD, GRANDCHILD, BROTHER OR SISTER (WHETHER BY THE WHOLE-  
36 OR HALF-BLOOD) OF THE INDIVIDUAL; AND (II) THE SPOUSE OR DOMESTIC PART-  
37 NER OF A CHILD, GRANDCHILD, BROTHER OR SISTER (WHETHER BY THE WHOLE- OR  
38 HALF-BLOOD) OF THE INDIVIDUAL.

39 (26) "TOTAL COMPENSATION" MEANS: (I) ANY COMPENSATION, WHETHER PAID OR  
40 ACCRUED, BY OR ON BEHALF OF THE CORPORATION OR ANY AFFILIATE OF THE  
41 CORPORATION FOR SERVICES RENDERED TO, ON BEHALF OF, OR AT THE REQUEST OF  
42 THE CORPORATION, INCLUDING BUT NOT LIMITED TO SALARY, BONUS, AND  
43 DEFERRED COMPENSATION; AND (II) ANY BENEFIT HAVING MONETARY VALUE  
44 PROVIDED BY OR ON BEHALF OF THE CORPORATION OR ANY AFFILIATE OF THE  
45 CORPORATION, INCLUDING BUT NOT LIMITED TO HOUSING ALLOWANCES, LIVING  
46 EXPENSES, PERQUISITES, FRINGE BENEFITS, EMPLOYER CONTRIBUTIONS TO  
47 DEFINED CONTRIBUTION RETIREMENT PLANS AND OTHER RETIREMENT BENEFITS.

48 S 2. Paragraph (a) of section 112 of the not-for-profit corporation  
49 law is amended by adding a new subparagraph 9 to read as follows:

50 (9) TO ENJOIN, VOID OR RESCIND ANY RELATED PARTY TRANSACTION, OR SEEK  
51 ADDITIONAL DAMAGES OR REMEDIES PURSUANT TO SECTION 715 (RELATED PARTY  
52 TRANSACTIONS) OF THIS CHAPTER.

53 S 3. The not-for-profit corporation law is amended by adding a new  
54 section 712-a to read as follows:

55 S 712-A. AUDIT OVERSIGHT.

1 (A) THE BOARD OR A DESIGNATED AUDIT COMMITTEE OF THE BOARD COMPRISED  
2 SOLELY OF INDEPENDENT DIRECTORS OF ANY CORPORATION REQUIRED TO FILE AN  
3 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S AUDIT REPORT WITH THE ATTORNEY  
4 GENERAL PURSUANT TO SUBDIVISION ONE OF SECTION ONE HUNDRED SEVENTY-TWO-B  
5 OF THE EXECUTIVE LAW SHALL OVERSEE THE ACCOUNTING AND FINANCIAL REPORT-  
6 ING PROCESSES OF THE CORPORATION AND THE AUDIT OF THE CORPORATION'S  
7 FINANCIAL STATEMENTS. THE BOARD OR DESIGNATED AUDIT COMMITTEE SHALL  
8 ANNUALLY RETAIN OR RENEW THE RETENTION OF AN INDEPENDENT AUDITOR TO  
9 CONDUCT THE AUDIT AND, UPON COMPLETION THEREOF, REVIEW THE RESULTS OF  
10 THE AUDIT AND ANY RELATED MANAGEMENT LETTER WITH THE INDEPENDENT AUDI-  
11 TOR.

12 (B) THE BOARD OR A DESIGNATED AUDIT COMMITTEE OF THE BOARD COMPRISED  
13 SOLELY OF INDEPENDENT DIRECTORS OF ANY CORPORATION REQUIRED TO FILE AN  
14 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S AUDIT REPORT WITH THE ATTORNEY  
15 GENERAL PURSUANT TO SUBDIVISION ONE OF SECTION ONE HUNDRED SEVENTY-TWO-B  
16 OF THE EXECUTIVE LAW AND THAT IN THE PRIOR FISCAL YEAR HAD OR IN THE  
17 CURRENT FISCAL YEAR REASONABLY EXPECTS TO HAVE ANNUAL REVENUE IN EXCESS  
18 OF ONE MILLION DOLLARS SHALL, IN ADDITION TO THOSE DUTIES SET FORTH IN  
19 PARAGRAPH (A) OF THIS SECTION:

20 (1) REVIEW WITH THE INDEPENDENT AUDITOR THE SCOPE AND PLANNING OF THE  
21 AUDIT PRIOR TO THE AUDIT'S COMMENCEMENT;

22 (2) UPON COMPLETION OF THE AUDIT, REVIEW AND DISCUSS WITH THE INDE-  
23 PENDENT AUDITOR: (A) ANY MATERIAL RISKS AND WEAKNESSES IN INTERNAL  
24 CONTROLS IDENTIFIED BY THE AUDITOR; (B) ANY RESTRICTIONS ON THE SCOPE OF  
25 THE AUDITOR'S ACTIVITIES OR ACCESS TO REQUESTED INFORMATION; (C) ANY  
26 SIGNIFICANT DISAGREEMENTS BETWEEN THE AUDITOR AND MANAGEMENT; AND (D)  
27 THE ADEQUACY OF THE CORPORATION'S ACCOUNTING AND FINANCIAL REPORTING  
28 PROCESSES;

29 (3) ANNUALLY CONSIDER THE PERFORMANCE AND INDEPENDENCE OF THE INDE-  
30 PENDENT AUDITOR; AND

31 (4) IF THE DUTIES REQUIRED BY THIS SECTION ARE PERFORMED BY AN AUDIT  
32 COMMITTEE, REPORT ON THE COMMITTEE'S ACTIVITIES TO THE BOARD.

33 (C) THE BOARD OR DESIGNATED AUDIT COMMITTEE OF THE BOARD SHALL OVERSEE  
34 THE ADOPTION, IMPLEMENTATION OF, AND COMPLIANCE WITH ANY CONFLICT OF  
35 INTEREST POLICY OR WHISTLEBLOWER POLICY ADOPTED BY THE CORPORATION IF  
36 THIS FUNCTION IS NOT OTHERWISE PERFORMED BY ANOTHER COMMITTEE OF THE  
37 BOARD COMPRISED SOLELY OF INDEPENDENT DIRECTORS.

38 (D) IF A CORPORATION CONTROLS A GROUP OF CORPORATIONS, THE BOARD OR  
39 DESIGNATED AUDIT COMMITTEE OF THE BOARD OF THE CONTROLLING CORPORATION  
40 MAY PERFORM THE DUTIES REQUIRED BY THIS SECTION FOR ONE OR MORE OF THE  
41 CONTROLLED CORPORATIONS.

42 (E) ONLY INDEPENDENT DIRECTORS MAY PARTICIPATE IN ANY BOARD OR COMMIT-  
43 TEE DELIBERATIONS OR VOTING RELATING TO MATTERS SET FORTH IN THIS  
44 SECTION.

45 S 4. Section 715 of the not-for-profit corporation law, as amended by  
46 chapter 847 of the laws of 1970 and paragraph (f) as amended by chapter  
47 1057 of the laws of 1971, is amended to read as follows:

48 S 715. [Interested directors and officers] RELATED PARTY TRANSACTIONS.

49 (a) [No contract or other transaction between a corporation and one or  
50 more of its directors or officers, or between a corporation and any  
51 other corporation, firm, association or other entity in which one or  
52 more of its directors or officers are directors or officers, or have a  
53 substantial financial interest, shall be either void or voidable for  
54 this reason alone or by reason alone that such director or directors or  
55 officer or officers are present at the meeting of the board, or of a

1 committee thereof, which authorizes such contract or transaction, or  
2 that his or their votes are counted for such purpose:

3 (1) If the material facts as to such director's or officer's interest  
4 in such contract or transaction and as to any such common directorship,  
5 officership or financial interest are disclosed in good faith or known  
6 to the board or committee, and the board or committee authorizes such  
7 contract or transaction by a vote sufficient for such purpose without  
8 counting the vote or votes of such interested director or officer; or

9 (2) If the material facts as to such director's or officer's interest  
10 in such contract or transaction and as to any such common directorship,  
11 officership or financial interest are disclosed in good faith or known  
12 to the members entitled to vote thereon, if any, and such contract or  
13 transaction is authorized by vote of such members.

14 (b) If such good faith disclosure of the material facts as to the  
15 director's or officer's interest in the contract or transaction and as  
16 to any such common directorship, officership or financial interest, is  
17 made to the directors or members, or known to the board or committee or  
18 members authorizing such contract or transaction, as provided in para-  
19 graph (a), the contract or transaction may not be avoided by the corpo-  
20 ration for the reasons set forth in paragraph (a). If there was no such  
21 disclosure or knowledge, or if the vote of such interested director or  
22 officer was necessary for the authorization of such contract or trans-  
23 action at a meeting of the board or committee at which it was author-  
24 ized, the corporation may avoid the contract or transaction unless the  
25 party or parties thereto shall establish affirmatively that the contract  
26 or transaction was fair and reasonable as to the corporation at the time  
27 it was authorized by the board, a committee or the members.

28 (c) Common or interested directors may be counted in determining the  
29 presence of a quorum at a meeting of the board or of a committee which  
30 authorizes such contract or transaction.

31 (d)] NO CORPORATION SHALL ENTER INTO ANY RELATED PARTY TRANSACTION  
32 UNLESS THE TRANSACTION IS FAIR, REASONABLE AND IN THE CORPORATION'S BEST  
33 INTEREST. ANY DIRECTOR, OFFICER OR KEY EMPLOYEE WHO HAS AN INTEREST IN A  
34 RELATED PARTY TRANSACTION SHALL DISCLOSE IN GOOD FAITH TO THE BOARD, OR  
35 AN AUTHORIZED COMMITTEE THEREOF, THE MATERIAL FACTS CONCERNING SUCH  
36 INTEREST.

37 (B) WITH RESPECT TO ANY RELATED PARTY TRANSACTION INVOLVING A CHARITA-  
38 BLE CORPORATION AND IN WHICH A RELATED PARTY HAS A SUBSTANTIAL FINANCIAL  
39 INTEREST, THE BOARD OF SUCH CORPORATION, OR AN AUTHORIZED COMMITTEE  
40 THEREOF, SHALL:

41 (1) PRIOR TO ENTERING INTO THE TRANSACTION, CONSIDER ALTERNATIVE TRAN-  
42 SACTIONS TO THE EXTENT AVAILABLE;

43 (2) APPROVE THE TRANSACTION BY NOT LESS THAN A MAJORITY VOTE OF THE  
44 DIRECTORS OR COMMITTEE MEMBERS PRESENT AT THE MEETING; AND

45 (3) CONTEMPORANEOUSLY DOCUMENT IN WRITING THE BASIS FOR THE BOARD OR  
46 AUTHORIZED COMMITTEE'S APPROVAL, INCLUDING ITS CONSIDERATION OF ANY  
47 ALTERNATIVE TRANSACTIONS.

48 (C) The certificate of incorporation, BY-LAWS OR ANY POLICY ADOPTED BY  
49 THE BOARD may contain additional restrictions on [contracts or] RELATED  
50 PARTY transactions [between a corporation and its directors or officers  
51 or other persons and may] AND ADDITIONAL PROCEDURES NECESSARY FOR THE  
52 REVIEW AND APPROVAL OF SUCH TRANSACTIONS, OR provide that [contracts or  
53 transactions] ANY TRANSACTION in violation of such restrictions shall be  
54 void or voidable.

1 [(e) Unless otherwise provided in the certificate of incorporation or  
2 the by-laws, the board shall have authority to fix the compensation of  
3 directors for services in any capacity.

4 (f)] (D) The fixing of salaries of officers, if not done in or pursu-  
5 ant to the by-laws, shall require the affirmative vote of a majority of  
6 the entire board unless a higher proportion is set by the certificate of  
7 incorporation or by-laws.

8 (E) THE ATTORNEY GENERAL MAY BRING AN ACTION TO ENJOIN, VOID OR  
9 RESCIND ANY RELATED PARTY TRANSACTION OR PROPOSED RELATED PARTY TRANS-  
10 ACTION, INCLUDING THE PAYMENT OF COMPENSATION TO ANY OFFICER, DIRECTOR  
11 OR KEY EMPLOYEE, THAT VIOLATES ANY LAW OR IS OTHERWISE NOT FAIR, REASON-  
12 ABLE, OR IN THE BEST INTERESTS OF THE CORPORATION, OR TO SEEK OTHER  
13 RELIEF, INCLUDING BUT NOT LIMITED TO DAMAGES, RESTITUTION, AND THE  
14 REMOVAL OF DIRECTORS OR OFFICERS, OR SEEK TO REQUIRE ANY PERSON OR ENTI-  
15 TY TO:

16 (1) ACCOUNT FOR ANY PROFITS MADE FROM SUCH TRANSACTION, AND PAY THEM  
17 TO THE CORPORATION;

18 (2) PAY THE CORPORATION THE VALUE OF THE USE OF ANY OF ITS PROPERTY OR  
19 OTHER ASSETS USED IN SUCH TRANSACTION;

20 (3) RETURN OR REPLACE ANY PROPERTY OR OTHER ASSETS LOST TO THE CORPO-  
21 RATION AS A RESULT OF SUCH TRANSACTION, TOGETHER WITH ANY INCOME OR  
22 APPRECIATION LOST TO THE CORPORATION BY REASON OF SUCH TRANSACTION, OR  
23 ACCOUNT FOR ANY PROCEEDS OF SALE OF SUCH PROPERTY, AND PAY THE PROCEEDS  
24 TO THE CORPORATION TOGETHER WITH INTEREST AT THE LEGAL RATE; AND

25 (4) PAY, IN THE CASE OF WILLFUL CONDUCT, AN AMOUNT UP TO DOUBLE THE  
26 AMOUNT OF ANY BENEFIT IMPROPERLY OBTAINED.

27 (F) THE POWERS OF THE ATTORNEY GENERAL PROVIDED IN THIS SECTION ARE IN  
28 ADDITION TO ALL OTHER POWERS THE ATTORNEY GENERAL MAY HAVE UNDER THIS  
29 CHAPTER OR ANY OTHER LAW.

30 (G) NO RELATED PARTY MAY PARTICIPATE IN DELIBERATIONS OR VOTING RELAT-  
31 ING TO MATTERS SET FORTH IN THIS SECTION.

32 S 5. The section heading and paragraph (a) of section 720 of the not-  
33 for-profit corporation law, the section heading as amended by chapter  
34 1058 of the laws of 1971, are amended to read as follows:

35 Actions [on behalf of the corporation] AGAINST DIRECTORS, OFFICERS AND  
36 KEY EMPLOYEES.

37 (a) An action may be brought against one or more directors [or], offi-  
38 cers, OR KEY EMPLOYEES of a corporation to procure a judgment for the  
39 following relief:

40 (1) To compel the defendant to account for his official conduct in the  
41 following cases:

42 (A) The neglect of, or failure to perform, or other violation of his  
43 duties in the management and disposition of corporate assets committed  
44 to his charge.

45 (B) The acquisition by himself, transfer to others, loss or waste of  
46 corporate assets due to any neglect of, or failure to perform, or other  
47 violation of his duties.

48 (2) To set aside an unlawful conveyance, assignment or transfer of  
49 corporate assets, where the transferee knew of its unlawfulness.

50 (3) To enjoin a proposed unlawful conveyance, assignment or transfer  
51 of corporate assets, where there are reasonable grounds for belief that  
52 it will be made.

53 S 6. Paragraph (c) of section 723 of the not-for-profit corporation  
54 law, as amended by chapter 368 of the laws of 1987, is amended to read  
55 as follows:

1 (c) Expenses incurred in defending a civil or criminal action or  
2 proceeding may be paid by the corporation in advance of the final dispo-  
3 sition of such action or proceeding upon receipt of an undertaking by or  
4 on behalf of such director or officer [to repay] SUFFICIENT TO ENSURE  
5 REPAYMENT OF such amount as, and to the extent, required by paragraph  
6 (a) of section 725 (OTHER PROVISIONS AFFECTING INDEMNIFICATION OF DIREC-  
7 TORS AND OFFICERS).

8 S 7. Paragraph (a) of section 724 of the not-for-profit corporation  
9 law, as amended by chapter 368 of the laws of 1987, is amended to read  
10 as follows:

11 (a) Notwithstanding the failure of a corporation to provide indemnifi-  
12 cation, and despite any contrary resolution of the board or of the  
13 members in the specific case under section 723 (Payment of indemnifica-  
14 tion other than by court award), indemnification shall be awarded by a  
15 court to the extent authorized under section 722 (Authorization for  
16 indemnification of directors and officers), and paragraph (a) of section  
17 723 (PAYMENT OF INDEMNIFICATION OTHER THAN BY COURT AWARD). Application  
18 therefor SHALL BE MADE ON NOTICE TO THE ATTORNEY GENERAL AND may be  
19 made, in every case, either:

20 (1) In the civil action or proceeding in which the expenses were  
21 incurred or other amounts were paid, or

22 (2) To the supreme court in a separate proceeding, in which case the  
23 application shall set forth the disposition of any previous application  
24 made to any court for the same or similar relief and also reasonable  
25 cause for the failure to make application for such relief in the action  
26 or proceeding in which the expenses were incurred or other amounts were  
27 paid.

28 S 8. Section 8-1.9 of the estates, powers and trusts law, as added by  
29 section 5 of part A of this act, is amended by adding two new paragraphs  
30 (d) and (e) to read as follows:

31 (D)(1) THE TRUSTEES OR A DESIGNATED AUDIT COMMITTEE CONSISTING OF ONE  
32 OR MORE INDEPENDENT TRUSTEES OF ANY TRUST REQUIRED TO FILE AN INDEPEND-  
33 ENT CERTIFIED PUBLIC ACCOUNTANT'S AUDIT REPORT WITH THE ATTORNEY GENERAL  
34 PURSUANT TO SUBDIVISION ONE OF SECTION ONE HUNDRED SEVENTY-TWO-B OF THE  
35 EXECUTIVE LAW SHALL OVERSEE THE ACCOUNTING AND FINANCIAL REPORTING PROC-  
36 ESSES OF THE TRUST AND THE AUDIT OF THE TRUST'S FINANCIAL STATEMENTS.  
37 THE TRUSTEES OR DESIGNATED AUDIT COMMITTEE SHALL ANNUALLY RETAIN OR  
38 RENEW THE RETENTION OF AN INDEPENDENT AUDITOR TO CONDUCT THE AUDIT AND,  
39 UPON COMPLETION THEREOF, REVIEW THE RESULTS OF THE AUDIT AND ANY RELATED  
40 MANAGEMENT LETTER WITH THE INDEPENDENT AUDITOR.

41 (2) THE TRUSTEES OR A DESIGNATED AUDIT COMMITTEE CONSISTING OF ONE OR  
42 MORE INDEPENDENT TRUSTEES OF ANY TRUST REQUIRED TO FILE AN INDEPENDENT  
43 CERTIFIED PUBLIC ACCOUNTANT'S AUDIT REPORT WITH THE ATTORNEY GENERAL  
44 PURSUANT TO SUBDIVISION ONE OF SECTION ONE HUNDRED SEVENTY-TWO-B OF THE  
45 EXECUTIVE LAW AND THAT IN THE PRIOR FISCAL YEAR HAD OR IN THE CURRENT  
46 FISCAL YEAR REASONABLY EXPECTS TO HAVE ANNUAL REVENUE IN EXCESS OF ONE  
47 MILLION DOLLARS SHALL, IN ADDITION TO THOSE DUTIES SET FORTH IN SUBPARA-  
48 GRAPH ONE OF THIS PARAGRAPH:

49 (A) REVIEW WITH THE INDEPENDENT AUDITOR THE SCOPE AND PLANNING OF THE  
50 AUDIT PRIOR TO THE AUDIT'S COMMENCEMENT;

51 (B) UPON COMPLETION OF THE AUDIT, REVIEW AND DISCUSS WITH THE INDE-  
52 PENDENT AUDITOR: (I) ANY MATERIAL RISKS AND WEAKNESSES IN INTERNAL  
53 CONTROLS IDENTIFIED BY THE AUDITOR; (II) ANY RESTRICTIONS ON THE SCOPE  
54 OF THE AUDITOR'S ACTIVITIES OR ACCESS TO REQUESTED INFORMATION; (III)  
55 ANY SIGNIFICANT DISAGREEMENTS BETWEEN THE AUDITOR AND MANAGEMENT; AND

1 (IV) THE ADEQUACY OF THE TRUST'S ACCOUNTING AND FINANCIAL REPORTING  
2 PROCESSES;

3 (C) ANNUALLY CONSIDER THE PERFORMANCE AND INDEPENDENCE OF THE INDE-  
4 PENDENT AUDITOR; AND

5 (D) IF THE DUTIES REQUIRED BY THIS SECTION ARE PERFORMED BY AN AUDIT  
6 COMMITTEE, REPORT ON THE COMMITTEE'S ACTIVITIES TO THE TRUSTEES.

7 (3) THE TRUSTEES OR DESIGNATED AUDIT COMMITTEE SHALL OVERSEE THE  
8 ADOPTION, IMPLEMENTATION OF, AND COMPLIANCE WITH ANY CONFLICT OF INTER-  
9 EST POLICY OR WHISTLEBLOWER POLICY ADOPTED BY THE TRUST IF THIS FUNCTION  
10 IS NOT OTHERWISE PERFORMED BY ANOTHER COMMITTEE COMPRISED SOLELY OF  
11 INDEPENDENT TRUSTEES.

12 (4) IF A TRUST IS UNDER THE CONTROL OF ANOTHER TRUST OR A CORPORATION,  
13 THE TRUSTEES OR DESIGNATED AUDIT COMMITTEE OF THE CONTROLLING TRUST, OR  
14 THE BOARD OR DESIGNATED AUDIT COMMITTEE OF THE BOARD OF THE CONTROLLING  
15 CORPORATION, MAY PERFORM THE DUTIES REQUIRED BY THIS PARAGRAPH.

16 (5) ONLY INDEPENDENT TRUSTEES MAY PARTICIPATE IN DELIBERATIONS OR  
17 VOTING RELATING TO MATTERS SET FORTH IN THIS PARAGRAPH.

18 (E)(1) NOTWITHSTANDING ANY PROVISION OF THE TRUST INSTRUMENT TO THE  
19 CONTRARY, NO TRUST SHALL ENTER INTO ANY RELATED PARTY TRANSACTION UNLESS  
20 THE TRANSACTION IS FAIR, REASONABLE AND IN THE TRUST'S BEST INTEREST.  
21 ANY TRUSTEE, OFFICER OR KEY EMPLOYEE WHO HAS AN INTEREST IN A RELATED  
22 PARTY TRANSACTION SHALL DISCLOSE IN GOOD FAITH TO THE TRUSTEES, OR AN  
23 AUTHORIZED COMMITTEE THEREOF, THE MATERIAL FACTS CONCERNING SUCH INTER-  
24 EST.

25 (2) WITH RESPECT TO ANY RELATED PARTY TRANSACTION IN WHICH A RELATED  
26 PARTY HAS A SUBSTANTIAL FINANCIAL INTEREST, THE TRUSTEES, OR AN AUTHOR-  
27 IZED COMMITTEE THEREOF, SHALL:

28 (A) PRIOR TO ENTERING INTO THE TRANSACTION, CONSIDER ALTERNATIVE TRAN-  
29 SACTIONS TO THE EXTENT AVAILABLE;

30 (B) APPROVE THE TRANSACTION BY NOT LESS THAN A MAJORITY VOTE OF THE  
31 TRUSTEES OR COMMITTEE MEMBERS PRESENT AT THE MEETING; AND

32 (C) CONTEMPORANEOUSLY DOCUMENT IN WRITING THE BASIS FOR THE TRUSTEES'  
33 OR AUTHORIZED COMMITTEE'S APPROVAL, INCLUDING CONSIDERATION OF ANY  
34 ALTERNATIVE TRANSACTIONS.

35 (3) THE TRUST INSTRUMENT, BY-LAWS OR ANY POLICY ADOPTED BY THE TRUS-  
36 TEES MAY CONTAIN ADDITIONAL RESTRICTIONS ON RELATED PARTY TRANSACTIONS  
37 AND ADDITIONAL PROCEDURES NECESSARY FOR THE REVIEW AND APPROVAL OF SUCH  
38 TRANSACTIONS, OR PROVIDE THAT ANY TRANSACTION IN VIOLATION OF SUCH  
39 RESTRICTIONS SHALL BE VOID OR VOIDABLE.

40 (4) THE FIXING OF SALARIES OF OFFICERS, IF NOT DONE IN OR PURSUANT TO  
41 THE BY-LAWS SHALL REQUIRE THE AFFIRMATIVE VOTE OF A MAJORITY OF THE  
42 TRUSTEES UNLESS A HIGHER PROPORTION IS SET BY THE TRUST INSTRUMENT.

43 (5) THE ATTORNEY GENERAL MAY BRING AN ACTION TO ENJOIN, VOID OR  
44 RESCIND ANY RELATED PARTY TRANSACTION OR PROPOSED RELATED PARTY TRANS-  
45 ACTION, INCLUDING THE PAYMENT OF COMPENSATION TO ANY OFFICER, TRUSTEE OR  
46 KEY EMPLOYEE, THAT VIOLATES ANY LAW OR IS OTHERWISE NOT FAIR, REASON-  
47 ABLE, OR IN THE BEST INTERESTS OF THE TRUST, OR TO SEEK OTHER RELIEF,  
48 INCLUDING BUT NOT LIMITED TO DAMAGES, RESTITUTION, AND THE REMOVAL OF  
49 TRUSTEES OR OFFICERS, OR SEEK TO REQUIRE ANY PERSON OR ENTITY TO:

50 (A) ACCOUNT FOR ANY PROFITS MADE FROM SUCH TRANSACTION, AND PAY THEM  
51 TO THE TRUST;

52 (B) PAY THE TRUST THE VALUE OF THE USE OF ANY OF ITS PROPERTY OR OTHER  
53 ASSETS USED IN SUCH TRANSACTION;

54 (C) RETURN OR REPLACE ANY PROPERTY OR OTHER ASSETS LOST TO THE TRUST  
55 AS A RESULT OF SUCH TRANSACTION, TOGETHER WITH ANY INCOME OR APPRECI-  
56 ATION LOST TO THE TRUST BY REASON OF SUCH TRANSACTION, OR ACCOUNT FOR

1 ANY PROCEEDS OF SALE OF SUCH PROPERTY, AND PAY THE PROCEEDS TO THE TRUST  
2 TOGETHER WITH INTEREST AT THE LEGAL RATE; AND

3 (D) PAY, IN THE CASE OF WILLFUL CONDUCT, AN AMOUNT UP TO DOUBLE THE  
4 AMOUNT OF ANY BENEFIT IMPROPERLY OBTAINED.

5 (6) THE POWERS OF THE ATTORNEY GENERAL PROVIDED IN THIS SECTION ARE IN  
6 ADDITION TO ALL OTHER POWERS THE ATTORNEY GENERAL MAY HAVE UNDER THIS  
7 CHAPTER OR ANY OTHER LAW.

8 (7) NO RELATED PARTY MAY PARTICIPATE IN DELIBERATIONS OR VOTING RELAT-  
9 ING TO MATTERS SET FORTH IN THIS PARAGRAPH.

10 S 9. Subdivision 2 of section 711 of the surrogate's court procedure  
11 act is amended to read as follows:

12 2. Where by reason of his having wasted or improperly applied the  
13 assets of the estate, or made investments unauthorized by law or other-  
14 wise improvidently managed or injured the property committed to his  
15 charge, INCLUDING BY FAILING TO COMPLY WITH SECTION 8-1.9 OF THE  
16 ESTATES, POWERS AND TRUSTS LAW, or by reason of other misconduct in the  
17 execution of his office or dishonesty, drunkenness, improvidence or want  
18 of understanding, he is unfit for the execution of his office.

19 S 10. Section 509 of the not-for-profit corporation law, as amended by  
20 chapter 145 of the laws of 1991, is amended to read as follows:

21 S 509. Purchase, sale, mortgage and lease of real property.

22 (A) No CORPORATION SHALL purchase [of] real property [shall be made by  
23 a corporation and no corporation shall sell, mortgage or lease real  
24 property, unless authorized by the vote of] UNLESS SUCH PURCHASE IS  
25 AUTHORIZED BY THE VOTE OF A MAJORITY OF DIRECTORS OF THE BOARD OR A  
26 COMMITTEE AUTHORIZED BY THE BOARD, PROVIDED THAT IF SUCH PROPERTY WOULD,  
27 UPON PURCHASE THEREOF, CONSTITUTE ALL, OR SUBSTANTIALLY ALL, OF THE  
28 ASSETS OF THE CORPORATION, THEN THE VOTE OF two-thirds of the entire  
29 board[, provided that if] SHALL BE REQUIRED, OR, IF there are twenty-one  
30 or more directors, the vote of a majority of the entire board shall be  
31 sufficient.

32 (B) NO CORPORATION SHALL SELL, MORTGAGE, LEASE, EXCHANGE OR OTHERWISE  
33 DISPOSE OF ITS REAL PROPERTY UNLESS AUTHORIZED BY THE VOTE OF A MAJORITY  
34 OF DIRECTORS OF THE BOARD OR A COMMITTEE AUTHORIZED BY THE BOARD;  
35 PROVIDED THAT IF SUCH PROPERTY CONSTITUTES ALL, OR SUBSTANTIALLY ALL, OF  
36 THE ASSETS OF THE CORPORATION, THEN THE VOTE OF TWO-THIRDS OF THE ENTIRE  
37 BOARD SHALL BE REQUIRED, OR, IF THERE ARE TWENTY-ONE OR MORE DIRECTORS,  
38 THE VOTE OF A MAJORITY OF THE ENTIRE BOARD SHALL BE SUFFICIENT.

39 S 11. Paragraph (a) of section 605 of the not-for-profit corporation  
40 law, as amended by chapter 1058 of the laws of 1971, is amended to read  
41 as follows:

42 (a) Whenever under the provisions of this chapter members are required  
43 or permitted to take any action at a meeting, written notice shall state  
44 the place, date and hour of the meeting and, unless it is an annual  
45 meeting, indicate that it is being issued by or at the direction of the  
46 person or persons calling the meeting. Notice of a special meeting shall  
47 also state the purpose or purposes for which the meeting is called. A  
48 copy of the notice of any meeting shall be given, personally [or], by  
49 mail, OR BY ELECTRONIC MAIL, to each member entitled to vote at such  
50 meeting. If the notice is given personally [or], by first class mail OR  
51 BY ELECTRONIC MAIL, it shall be given not less than ten nor more than  
52 fifty days before the date of the meeting; if mailed by any other class  
53 of mail, it shall be given not less than thirty nor more than sixty days  
54 before such date. If mailed, such notice is given when deposited in the  
55 United States mail, with postage thereon prepaid, directed to the member  
56 at his address as it appears on the record of members, or, if he shall

1 have filed with the secretary of the corporation a written request that  
2 notices to him be mailed to some other address, then directed to him at  
3 such other address. IF MAILED ELECTRONICALLY, SUCH NOTICE IS GIVEN WHEN  
4 DIRECTED TO THE MEMBER'S ELECTRONIC MAIL ADDRESS AS IT APPEARS ON THE  
5 RECORD OF MEMBERS, OR, TO SUCH OTHER ELECTRONIC MAIL ADDRESS AS FILED  
6 WITH THE SECRETARY OF THE CORPORATION. NOTWITHSTANDING THE FOREGOING,  
7 SUCH NOTICE SHALL NOT BE DEEMED TO HAVE BEEN GIVEN ELECTRONICALLY (1) IF  
8 THE CORPORATION IS UNABLE TO DELIVER TWO CONSECUTIVE NOTICES TO THE  
9 MEMBER BY ELECTRONIC MAIL; OR (2) THE CORPORATION OTHERWISE BECOMES  
10 AWARE THAT NOTICE CANNOT BE DELIVERED TO THE MEMBER BY ELECTRONIC MAIL.  
11 An affidavit of the secretary or other person giving the notice or of a  
12 transfer agent of the corporation that the notice required by this  
13 section has been given shall, in the absence of fraud, be prima facie  
14 evidence of the facts therein stated. Whenever a corporation has more  
15 than five hundred members, the notice may be served by publication[, in  
16 lieu of mailing,] in a newspaper published in the county in the state in  
17 which the principal office of the corporation is located, once a week  
18 for three successive weeks next preceding the date of the meeting,  
19 PROVIDED THAT THE CORPORATION SHALL ALSO PROMINENTLY POST NOTICE OF SUCH  
20 MEETING ON THE HOMEPAGE OF ANY WEBSITE MAINTAINED BY THE CORPORATION  
21 CONTINUOUSLY FROM THE DATE OF PUBLICATION THROUGH THE DATE OF THE MEET-  
22 ING.

23 S 12. Section 606 of the not-for-profit corporation law is amended to  
24 read as follows:

25 S 606. Waivers of notice.

26 Notice of meeting need not be given to any member who submits a  
27 [signed] waiver of notice, in person or by proxy, whether before or  
28 after the meeting. WAIVER OF NOTICE MAY BE WRITTEN OR ELECTRONIC. IF  
29 WRITTEN, THE WAIVER MUST BE EXECUTED BY THE MEMBER OR THE MEMBER'S  
30 AUTHORIZED OFFICER, DIRECTOR, EMPLOYEE, OR AGENT BY SIGNING SUCH WAIVER  
31 OR CAUSING HIS SIGNATURE TO BE AFFIXED TO SUCH WAIVER BY ANY REASONABLE  
32 MEANS, INCLUDING, BUT NOT LIMITED TO FACSIMILE SIGNATURE. IF ELECTRONIC,  
33 THE TRANSMISSION OF THE WAIVER MUST BE SENT BY ELECTRONIC MAIL AND SET  
34 FORTH, OR BE SUBMITTED WITH, INFORMATION FROM WHICH IT CAN REASONABLY BE  
35 DETERMINED THAT THE TRANSMISSION WAS AUTHORIZED BY THE MEMBER. The  
36 attendance of any member at a meeting, in person or by proxy, without  
37 protesting prior to the conclusion of the meeting the lack of notice of  
38 such meeting, shall constitute a waiver of notice by him.

39 S 13. Paragraphs (b) and (c) of section 609 of the not-for-profit  
40 corporation law, as added by chapter 186 of the laws of 1999, are  
41 amended to read as follows:

42 (b) Without limiting the manner in which a member may authorize another  
43 person or persons to act for him as proxy pursuant to paragraph (a)  
44 of this section, the following shall constitute a valid means by which a  
45 member may grant such authority:

46 (1) A member may execute a writing authorizing another person or  
47 persons to act for him as proxy. Execution may be accomplished by the  
48 member or the member's authorized officer, director, employee or agent  
49 signing such writing or causing his or her signature to be affixed to  
50 such writing by any reasonable means including, but not limited to, by  
51 facsimile signature.

52 (2) A member may authorize another person or persons to act for the  
53 member as proxy by [transmitting or authorizing the transmission of a  
54 telegram, cablegram or other means of] PROVIDING SUCH AUTHORIZATION BY  
55 electronic [transmission] MAIL to the person who will be the holder of  
56 the proxy or to a proxy solicitation firm, proxy support service organ-



1 ization or like agent duly authorized by the person [who will be the  
2 holder of the proxy to receive such transmission], provided that any  
3 such [telegram, cablegram or other means of] AUTHORIZATION BY electronic  
4 [transmission] MAIL shall either set forth [or be submitted with] infor-  
5 mation from which it can be reasonably determined that the [telegram,  
6 cablegram or other] AUTHORIZATION BY electronic [transmission] MAIL was  
7 authorized by the member. If it is determined that such [telegrams,  
8 cablegrams or other] AUTHORIZATION BY electronic [transmissions are]  
9 MAIL IS valid, the inspectors or, if there are no inspectors, such other  
10 persons making that determination shall specify the nature of the infor-  
11 mation upon which they relied.

12 (c) Any copy, facsimile telecommunication or other reliable reprod-  
13 uction of the writing or [transmission] ELECTRONIC MAIL created pursuant  
14 to paragraph (b) of this section may be substituted or used in lieu of  
15 the original writing or transmission for any and all purposes for which  
16 the original writing or transmission could be used, provided that such  
17 copy, facsimile telecommunication or other reproduction shall be a  
18 complete reproduction of the entire original writing or transmission.

19 S 14. Paragraphs (a) and (b) of section 614 of the not-for-profit  
20 corporation law are amended to read as follows:

21 (a) Whenever, under this chapter, members are required or permitted to  
22 take any action by vote, such action may be taken without a meeting [on  
23 written] UPON THE consent[, setting forth the action so taken, signed  
24 by] OF all of the members entitled to vote thereon, WHICH CONSENT SHALL  
25 SET FORTH THE ACTION SO TAKEN. SUCH CONSENT MAY BE WRITTEN OR ELECTRON-  
26 IC. IF WRITTEN, THE CONSENT MUST BE EXECUTED BY THE MEMBER OR THE  
27 MEMBER'S AUTHORIZED OFFICER, DIRECTOR, EMPLOYEE OR AGENT BY SIGNING SUCH  
28 CONSENT OR CAUSING HIS SIGNATURE TO BE AFFIXED TO SUCH WAIVER BY ANY  
29 REASONABLE MEANS INCLUDING BUT NOT LIMITED TO FACSIMILE SIGNATURE. IF  
30 ELECTRONIC, THE TRANSMISSION OF THE CONSENT MUST BE SENT BY ELECTRONIC  
31 MAIL AND SET FORTH, OR BE SUBMITTED WITH, INFORMATION FROM WHICH IT CAN  
32 REASONABLY BE DETERMINED THAT THE TRANSMISSION WAS AUTHORIZED BY THE  
33 MEMBER. This paragraph shall not be construed to alter or modify any  
34 provision in a certificate of incorporation not inconsistent with this  
35 chapter under which the written consent of less than all of the members  
36 is sufficient for corporate action.

37 (b) Written OR ELECTRONIC consent thus given by all members entitled  
38 to vote shall have the same effect as a unanimous vote of members and  
39 any certificate with respect to the authorization or taking of any such  
40 action which is delivered to the department of state shall recite that  
41 the authorization was by [unanimous] UNANIMOUS written consent.

42 S 15. Paragraph (e) of section 621 of the not-for-profit corporation  
43 law, as amended by chapter 847 of the laws of 1970, is amended to read  
44 as follows:

45 (e) Upon the written request of any person who shall have been a  
46 member of record for at least six months immediately preceding his  
47 request, or of any person holding, or thereunto authorized in writing by  
48 the holders of, at least five percent of any class of the outstanding  
49 capital certificates, the corporation shall [give or mail] PROVIDE to  
50 such member an annual balance sheet and profit and loss statement or a  
51 financial statement performing a similar function for the preceding  
52 fiscal year, and, if any interim balance sheet or profit and loss or  
53 similar financial statement has been distributed to its members or  
54 otherwise made available to the public, the most recent such interim  
55 balance sheet or profit and loss or similar financial statement. The

1 corporation shall be allowed a reasonable time to prepare such annual  
2 balance sheet and profit and loss or similar financial statement.

3 S 16. Paragraph (a) of section 702 of the not-for-profit corporation  
4 law is amended to read as follows:

5 (a) The number of directors constituting the entire board shall be not  
6 less than three. Subject to such limitation, such number may be fixed by  
7 the by-laws or[, in the case of a corporation having members,] by action  
8 of the members or of the board under the specific provisions of a by-law  
9 [adopted by the members] ALLOWING SUCH ACTION, OR BY ANY NUMBER WITHIN A  
10 RANGE SET FORTH IN THE BY-LAWS. If not otherwise fixed under this para-  
11 graph, the number shall be three. [As used in this article, "entire  
12 board" means the total number of directors entitled to vote which the  
13 corporation would have if there were no vacancies.]

14 S 17. Paragraphs (b) and (c) of section 708 of the not-for-profit  
15 corporation law, paragraph (b) as amended by chapter 92 of the laws of  
16 1983 and paragraph (c) as amended by chapter 211 of the laws of 2007,  
17 are amended to read as follows:

18 (b) Unless otherwise restricted by the certificate of incorporation or  
19 the by-laws, any action required or permitted to be taken by the board  
20 or any committee thereof may be taken without a meeting if all members  
21 of the board or the committee consent [in writing] to the adoption of a  
22 resolution authorizing the action. SUCH CONSENT MAY BE WRITTEN OR ELEC-  
23 TRONIC. IF WRITTEN, THE CONSENT MUST BE EXECUTED BY THE DIRECTOR BY  
24 SIGNING SUCH CONSENT OR CAUSING HIS OR HER SIGNATURE TO BE AFFIXED TO  
25 SUCH CONSENT BY ANY REASONABLE MEANS INCLUDING, BUT NOT LIMITED TO,  
26 FACSIMILE SIGNATURE. IF ELECTRONIC, THE TRANSMISSION OF THE CONSENT MUST  
27 BE SENT BY ELECTRONIC MAIL AND SET FORTH, OR BE SUBMITTED WITH, INFORMA-  
28 TION FROM WHICH IT CAN REASONABLY BE DETERMINED THAT THE TRANSMISSION  
29 WAS AUTHORIZED BY THE DIRECTOR. The resolution and the written consents  
30 thereto by the members of the board or committee shall be filed with the  
31 minutes of the proceedings of the board or committee.

32 (c) Unless otherwise restricted by the certificate of incorporation or  
33 the by-laws, any one or more members of the board or OF any committee  
34 thereof [may participate in] WHO IS NOT PHYSICALLY PRESENT AT a meeting  
35 of [such] THE board or A committee MAY PARTICIPATE by means of a confer-  
36 ence telephone or similar communications equipment [allowing all persons  
37 participating in the meeting to hear each other at the same time] OR BY  
38 ELECTRONIC VIDEO SCREEN COMMUNICATION. Participation by such means  
39 shall constitute presence in person at a meeting AS LONG AS ALL PERSONS  
40 PARTICIPATING IN THE MEETING CAN HEAR EACH OTHER AT THE SAME TIME AND  
41 EACH DIRECTOR CAN PARTICIPATE IN ALL MATTERS BEFORE THE BOARD, INCLUD-  
42 ING, WITHOUT LIMITATION, THE ABILITY TO PROPOSE, OBJECT TO, AND VOTE  
43 UPON A SPECIFIC ACTION TO BE TAKEN BY THE BOARD OR COMMITTEE.

44 S 18. Paragraph (c) of section 711 of the not-for-profit corporation  
45 law, as amended by chapter 847 of the laws of 1970, is amended to read  
46 as follows:

47 (c) Notice of a meeting need not be given to any alternate director,  
48 nor to any director who submits a [signed] waiver of notice whether  
49 before or after the meeting, or who attends the meeting without protest-  
50 ing, prior thereto or at its commencement, the lack of notice to him.  
51 SUCH WAIVER OF NOTICE MAY BE WRITTEN OR ELECTRONIC. IF WRITTEN, THE  
52 WAIVER MUST BE EXECUTED BY THE DIRECTOR SIGNING SUCH WAIVER OR CAUSING  
53 HIS OR HER SIGNATURE TO BE AFFIXED TO SUCH WAIVER BY ANY REASONABLE  
54 MEANS INCLUDING BUT NOT LIMITED TO FACSIMILE SIGNATURE. IF ELECTRONIC,  
55 THE TRANSMISSION OF THE CONSENT MUST BE SENT BY ELECTRONIC MAIL AND SET

1 FORTH, OR BE SUBMITTED WITH, INFORMATION FROM WHICH IT CAN REASONABLY BE  
2 DETERMINED THAT THE TRANSMISSION WAS AUTHORIZED BY THE DIRECTOR.

3 S 19. Paragraphs (a), (b) and (e) of section 712 of the not-for-profit  
4 corporation law, paragraph (e) as amended by chapter 961 of the laws of  
5 1972, are amended to read as follows:

6 (a) If the certificate of incorporation or the by-laws so provide, the  
7 board, by resolution adopted by a majority of the entire board, may  
8 designate from among its members an executive committee and other  
9 [standing] committees, each consisting of three or more directors, and  
10 each of which, to the extent provided in the resolution or in the  
11 certificate of incorporation or by-laws, shall have all the authority of  
12 the board, except that no such committee shall have authority as to the  
13 following matters:

14 (1) The submission to members of any action requiring members'  
15 approval under this chapter.

16 (2) The filling of vacancies in the board of directors or in any  
17 committee.

18 (3) The fixing of compensation of the directors for serving on the  
19 board or on any committee.

20 (4) The amendment or repeal of the by-laws or the adoption of new  
21 by-laws.

22 (5) The amendment or repeal of any resolution of the board which by  
23 its terms shall not be so amendable or repealable.

24 (b) The board may designate one or more directors as alternate members  
25 of any [standing] committee, who may replace any absent member or  
26 members at any meeting of such committee.

27 (e) Committees, other than [standing or special] committees of the  
28 board, whether created by the board or by the members, shall be commit-  
29 tees of the corporation. Such committees OF THE CORPORATION may be  
30 elected or appointed in the same manner as officers of the corporation,  
31 BUT NO SUCH COMMITTEE SHALL HAVE THE AUTHORITY TO BIND THE BOARD.  
32 Provisions of this chapter applicable to officers generally shall apply  
33 to members of such committees. SUCH COMMITTEES OF THE CORPORATION SHALL  
34 BE ELECTED OR APPOINTED IN THE MANNER SET FORTH IN THE BY-LAWS, OR IF  
35 NOT SET FORTH IN THE BY-LAWS, IN THE SAME MANNER AS OFFICERS OF THE  
36 CORPORATION.

37 S 20. Paragraph (c) of section 712 of the not-for-profit corporation  
38 law is REPEALED.

39 S 21. Paragraph (b-1) of section 406 of the not-for-profit corporation  
40 law is REPEALED.

41 S 22. Section 520 of the not-for-profit corporation law, as amended by  
42 chapter 58 of the laws of 1981, is amended to read as follows:

43 S 520. Reports of corporation.

44 Each domestic corporation, and each foreign corporation authorized to  
45 conduct activities in this state, shall from time to time file such  
46 reports on its activities as may be required by the laws of this state.  
47 All registration and reporting requirements pursuant to [EPTL] ARTICLE  
48 SEVEN-A OF THE EXECUTIVE LAW, AND SECTION 8-1.4 OF THE ESTATES, POWERS  
49 AND TRUSTS LAW, or related successor provisions, are, without limitation  
50 on the foregoing, expressly included as reports required by the laws of  
51 this state to be filed within the meaning of this section. Willful fail-  
52 ure of a corporation to file a report as required by law shall consti-  
53 tute a breach of the directors' duty to the corporation and shall  
54 subject the corporation, at the suit of the attorney-general, to an  
55 action or special proceeding for dissolution under article 11 (Judicial

1 dissolution) in the case of a domestic corporation, or under [S] SECTION  
2 1303 (Violations) in the case of a foreign corporation.

3 S 23. Paragraph (f) of section 555 of the not-for-profit corporation  
4 law, as added by chapter 490 of the laws of 2010, is amended to read as  
5 follows:

6 (f) This section shall not limit the application of the [doctrine]  
7 DOCTRINES of cy pres AND DEVIATION.

8 S 24. Section 718 of the not-for-profit corporation law, as amended by  
9 chapter 992 of the laws of 1970, is amended to read as follows:

10 S 718. List of directors and officers.

11 (a) If a member or creditor of a corporation, in person or by his  
12 attorney or agent, or a representative of the district attorney or of  
13 the secretary of state, the attorney general, or other state official,  
14 makes a written demand on a corporation to inspect a current list of its  
15 directors and officers [and their residence addresses], the corporation  
16 shall, within two business days after receipt of the demand and for a  
17 period of one week thereafter, make the list available for such  
18 inspection at its office during usual business hours.

19 (b) Upon refusal by the corporation to make a current list of its  
20 directors and officers [and their residence addresses] available, as  
21 provided in paragraph (a) OF THIS SECTION, the person making a demand  
22 for such list may apply, ex parte, to the supreme court at a special  
23 term held within the judicial district where the office of the corpo-  
24 ration is located for an order directing the corporation to make such  
25 list available. The court may grant such order or take such other  
26 action as it may deem just and proper.

27 S 25. Subparagraph 1 of paragraph (a) of section 1207 of the not-for-  
28 profit corporation law, clause (C) as amended by chapter 847 of the laws  
29 of 1970, is amended to read as follows:

30 (1) To give immediate notice of his appointment by publication once a  
31 week for two successive weeks in two newspapers of general circulation  
32 in the county where the office of the corporation is located or, in the  
33 case of a foreign corporation against which an action has been brought  
34 under subparagraph [(a)] (4) OF PARAGRAPH (A) of section 1202 (Appoint-  
35 ment of receiver of property of a domestic or foreign corporation) OF  
36 THIS ARTICLE EITHER, AS DIRECTED BY THE COURT, in a newspaper of general  
37 circulation [as directed by the court,] OR POSTED PROMINENTLY AND  
38 CONTINUOUSLY FOR TWO SUCCESSIVE WEEKS ON THE HOMEPAGE OF ANY WEBSITE  
39 MAINTAINED BY THE CORPORATION OR requiring:

40 (A) All persons indebted to the corporation to render an account of  
41 all debts owing by them to the corporation and to pay the same to the  
42 receiver at a specified place and by a specified day.

43 (B) All persons having in their possession any property of the corpo-  
44 ration to deliver the same to the receiver at the specified place and by  
45 the specified day.

46 (C) All creditors and claimants, including any with unliquidated or  
47 contingent claims and any with whom the corporation has unfulfilled  
48 contracts, to present their claims to the receiver in writing and in  
49 detail at a specified place and by a specified day, which shall not be  
50 less than six months after the first publication of such notice. When-  
51 ever a receiver is appointed in dissolution proceedings under article 10  
52 (Non-judicial dissolution) or article 11 (Judicial dissolution), section  
53 1007 (Notice to creditors BY CORPORATIONS INTENDING TO DISSOLVE; filing  
54 or barring claims) OF THIS CHAPTER shall apply and shall control the  
55 giving of notice to creditors and claimants and the filing and barring  
56 of claims.

1 S 26. Paragraph (a) of section 1211 of the not-for-profit corporation  
2 law is amended to read as follows:

3 (a) If there remains property of the corporation after the first  
4 distribution, the receiver shall, within one year thereafter, make a  
5 final distribution among the creditors entitled thereto. Notice that  
6 such distribution will be the final distribution to creditors shall be  
7 published once a week for two consecutive weeks in a newspaper of gener-  
8 al circulation in the county where the office of the corporation is  
9 located OR POSTED PROMINENTLY AND CONTINUOUSLY FOR TWO CONSECUTIVE WEEKS  
10 ON THE HOMEPAGE OF ANY WEBSITE MAINTAINED BY THE CORPORATION.

11 S 27. Paragraph (b) of section 1215 of the not-for-profit corporation  
12 law is amended to read as follows:

13 (b) The petition shall be accompanied by a verified account of all  
14 the assets of the corporation received by him, of all payments or other  
15 disposition thereof made by him, of the remaining assets of the corpo-  
16 ration in respect to which he was appointed receiver and the situation  
17 of the same, and of all his transactions as receiver. Thereupon, the  
18 court shall grant an order directing notice to be given to the sureties  
19 on his official bond and to all persons interested in the property of  
20 the corporation to show cause, at a time and place specified, why the  
21 receiver should not be permitted to resign. Such notice shall EITHER,  
22 AS DIRECTED BY THE COURT, be published once in each week for six succes-  
23 sive weeks in one or more newspapers [as the court shall direct] OR  
24 POSTED PROMINENTLY AND CONTINUOUSLY FOR SIX SUCCESSIVE WEEKS ON THE  
25 HOMEPAGE OF ANY WEBSITE MAINTAINED BY THE CORPORATION. If it shall  
26 appear that the proceedings of the receiver in the discharge of his  
27 trust have been fair and honest and that there is no good cause to the  
28 contrary, the court shall make an order permitting such receiver to  
29 resign. Thereupon he shall be discharged and his powers as receiver  
30 shall cease, but he shall remain subject to any liability incurred prior  
31 to the making of such order. The court, in its discretion, may require  
32 the expense of such proceeding to be paid by the receiver presenting the  
33 petition.

34 S 28. Subparagraph 3 of paragraph (a) of section 1218 of the not-for-  
35 profit corporation law is amended to read as follows:

36 (3) The order directing service of the summons shall require the  
37 publication thereof EITHER in a newspaper published in the state of New  
38 York in the English language at least once a week for four successive  
39 weeks, OR POSTED PROMINENTLY AND CONTINUOUSLY FOR FOUR SUCCESSIVE WEEKS  
40 ON ANY APPROPRIATE WEBSITE, and shall also require the mailing on or  
41 before the date of the first publication of a copy of the summons,  
42 complaint and order to the corporation at its last known principal or  
43 head office in the state or country of its incorporation.

44 S 29. Paragraph (e) of section 1611 of the not-for-profit corporation  
45 law, as added by chapter 257 of the laws of 2011, is amended to read as  
46 follows:

47 (e) Bonds issued by the land bank shall be issued, sold, and delivered  
48 in accordance with the terms and provisions of a resolution adopted by  
49 the board. The board may sell such bonds in such manner, either at  
50 public or at private sale, and for such price as it may determine to be  
51 in the best interests of the land bank. The resolution issuing bonds  
52 shall be published in a newspaper of general circulation within the  
53 jurisdiction of the land bank AND POSTED PROMINENTLY AND CONTINUOUSLY ON  
54 THE HOMEPAGE OF ANY WEBSITE MAINTAINED BY THE LAND BANK.

55 S 30. Intentionally omitted.

1 S 31. Paragraph (h) of section 8-1.4 of the estates, powers and  
2 trusts law, as amended by chapter 43 of the laws of 2002, is amended to  
3 read as follows:

4 (h) The attorney general shall make rules and regulations necessary  
5 for the administration of this section, including rules and regulations  
6 as to the time for filing reports, the contents thereof, and [the] ANY  
7 manner of executing and filing them, INCLUDING BUT NOT LIMITED TO ALLOW-  
8 ING OR REQUIRING ANY SUBMISSION TO THE ATTORNEY GENERAL TO BE EFFECTED  
9 BY ELECTRONIC MEANS AND ELECTRONIC SIGNATURES. He or she may classify  
10 trusts, estates, corporations and other trustees as to purpose, nature  
11 of assets, duration, amount of assets, amounts to be devoted to charita-  
12 ble purposes, or otherwise, and may establish different rules for  
13 different classes as to time and nature of the reports required, to the  
14 ends that he or she shall receive current financial reports as to all  
15 such trusts, estates, corporations or other trustees which will enable  
16 him or her to ascertain whether they are being properly administered.  
17 The attorney general may suspend the filing of financial reports as to a  
18 particular trustee for a reasonable, specifically designated time upon  
19 written application of the trustee, signed under penalties for perjury,  
20 and filed with the attorney general and after the attorney general has  
21 filed in the register of trustees a written statement that the interests  
22 of the beneficiaries will not be prejudiced thereby and that periodic  
23 reports during the term of such suspension are not required for proper  
24 supervision by his or her office. The filing of the financial reports  
25 required by this section, or the exemption from such filing or the  
26 suspension therefrom, shall not have the effect of absolving trustees  
27 from any responsibility for accounting for property or income held by  
28 them for charitable purposes. A copy of an account or other financial  
29 report filed by a trustee in any court in this state, if the account or  
30 other financial report substantially complies with the rules and regu-  
31 lations of the attorney general, may be filed as a financial report  
32 under this section.

33 S 32. Paragraph (b-1) of section 8-1.8 of the estates, powers and  
34 trusts law is REPEALED.

35 S 33. Subdivision 9 of section 171-a of the executive law, as amended  
36 by chapter 353 of the laws of 1987, is amended to read as follows:

37 9. "Fund raising counsel." Any person who for compensation consults  
38 with a charitable organization or who plans, manages, advises, or  
39 assists with respect to the solicitation in this state of contributions  
40 for or on behalf of a charitable organization, but who does not have  
41 access to contributions or other receipts from a solicitation or author-  
42 ity to pay expenses associated with a solicitation and who does not  
43 solicit. A bona fide officer, volunteer, or employee of a charitable  
44 organization or an attorney at law retained by a charitable organization  
45 OR AN INDIVIDUAL ENGAGED SOLELY TO DRAFT APPLICATIONS FOR FUNDING FROM A  
46 GOVERNMENTAL AGENCY OR AN ENTITY EXEMPT FROM TAXATION PURSUANT TO  
47 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, shall not be deemed a  
48 fund raising counsel.

49 S 34. Subdivisions 1, 2 and 2-a of section 172-b of the executive law,  
50 as amended by section 43 of the laws of 2002, are amended to read as  
51 follows:

52 1. Every charitable organization registered or required to be regis-  
53 tered pursuant to section one hundred seventy-two of this article which  
54 shall receive in any fiscal year gross revenue and support in excess of  
55 [two hundred fifty] FIVE HUNDRED thousand dollars [and every charitable  
56 organization whose fund-raising functions are not carried on solely by

1 persons who are unpaid for such services] shall file with the attorney  
2 general an annual written financial report, on forms prescribed by the  
3 attorney general, on or before the fifteenth day of the fifth calendar  
4 month after the close of such fiscal year. The annual financial report  
5 shall be accompanied by an annual financial statement which includes an  
6 independent certified public accountant's audit report containing an  
7 opinion that the financial statements are presented fairly in all mate-  
8 rial respects and in conformity with generally accepted accounting prin-  
9 ciples, including compliance with all pronouncements of the financial  
10 accounting standards board and the American Institute of Certified  
11 Public Accountants that establish accounting principles relevant to  
12 not-for-profit organizations. Such financial report shall include a  
13 statement of any changes in the information required to be contained in  
14 the registration form filed on behalf of such organization. The finan-  
15 cial report shall be signed by the president or other authorized officer  
16 and the chief fiscal officer of the organization who shall certify under  
17 penalties for perjury that the statements therein are true and correct  
18 to the best of their knowledge, and shall be accompanied by an opinion  
19 signed by an independent public accountant that the financial statement  
20 and balance sheet therein present fairly the financial operations and  
21 position of the organization. A fee of twenty-five dollars payable to  
22 the attorney general shall accompany such financial report at the time  
23 of filing, provided however, that any such organization that is regis-  
24 tered with the attorney general pursuant to article eight of the  
25 estates, powers and trusts law is required to file only one annual  
26 financial report which meets the filing requirements of this article and  
27 section 8-1.4 of the estates, powers and trusts law.

28 2. Every charitable organization registered or required to be regis-  
29 tered pursuant to section one hundred seventy-two of this article which  
30 shall receive in gross revenue and support in any fiscal year at least  
31 [one hundred] TWO HUNDRED FIFTY thousand dollars but not more than [two  
32 hundred fifty] FIVE HUNDRED thousand dollars shall file an annual finan-  
33 cial report. The annual financial report shall be accompanied by an  
34 annual financial statement which includes an independent certified  
35 public accountant's review report in accordance with "statements on  
36 standards for accounting and review services" issued by the American  
37 Institute of Certified Public Accountants. The annual financial state-  
38 ment shall be prepared in conformity with generally accepted accounting  
39 principles, including compliance with all pronouncements of the finan-  
40 cial accounting standards board and the American Institute of Certified  
41 Public Accountants that establish accounting principles relevant to  
42 not-for-profit organizations. Such financial report shall be filed with  
43 the attorney general, upon forms prescribed by the attorney general on  
44 an annual basis on or before the fifteenth day of the fifth calendar  
45 month after the close of such fiscal year, which shall include a finan-  
46 cial report covering such fiscal year in accordance with such require-  
47 ments as the attorney general may prescribe. Such financial report shall  
48 include a statement of any changes in the information required to be  
49 contained in the registration form filed on behalf of such organization.  
50 The financial report shall be signed by the president or other author-  
51 ized officer and the chief fiscal officer of the organization who shall  
52 certify under penalties for perjury that the statements therein are true  
53 and correct to the best of their knowledge. A fee of [ten] TWENTY-FIVE  
54 dollars payable to the attorney general shall accompany such financial  
55 report at the time of filing, provided, however, that any such organiza-  
56 tion that is registered with the attorney general pursuant to article

1 eight of the estates, powers and trusts law is required to file only one  
2 annual financial report which meets the filing requirements of this  
3 article and section 8-1.4 of the estates, powers and trusts law.  
4 NOTWITHSTANDING THE REQUIREMENTS OF THIS SECTION, IF UPON REVIEW OF AN  
5 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REVIEW REPORT FILED PURSUANT  
6 TO THIS SUBDIVISION, THE ATTORNEY GENERAL DETERMINES THAT A CHARITABLE  
7 ORGANIZATION SHOULD OBTAIN AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S  
8 AUDIT REPORT, SUCH ORGANIZATION SHALL OBTAIN AND FILE WITH THE ATTORNEY  
9 GENERAL AN AUDIT REPORT THAT MEETS THE REQUIREMENTS OF SUBDIVISION ONE  
10 OF THIS SECTION WITHIN SIXTY DAYS OF THE ATTORNEY GENERAL'S REQUEST FOR  
11 SUCH REPORT.

12 2-a. Every charitable organization registered or required to be regis-  
13 tered pursuant to section one hundred seventy-two of this article which  
14 shall receive in any fiscal year of such organization gross revenue and  
15 support not in excess of [one hundred thousand] TWO HUNDRED FIFTY THOU-  
16 SAND dollars shall file with the attorney general an unaudited financial  
17 report on forms prescribed by the attorney general, on or before the  
18 fifteenth day of the fifth calendar month after the close of such fiscal  
19 year. Such financial report shall include a statement of any changes in  
20 the information required to be contained in the registration form filed  
21 on behalf of such organization. The financial report shall be signed by  
22 the president or other authorized officer and the chief fiscal officer  
23 of the organization who shall certify under penalties for perjury that  
24 the statements therein are true and correct to the best of their know-  
25 ledge. A fee of ten dollars payable to the attorney general shall  
26 accompany such financial report at the time of filing. Provided, howev-  
27 er, that any such organization that is registered with the attorney  
28 general pursuant to article eight of the estates, powers and trusts law  
29 is required to file only one annual financial report which meets the  
30 filing requirements of this article and section 8-1.4 of the estates,  
31 powers and trusts law.

32 S 35. Subdivision 1 of section 177 of the executive law, as amended by  
33 chapter 83 of the laws of 1995, is amended to read as follows:

34 1. The attorney general shall make rules and regulations necessary for  
35 the administration of this article including, but not limited to regu-  
36 lations and waiver procedures that will ensure that charitable organiza-  
37 tions do not have to register twice in relation to the solicitation and  
38 administration of assets, AND RULES OR REGULATIONS ALLOWING OR REQUIRING  
39 ANY SUBMISSION TO THE ATTORNEY GENERAL TO BE EFFECTED BY ELECTRONIC  
40 MEANS.

41 S 36. Intentionally omitted.

42 S 37. The section heading and paragraph (a) of section 511 of the  
43 not-for-profit corporation law, subparagraph 6 of paragraph (a) as  
44 amended by chapter 961 of the laws of 1972, are amended to read as  
45 follows:

46 Petition for [leave of] court APPROVAL.

47 (a) [A corporation required by law to] TO obtain [leave of] court  
48 APPROVAL to sell, lease, exchange or otherwise dispose of all or  
49 substantially all its assets, A CORPORATION shall present a verified  
50 petition to the supreme court of the judicial district, or the county  
51 court of the county, wherein the corporation has its office or principal  
52 place of carrying out the purposes for which it was formed. The petition  
53 shall set forth:

54 1. The name of the corporation, the law under or by which it was  
55 incorporated.



1 2. The names of its directors and principal officers, and their places  
2 of residence.

3 3. The activities of the corporation.

4 4. A description, with reasonable certainty, of the assets to be sold,  
5 leased, exchanged, or otherwise disposed of, or a statement that it is  
6 proposed to sell, lease, exchange or otherwise dispose of all or  
7 substantially all the corporate assets more fully described in a sched-  
8 ule attached to the petition; and a statement of the fair value of such  
9 assets, and the amount of the corporation's debts and liabilities and  
10 how secured.

11 5. The consideration to be received by the corporation and the dispo-  
12 sition proposed to be made thereof, together with a statement that the  
13 dissolution of the corporation is or is not contemplated thereafter.

14 6. That the consideration and the terms of the sale, lease, exchange  
15 or other disposition of the assets of the corporation are fair and  
16 reasonable to the corporation, and that the purposes of the corporation,  
17 or the interests of its members will be promoted thereby, and a concise  
18 statement of the reasons therefor.

19 7. That such sale, lease, exchange or disposition of corporate assets,  
20 has been recommended or authorized by vote of the directors in accord-  
21 ance with law, at a meeting duly called and held, as shown in a schedule  
22 annexed to the petition setting forth a copy of the resolution granting  
23 such authority with a statement of the vote thereon.

24 8. Where the consent of members of the corporation is required by law,  
25 that such consent has been given, as shown in a schedule annexed to the  
26 petition setting forth a copy of such consent, if in writing, or of a  
27 resolution giving such consent, adopted at a meeting of members duly  
28 called and held, with a statement of the vote thereon.

29 9. A [prayer] REQUEST for [leave] COURT APPROVAL to sell, lease,  
30 exchange or otherwise dispose of all or substantially all the assets of  
31 the corporation as set forth in the petition.

32 S 38. The not-for-profit corporation law is amended by adding a new  
33 section 511-a to read as follows:

34 S 511-A. PETITION FOR ATTORNEY GENERAL APPROVAL.

35 (A) IN LIEU OF OBTAINING COURT APPROVAL UNDER SECTION 511 (PETITION  
36 FOR COURT APPROVAL) OF THIS ARTICLE TO SELL, LEASE, EXCHANGE OR OTHER-  
37 WISE DISPOSE OF ALL OR SUBSTANTIALLY ALL OF ITS ASSETS, THE CORPORATION  
38 MAY ALTERNATIVELY SEEK APPROVAL OF THE ATTORNEY GENERAL BY VERIFIED  
39 PETITION, EXCEPT IN THE FOLLOWING CIRCUMSTANCES: 1. THE CORPORATION IS  
40 INSOLVENT, OR WOULD BECOME INSOLVENT AS A RESULT OF THE TRANSACTION, AND  
41 MUST PROCEED ON NOTICE TO CREDITORS PURSUANT TO PARAGRAPH (C) OF SECTION  
42 511 OF THIS ARTICLE; OR 2. THE ATTORNEY GENERAL, IN HIS OR HER  
43 DISCRETION, CONCLUDES THAT A COURT SHOULD REVIEW THE PETITION AND MAKE A  
44 DETERMINATION THEREON.

45 (B) THE VERIFIED PETITION TO THE ATTORNEY GENERAL SHALL SET FORTH (I)  
46 ALL OF THE INFORMATION REQUIRED TO BE INCLUDED IN A VERIFIED PETITION TO  
47 OBTAIN COURT APPROVAL PURSUANT TO SUBPARAGRAPHS ONE THROUGH NINE OF  
48 PARAGRAPH (A) OF SECTION 511 OF THIS ARTICLE; (II) A STATEMENT THAT THE  
49 CORPORATION IS NOT INSOLVENT AND WILL NOT BECOME INSOLVENT AS A RESULT  
50 OF THE TRANSACTION; AND (III) A STATEMENT AS TO WHETHER ANY PERSONS HAVE  
51 RAISED, OR HAVE A REASONABLE BASIS TO RAISE, OBJECTIONS TO THE SALE,  
52 LEASE, EXCHANGE OR OTHER DISPOSITION THAT IS THE SUBJECT OF THE PETI-  
53 TION, INCLUDING A STATEMENT SETTING FORTH THE NAMES AND ADDRESSES OF  
54 SUCH PERSONS, THE NATURE OF THEIR INTEREST, AND A DESCRIPTION OF THEIR  
55 OBJECTIONS. THE ATTORNEY GENERAL, IN HIS OR HER DISCRETION, MAY DIRECT  
56 THE CORPORATION TO PROVIDE NOTICE OF SUCH PETITION TO ANY INTERESTED

1 PERSON, AND THE CORPORATION SHALL PROVIDE THE ATTORNEY GENERAL WITH A  
2 CERTIFICATION THAT SUCH NOTICE HAS BEEN PROVIDED.

3 (C) IF IT SHALL APPEAR, TO THE SATISFACTION OF THE ATTORNEY GENERAL  
4 THAT THE CONSIDERATION AND THE TERMS OF THE TRANSACTION ARE FAIR AND  
5 REASONABLE TO THE CORPORATION AND THAT THE PURPOSES OF THE CORPORATION  
6 OR THE INTERESTS OF THE MEMBERS WILL BE PROMOTED, THE ATTORNEY GENERAL  
7 MAY AUTHORIZE THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ALL OR  
8 SUBSTANTIALLY ALL THE ASSETS OF THE CORPORATION, AS DESCRIBED IN THE  
9 PETITION, FOR SUCH CONSIDERATION AND UPON SUCH TERMS AS THE ATTORNEY  
10 GENERAL MAY PRESCRIBE. THE AUTHORIZATION OF THE ATTORNEY GENERAL SHALL  
11 DIRECT THE DISPOSITION OF THE CONSIDERATION TO BE RECEIVED THEREUNDER BY  
12 THE CORPORATION.

13 (D) IF THE ATTORNEY GENERAL DOES NOT APPROVE THE PETITION, OR IF THE  
14 ATTORNEY GENERAL CONCLUDES THAT COURT REVIEW IS APPROPRIATE, THE PETI-  
15 TIONER MAY SEEK COURT APPROVAL ON NOTICE TO THE ATTORNEY GENERAL PURSU-  
16 ANT TO SECTION 511 (PETITION FOR COURT APPROVAL) OF THIS ARTICLE.

17 S 39. Intentionally omitted.

18 S 40. Section 907 of the not-for-profit corporation law is amended to  
19 read as follows:

20 S 907. Approval by the supreme court OR ATTORNEY GENERAL.

21 [(a)] Where any constituent corporation or the consolidated corpo-  
22 ration is, or would be if formed under this chapter, a [Type B or a Type  
23 C] CHARITABLE corporation under section 201 (Purposes) of this chapter,  
24 no certificate shall be filed pursuant to section 904 (Certificate of  
25 merger or consolidation; contents) or section 906 (Merger or consol-  
26 idation of domestic and foreign corporations) until (A) THE SUPREME  
27 COURT HAS GRANTED an order approving the plan of merger or consolidation  
28 and authorizing the filing of the certificate [has been made by the  
29 supreme court], as provided in [this] section[. A certified copy of such  
30 order shall be annexed to the certificate of merger or consolidation.  
31 Application for the order may be made in the judicial district in which  
32 the principal office of the surviving or consolidated corporation is to  
33 be located, or in which the office of one of the domestic constituent  
34 corporations is located. The application shall be made by all the  
35 constituent corporations jointly and shall set forth by affidavit (1)  
36 the plan of merger or consolidation, (2) the approval required by  
37 section 903 (Approval of plan) or paragraph (b) of section 906 (Merger  
38 or consolidation of domestic and foreign corporations) for each constit-  
39 uent corporation, (3) the objects and purposes of each such corporation  
40 to be promoted by the consolidation, (4) a statement of all property,  
41 and the manner in which it is held, and of all liabilities and of the  
42 amount and sources of the annual income of each such corporation, (5)  
43 whether any votes against adoption of the resolution approving the plan  
44 of merger or consolidation were cast at the meeting at which the resol-  
45 ution as adopted by each constituent corporation, and (6) facts showing  
46 that the consolidation is authorized by the laws of the jurisdictions  
47 under which each of the constituent corporations is incorporated] 907-A  
48 (APPLICATION FOR APPROVAL OF THE SUPREME COURT) OF THIS ARTICLE OR (B)  
49 THE ATTORNEY GENERAL HAS APPROVED THE PLAN OF MERGER OR CONSOLIDATION  
50 AND AUTHORIZED THE FILING OF THE CERTIFICATE, AS PROVIDED IN SECTION  
51 907-B (APPLICATION FOR APPROVAL OF THE ATTORNEY GENERAL) OF THIS  
52 ARTICLE.

53 [(b)] Upon the filing of the application the court shall fix a time for  
54 hearing thereof and shall direct that notice thereof be given to such  
55 persons as may be interested, including the attorney general, any  
56 governmental body or officer and any other person or body whose consent

1 or approval is required by section 909 (Consent to filing), in such form  
2 and manner as the court may prescribe. If no votes against adoption of  
3 the resolution approving the plan of merger or consolidation were cast  
4 at the meeting at which the resolution was adopted by any constituent  
5 corporation the court may dispense with notice to anyone except the  
6 attorney-general, any governmental body or officer and any other person  
7 or body whose consent or approval is required by section 909 (Consent to  
8 filing). Any person interested may appear and show cause why the appli-  
9 cation should not be granted.

10 (c) If the court shall find that any of the assets of any of the  
11 constituent corporations are held for a purpose specified as Type B in  
12 paragraph (b) of section 201 or are legally required to be used for a  
13 particular purpose, but not upon a condition requiring return, transfer  
14 or conveyance by reason of the merger or consolidation, the court may,  
15 in its discretion, direct that such assets be transferred or conveyed to  
16 the surviving or consolidated corporation subject to such purpose or  
17 use, or that such assets be transferred or conveyed to the surviving or  
18 consolidated corporation or to one or more other domestic or foreign  
19 corporations or organizations engaged in substantially similar activ-  
20 ities, upon an express trust the terms of which shall be approved by the  
21 court.

22 (d) If the court shall find that the interests of non-consenting  
23 members are or may be substantially prejudiced by the proposed merger or  
24 consolidation, the court may disapprove the plan or may direct a modifi-  
25 cation thereof. In the event of a modification, if the court shall find  
26 that the interests of any members may be substantially prejudiced by the  
27 proposed merger or consolidation as modified, the court shall direct  
28 that the modified plan be submitted to vote of the members of the  
29 constituent corporations, or if the court shall find that there is not  
30 such substantial prejudice, it shall approve the agreement as so modi-  
31 fied without further approval by the members. If the court, upon direct-  
32 ing a modification of the plan of merger or consolidation, shall direct  
33 that a further approval be obtained from members of the constituent  
34 corporations or any of them, such further approval shall be obtained in  
35 the manner specified in section 903 (Approval of plan) or section 906(b)  
36 (Merger or consolidation of domestic and foreign corporations) of this  
37 chapter.

38 (e) If it shall appear, to the satisfaction of the court, that the  
39 provisions of this section have been complied with, and that the inter-  
40 ests of the constituent corporations and the public interest will not be  
41 adversely affected by the merger or consolidation, it shall approve the  
42 merger or consolidation upon such terms and conditions as it may  
43 prescribe.]

44 S 41. The not-for-profit corporation law is amended by adding a new  
45 section 907-a to read as follows:

46 S 907-A. APPLICATION FOR APPROVAL OF THE SUPREME COURT.

47 (A) APPLICATION FOR AN ORDER APPROVING THE PLAN OF MERGER AND AUTHOR-  
48 IZING THE FILING OF THE CERTIFICATE MAY BE MADE IN THE JUDICIAL DISTRICT  
49 IN WHICH THE PRINCIPAL OFFICE OF THE SURVIVING OR CONSOLIDATED CORPO-  
50 RATION IS TO BE LOCATED, OR IN WHICH THE OFFICE OF ONE OF THE DOMESTIC  
51 CONSTITUENT CORPORATIONS IS LOCATED. THE APPLICATION SHALL BE MADE BY  
52 ALL THE CONSTITUENT CORPORATIONS JOINTLY AND SHALL SET FORTH BY AFFIDA-  
53 VIT: (1) THE PLAN OF MERGER OR CONSOLIDATION, (2) THE APPROVAL REQUIRED  
54 BY SECTION 903 (APPROVAL OF PLAN) OR PARAGRAPH (B) OF SECTION 906 (MERG-  
55 ER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS) OF THIS ARTI-  
56 CLE FOR EACH CONSTITUENT CORPORATION, (3) THE OBJECTS AND PURPOSES OF

1 EACH SUCH CORPORATION TO BE PROMOTED BY THE MERGER OR CONSOLIDATION, (4)  
2 A STATEMENT OF ALL PROPERTY, AND THE MANNER IN WHICH IT IS HELD, AND OF  
3 ALL LIABILITIES AND OF THE AMOUNT AND SOURCES OF THE ANNUAL INCOME OF  
4 EACH SUCH CORPORATION, (5) WHETHER ANY VOTES AGAINST ADOPTION OF THE  
5 RESOLUTION APPROVING THE PLAN OF MERGER OR CONSOLIDATION WERE CAST AT  
6 THE MEETING AT WHICH THE RESOLUTION WAS ADOPTED BY EACH CONSTITUENT  
7 CORPORATION, AND (6) FACTS SHOWING THAT THE CONSOLIDATION IS AUTHORIZED  
8 BY THE LAWS OF THE JURISDICTIONS UNDER WHICH EACH OF THE CONSTITUENT  
9 CORPORATIONS IS INCORPORATED.

10 (B) UPON THE FILING OF THE APPLICATION THE COURT SHALL FIX A TIME FOR  
11 HEARING THEREOF AND SHALL DIRECT THAT NOTICE THEREOF BE GIVEN TO SUCH  
12 PERSONS AS MAY BE INTERESTED, INCLUDING THE ATTORNEY GENERAL, ANY  
13 GOVERNMENTAL BODY OR OFFICER AND ANY OTHER PERSON OR BODY WHOSE CONSENT  
14 OR APPROVAL IS REQUIRED BY SECTION 909 (CONSENT TO FILING) OF THIS ARTI-  
15 CLE, IN SUCH FORM AND MANNER AS THE COURT MAY PRESCRIBE. IF NO VOTES  
16 AGAINST ADOPTION OF THE RESOLUTION APPROVING THE PLAN OF MERGER OR  
17 CONSOLIDATION WERE CAST AT THE MEETING AT WHICH THE RESOLUTION WAS  
18 ADOPTED BY ANY CONSTITUENT CORPORATION THE COURT MAY DISPENSE WITH  
19 NOTICE TO ANYONE EXCEPT THE ATTORNEY-GENERAL, ANY GOVERNMENTAL BODY OR  
20 OFFICER AND ANY OTHER PERSON OR BODY WHOSE CONSENT OR APPROVAL IS  
21 REQUIRED BY SECTION 909 (CONSENT TO FILING) OF THIS ARTICLE. ANY PERSON  
22 INTERESTED MAY APPEAR AND SHOW CAUSE WHY THE APPLICATION SHOULD NOT BE  
23 GRANTED.

24 (C) IF THE COURT SHALL FIND THAT ANY OF THE ASSETS OF ANY OF THE  
25 CONSTITUENT CORPORATIONS ARE HELD FOR A CHARITABLE PURPOSE OR ARE LEGAL-  
26 LY REQUIRED TO BE USED FOR A PARTICULAR PURPOSE, BUT NOT UPON A CONDI-  
27 TION REQUIRING RETURN, TRANSFER OR CONVEYANCE BY REASON OF THE MERGER OR  
28 CONSOLIDATION, THE COURT MAY, IN ITS DISCRETION, DIRECT THAT SUCH ASSETS  
29 BE TRANSFERRED OR CONVEYED TO THE SURVIVING OR CONSOLIDATED CORPORATION  
30 SUBJECT TO SUCH PURPOSE OR USE, OR THAT SUCH ASSETS BE TRANSFERRED OR  
31 CONVEYED TO THE SURVIVING OR CONSOLIDATED CORPORATION OR TO ONE OR MORE  
32 OTHER DOMESTIC OR FOREIGN CORPORATIONS OR ORGANIZATIONS ENGAGED IN  
33 SUBSTANTIALLY SIMILAR ACTIVITIES, UPON AN EXPRESS TRUST THE TERMS OF  
34 WHICH SHALL BE APPROVED BY THE COURT.

35 (D) IF THE COURT SHALL FIND THAT THE INTERESTS OF NON-CONSENTING  
36 MEMBERS ARE OR MAY BE SUBSTANTIALLY PREJUDICED BY THE PROPOSED MERGER OR  
37 CONSOLIDATION, THE COURT MAY DISAPPROVE THE PLAN OR MAY DIRECT A MODIFI-  
38 CATION THEREOF. IN THE EVENT OF A MODIFICATION, IF THE COURT SHALL FIND  
39 THAT THE INTERESTS OF ANY MEMBERS MAY BE SUBSTANTIALLY PREJUDICED BY THE  
40 PROPOSED MERGER OR CONSOLIDATION AS MODIFIED, THE COURT SHALL DIRECT  
41 THAT THE MODIFIED PLAN BE SUBMITTED TO VOTE OF THE MEMBERS OF THE  
42 CONSTITUENT CORPORATIONS, OR IF THE COURT SHALL FIND THAT THERE IS NOT  
43 SUCH SUBSTANTIAL PREJUDICE, IT SHALL APPROVE THE AGREEMENT AS SO MODI-  
44 FIED WITHOUT FURTHER APPROVAL BY THE MEMBERS. IF THE COURT, UPON DIRECT-  
45 ING A MODIFICATION OF THE PLAN OF MERGER OR CONSOLIDATION, SHALL DIRECT  
46 THAT A FURTHER APPROVAL BE OBTAINED FROM MEMBERS OF THE CONSTITUENT  
47 CORPORATIONS OR ANY OF THEM, SUCH FURTHER APPROVAL SHALL BE OBTAINED IN  
48 THE MANNER SPECIFIED IN SECTION 903 (APPROVAL OF PLAN) OR PARAGRAPH (B)  
49 OF SECTION 906 (MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPO-  
50 RATIONS) OF THIS ARTICLE.

51 (E) IF IT SHALL APPEAR, TO THE SATISFACTION OF THE COURT, THAT THE  
52 PROVISIONS OF THIS SECTION HAVE BEEN COMPLIED WITH, AND THAT THE INTER-  
53 ESTS OF THE CONSTITUENT CORPORATIONS AND THE PUBLIC INTEREST WILL NOT BE  
54 ADVERSELY AFFECTED BY THE MERGER OR CONSOLIDATION, IT SHALL APPROVE THE  
55 MERGER OR CONSOLIDATION UPON SUCH TERMS AND CONDITIONS AS IT MAY  
56 PRESCRIBE.

1 (F) A CERTIFIED COPY OF SUCH ORDER SHALL BE ANNEXED TO THE CERTIFICATE  
2 OF MERGER OR CONSOLIDATION.

3 S 42. The not-for-profit corporation law is amended by adding a new  
4 section 907-b to read as follows:

5 S 907-B. APPLICATION FOR APPROVAL OF THE ATTORNEY GENERAL.

6 (A) IN LIEU OF OBTAINING AN ORDER APPROVING THE PLAN OF MERGER OR  
7 CONSOLIDATION AND AUTHORIZING THE FILING OF THE CERTIFICATE, THE CORPO-  
8 RATION MAY ALTERNATIVELY MAKE AN APPLICATION TO THE ATTORNEY GENERAL FOR  
9 APPROVAL, EXCEPT WHERE THE ATTORNEY GENERAL, IN HIS OR HER DISCRETION,  
10 CONCLUDES THAT A COURT SHOULD REVIEW THE APPLICATION AND MAKE A DETERMI-  
11 NATION THEREON.

12 (B) THE APPLICATION TO THE ATTORNEY GENERAL SHALL BE MADE BY ALL THE  
13 CONSTITUENT CORPORATIONS JOINTLY AND SHALL SET FORTH BY AFFIDAVIT: (I)  
14 ALL OF THE INFORMATION REQUIRED TO BE INCLUDED IN AN APPLICATION TO  
15 OBTAIN COURT APPROVAL PURSUANT TO SECTION 907-A (APPLICATION FOR  
16 APPROVAL OF THE SUPREME COURT) OF THIS ARTICLE, (II) ALL CONSENTS AND  
17 APPROVALS REQUIRED BY SECTION 909 (CONSENT TO FILING), AND (III) A  
18 STATEMENT AS TO WHETHER ANY PERSONS HAVE RAISED, OR HAVE A REASONABLE  
19 BASIS TO RAISE, OBJECTIONS TO THE MERGER OR CONSOLIDATION THAT IS THE  
20 SUBJECT OF THE APPLICATION, INCLUDING A STATEMENT SETTING FORTH THE  
21 NAMES AND ADDRESSES OF SUCH PERSONS, THE NATURE OF THEIR INTEREST, AND A  
22 DESCRIPTION OF THEIR OBJECTIONS.

23 (C) UPON THE FILING OF THE APPLICATION, THE ATTORNEY GENERAL, IN HIS  
24 OR HER DISCRETION, MAY DIRECT THAT THE CONSTITUENT CORPORATIONS PROVIDE  
25 NOTICE TO SUCH PERSONS AS MAY BE INTERESTED, INCLUDING ANY GOVERNMENTAL  
26 BODY OR OFFICER AND ANY OTHER PERSON OR BODY THAT IS REQUIRED EITHER TO  
27 GIVE CONSENT OR BE NOTIFIED UNDER SECTION 404 (APPROVALS, NOTICES AND  
28 CONSENTS) OF THIS ARTICLE OR 909 (CONSENT TO FILING) OF THIS ARTICLE.  
29 THE CONSTITUENT CORPORATIONS SHALL PROVIDE THE ATTORNEY GENERAL WITH A  
30 CERTIFICATION THAT SUCH NOTICE HAS BEEN PROVIDED.

31 (D) IF ANY ASSETS OF ANY OF THE CONSTITUENT CORPORATIONS ARE HELD FOR  
32 A CHARITABLE PURPOSE OR ARE ASSETS RECEIVED FOR A SPECIFIC PURPOSE AND  
33 LEGALLY REQUIRED TO BE USED FOR A PARTICULAR PURPOSE, BUT NOT UPON A  
34 CONDITION REQUIRING RETURN, TRANSFER OR CONVEYANCE BY REASON OF THE  
35 MERGER OR CONSOLIDATION, THE ATTORNEY GENERAL MAY, IN HIS OR HER  
36 DISCRETION, DIRECT THAT SUCH ASSETS BE TRANSFERRED OR CONVEYED TO THE  
37 SURVIVING OR CONSOLIDATED CORPORATION SUBJECT TO SUCH PURPOSE OR USE.

38 (E) IF THE ATTORNEY GENERAL SHALL FIND THAT THE INTERESTS OF NON-CON-  
39 SENTING MEMBERS ARE OR MAY BE SUBSTANTIALLY PREJUDICED BY THE PROPOSED  
40 MERGER OR CONSOLIDATION, THE ATTORNEY GENERAL MAY DISAPPROVE OF THE  
41 APPLICATION OR MAY CONDITION APPROVAL OF THE APPLICATION UPON MODIFICA-  
42 TION OF THE PLAN OF MERGER OR CONSOLIDATION IN ACCORDANCE WITH THIS  
43 CHAPTER AND ANY OTHER LAW OR RULE.

44 (F) IF IT SHALL APPEAR, TO THE SATISFACTION OF THE ATTORNEY GENERAL,  
45 THAT THE PROVISIONS OF THIS SECTION HAVE BEEN COMPLIED WITH, AND THAT  
46 THE INTERESTS OF THE CONSTITUENT CORPORATIONS AND THE PUBLIC INTEREST  
47 WILL NOT BE ADVERSELY AFFECTED BY THE MERGER OR CONSOLIDATION, THE  
48 ATTORNEY GENERAL SHALL APPROVE THE MERGER OR CONSOLIDATION UPON SUCH  
49 TERMS AND CONDITIONS AS IT MAY PRESCRIBE.

50 (G) THE APPROVAL OF THE ATTORNEY GENERAL SHALL BE ANNEXED TO THE  
51 CERTIFICATE OF MERGER OR CONSOLIDATION.

52 (H) IF THE ATTORNEY GENERAL DOES NOT APPROVE THE APPLICATION, OR IF  
53 THE ATTORNEY GENERAL CONCLUDES THAT COURT REVIEW IS APPROPRIATE, THE  
54 CONSTITUENT CORPORATIONS MAY SEEK COURT APPROVAL ON NOTICE TO THE ATTOR-  
55 NEY GENERAL PURSUANT TO SECTION 907-A (APPLICATION FOR APPROVAL OF THE  
56 SUPREME COURT) OF THIS ARTICLE.

1 S 43. Intentionally omitted.

2 S 44. Paragraph (c) of section 1001 of the not-for-profit corporation  
3 law is REPEALED.

4 S 45. Intentionally omitted.

5 S 46. Paragraphs (a) and (c) of section 1002-a of the not-for-profit  
6 corporation law, as amended by chapter 434 of the laws of 2006, are  
7 amended to read as follows:

8 (a) Carry out the plan of dissolution and distribution of assets, pay  
9 its liabilities and distribute its assets in accordance therewith within  
10 two hundred seventy days from the date the plan of dissolution and  
11 distribution of assets shall have been (1) authorized as provided in  
12 section 1002 (AUTHORIZATION OF PLAN) of this article, (2) approved by  
13 any governmental body or officer whose approval is required pursuant to  
14 paragraph (c) of section 1002 (AUTHORIZATION OF PLAN) of this article,  
15 and (3) approved by EITHER THE ATTORNEY GENERAL OR a justice of the  
16 supreme court[, if such approval is required] pursuant to paragraph (d)  
17 of section 1002 (AUTHORIZATION OF PLAN) of this article[, or filed with  
18 the attorney general, if such filing is required pursuant to paragraph  
19 (d) of section 1002 of this article]. Evidence of the disposition of its  
20 assets and payment of its liabilities pursuant to the plan of dissol-  
21 ution and distribution of assets shall be submitted by the corporation  
22 to the attorney general and any other governmental body or officer, as  
23 required under applicable laws. If the plan of dissolution and distrib-  
24 ution of assets cannot be carried out within the prescribed time, the  
25 attorney general may upon good cause shown extend such time, or any  
26 extended period of time, by not fewer than thirty days nor more than one  
27 year;

28 (c) Distribute the assets of the corporation that remain after paying  
29 or adequately providing for the payment of its liabilities, in the  
30 following manner:

31 (1) assets received and held by the corporation either for a CHARITA-  
32 BLE purpose [specified as Type B in paragraph (b) of section 201  
33 (Purposes)] or which are legally required to be used for a particular  
34 purpose, shall be distributed to one or more domestic or foreign corpo-  
35 rations or other organizations engaged in activities substantially simi-  
36 lar to those of the dissolved corporation pursuant to the plan of  
37 dissolution and distribution or, if applicable, as APPROVED BY THE  
38 ATTORNEY GENERAL OR ordered by the SUPREME court PURSUANT to [which such  
39 plan is submitted for approval under] section 1002 (Authorization of  
40 plan) OF THIS ARTICLE. Any disposition of assets contained in a will or  
41 other instrument, in trust or otherwise, made before or after the  
42 dissolution, to or for the benefit of any corporation so dissolved shall  
43 inure to or for the benefit of the corporation or organization acquiring  
44 such assets of the dissolved corporation as provided in this section,  
45 and so far as is necessary for that purpose the corporation or organiza-  
46 tion acquiring such disposition shall be deemed a successor to the  
47 dissolved corporation with respect to such assets; provided, however,  
48 that such disposition shall be devoted by the acquiring corporation or  
49 organization to the purposes intended by the testator, donor or grantor.

50 (2) assets other than those described by subparagraph one of this  
51 paragraph, if any, shall be distributed in accordance with the specifi-  
52 cations of the plan of dissolution and distribution of assets or, to the  
53 extent that the certificate of incorporation prescribes the distributive  
54 rights of members, or of any class or classes of members, as provided in  
55 such certificate;

56 S 47. Intentionally omitted.

1 S 48. Paragraph (a) of section 1007 of the not-for-profit corporation  
2 law, as amended by chapter 434 of the laws of 2006, is amended to read  
3 as follows:

4 (a) At any time after the plan of dissolution and distribution of  
5 assets shall have been (1) authorized as provided in section 1002 of  
6 this article (Authorization of plan), (2) approved by any governmental  
7 body or officer whose approval is required pursuant to paragraph (c) of  
8 section 1002 of this article, and (3) approved by EITHER BY THE ATTORNEY  
9 GENERAL OR a justice of the supreme court[, if such approval is required  
10 pursuant to paragraph (d) of section 1002 of this article, or filed with  
11 the attorney general, if such filing is required] pursuant to paragraph  
12 (d) of section 1002 of this article, and prior to filing the certificate  
13 of dissolution, the corporation may give a notice requiring all credi-  
14 tors and claimants, including any with unliquidated or contingent claims  
15 and any with whom the corporation has unfulfilled contracts, to present  
16 their claims in writing and in detail at a specified place and by a  
17 specified day, which shall not be less than six months after the first  
18 publication of such notice. Such notice shall be published at least once  
19 a week for two successive weeks in a newspaper of general circulation in  
20 the county in which the office of the corporation was located at the  
21 date of authorization of its plan of dissolution and distribution of  
22 assets as provided in section 1002 of this article (Authorization of  
23 plan), OR, UPON CONSENT OF THE ATTORNEY GENERAL, POSTED PROMINENTLY AND  
24 CONTINUOUSLY FOR TWO SUCCESSIVE WEEKS ON THE HOMEPAGE OF ANY WEBSITE  
25 MAINTAINED BY THE CORPORATION. On or before the date of the first  
26 publication OR POSTING ON A WEBSITE of such notice, the corporation  
27 shall mail a copy thereof, postage prepaid, to each person believed to  
28 be a creditor of or claimant against the corporation whose current name  
29 and address are known to or can with due diligence be ascertained by the  
30 corporation. The giving of such notice shall not constitute a recogni-  
31 tion that any person is a proper creditor or claimant, and shall not  
32 revive or make valid, or operate as a recognition of the validity of, or  
33 a waiver of any defense or counterclaim in respect of any claim against  
34 the corporation, its assets, directors, officers or members, which has  
35 been barred by any statute of limitations or become invalid by any  
36 cause, or in respect of which the corporation, its directors, officers  
37 or members, has any defense or counterclaim.

38 S 49. Paragraph c of subdivision 4 of section 216-a of the education  
39 law, as added by chapter 901 of the laws of 1972, is amended to read as  
40 follows:

41 c. The following provisions of the not-for-profit corporation law  
42 shall not apply to education corporations: section one hundred five,  
43 [section one hundred thirteen,] section one hundred fourteen, paragraph  
44 (a) of section two hundred one, paragraphs (b) and (c) of section two  
45 hundred two, section two hundred five, section three hundred one,  
46 section three hundred two, section three hundred three, article four  
47 except paragraphs (b) through (p) of section four hundred four and  
48 section four hundred five, section five hundred nine, [section five  
49 hundred eighteen,] section five hundred twenty-one to the extent that it  
50 refers to [section five hundred eighteen,] paragraph (d) of section  
51 seven hundred six, article eight except section eight hundred four,  
52 section nine hundred seven, [section one thousand eleven,] section one  
53 thousand twelve and article fourteen.

54 S 50. Section 223 of the education law, as amended by chapter 106 of  
55 the laws of 1974, is amended to read as follows:

1 S 223. Consolidation OR MERGER of corporations. Any two or more  
2 corporations chartered under the powers of the regents or incorporated  
3 under a special act of the legislature or under a general law for  
4 purposes for which a charter may be granted by the regents may enter  
5 into an agreement for the consolidation OR MERGER of such corporations,  
6 setting forth the terms and conditions of consolidation OR MERGER, the  
7 name of the proposed CONSOLIDATED OR MERGED corporation, the place or  
8 places where the institution or institutions to be maintained is or are  
9 to be located, the number of its directors, which may be five or more,  
10 the time of the annual election and the names of the persons to be  
11 directors until the first OR NEXT annual meeting.

12 The agreement must be approved by three-fourths of the trustees or  
13 directors of such [corporation] CORPORATIONS at a meeting of the trus-  
14 tees or directors of each corporation, separately and specially called  
15 for that purpose, which approval, duly verified by the chairman and  
16 clerk of such meeting, shall be annexed to the petition. On presenta-  
17 tion of a petition, together with the certificate of approval and the  
18 agreement for consolidation OR MERGER, and on such notice to interested  
19 parties as the regents shall prescribe, and after hearing such inter-  
20 ested parties as desire to be heard, the regents may make and execute an  
21 order for the consolidation OR MERGER of the corporations on such terms  
22 and conditions as the regents may prescribe. When such order is made,  
23 such corporations shall become one corporation by the name designated in  
24 the order, and shall be subject only to such duties and obligations as a  
25 corporation formed under this chapter for the same purposes; and all the  
26 property belonging to the corporations so consolidated OR MERGED shall  
27 be vested in and transferred to the new OR SURVIVING corporation, which  
28 shall be subject to all the liabilities of the former corporations, to  
29 the same extent as if they had been contracted or incurred by it. If  
30 any corporation so consolidated OR MERGED was incorporated under a  
31 special act of the legislature or under a general law pursuant to which  
32 its certificate of incorporation was filed with the department of state,  
33 the regents shall deliver a certified copy of the order of consolidation  
34 OR MERGER to such department.

35 S 51. Section 13 of the religious corporations law, as amended by  
36 chapter 705 of the laws of 1970, is amended to read as follows:

37 S 13. Consolidation OR MERGER of incorporated churches. Two or more  
38 incorporated churches may enter into an agreement, under their respec-  
39 tive corporate seals, for the consolidation OR MERGER of such corpo-  
40 rations, setting forth the name of the proposed new corporation OR  
41 SURVIVING CORPORATION, the denomination, if any, to which it is to  
42 belong, and if the churches of such denomination have more than one  
43 method of choosing trustees, by which of such methods the trustees are  
44 to be chosen, the number of such trustees, the names of the persons to  
45 be the first trustees of the new corporation, and the date of its first  
46 annual corporate meeting. Such an agreement shall not be valid for  
47 United Methodist churches unless proposed by a majority vote of the  
48 charge conference of each church and approved by the superintendent or  
49 superintendents of the district or districts in which the consolidating  
50 churches are located, and by the majority of the members of each of such  
51 churches, over the age of twenty-one years, present and voting at a  
52 meeting thereof held in the usual place of public worship and called for  
53 the purpose of considering such agreement by announcement made at public  
54 service in such churches on two Sundays, the first not less than ten  
55 days next preceding the date of such meeting. Such agreement shall not  
56 be valid unless approved in the case of Protestant Episcopal churches by



1 the bishop and standing committee of the diocese in which such churches  
2 are situated and in the case of churches of other denominations by the  
3 governing body of the denomination, if any, to which each church  
4 belongs, having jurisdiction over such church. Each corporation shall  
5 thereupon make a separate petition to the supreme court for an order  
6 consolidating OR MERGING the corporations, setting forth the denomi-  
7 nation, if any, to which the church belongs, that the consent of the  
8 governing body to the consolidation OR MERGER, if any, of that denomi-  
9 nation having jurisdiction over such church has been obtained, the  
10 agreement therefor, and a statement of all the property and liabilities  
11 and the amount and sources of the annual income of such petitioning  
12 corporation. In its discretion the court may direct that notice of the  
13 hearing of such petition be given to the parties interested therein in  
14 such manner and for such time as it may prescribe. After hearing all  
15 the parties interested, present and desiring to be heard, the court may  
16 make an order for the consolidation OR MERGER of the corporations on the  
17 terms of such agreement and such other terms and conditions as it may  
18 prescribe, specifying the name of such new OR SURVIVING corporation and  
19 the [first] trustees thereof, and the method by which their successors  
20 shall be chosen and the date of its first OR NEXT annual corporate meet-  
21 ing. When such order is made and duly entered, the persons constituting  
22 such CONSOLIDATED OR MERGED corporations shall BE OR become an incorpo-  
23 rated church by, and said petitioning churches shall become consolidated  
24 OR MERGED under, the name designated in the order, and the trustees  
25 therein named shall be the [first] trustees thereof, and the future  
26 trustees thereof shall be chosen by the method therein designated, and  
27 all the estate, rights, powers and property of whatsoever nature belong-  
28 ing to either corporation shall without further act or deed be vested in  
29 and transferred to the new OR SURVIVING corporation as effectually as  
30 they were vested in or belonging to the former corporations; and the  
31 said new OR SURVIVING corporation shall be liable for all the debts and  
32 liabilities of the former corporations in the same manner and as effec-  
33 tually as if said debts or liabilities had been contracted or incurred  
34 by the new OR SURVIVING corporation. A certified copy of such order  
35 shall be recorded in the book for recording certificates of incorpo-  
36 ration in each county clerk's office in which the certificate of incor-  
37 poration of each consolidating OR MERGING church was recorded; or if no  
38 such certificate was so recorded, then in the clerk's office of the  
39 county in which the principal place of worship or principal office of  
40 the new OR SURVIVING corporation is, or is intended to be, situated.

41 S 52. Section 15-a of the religious corporations law, as added by  
42 chapter 108 of the laws of 1965, subdivisions 2, 3 and 8 as amended by  
43 chapter 381 of the laws of 1985, is amended to read as follows:

44 S 15-a. Consolidation of incorporated presbyteries. 1. Two or more  
45 incorporated presbyteries may enter into an agreement for the consol-  
46 idation OR MERGER of such corporations and such corporations may be  
47 consolidated OR MERGED so as to form a single corporation which may be  
48 either a new corporation or one of the [constituent] CONSTITUENT corpo-  
49 rations. Said agreement shall set forth the name of the proposed new  
50 corporation or the name of the existing corporation if it is to become  
51 the consolidated OR MERGED corporation, the method of choosing trustees,  
52 the names of the persons to be the first trustees of the new corporation  
53 if the consolidated OR MERGED corporation is to be a new corporation and  
54 the date of the first annual corporate meeting.

55 2. Such agreement must be authorized and approved by a majority vote  
56 of the members of each contracting presbytery taken at a meeting at

1 which a quorum is present duly called in accordance with the form of  
2 government of the Presbyterian Church (U.S.A.) and the notice of such  
3 meeting shall state the purpose of the meeting.

4 3. Before such agreement is approved as aforesaid, such consolidation  
5 OR MERGER must be directed and approved by the Synod of the Northeast  
6 and the General Assembly of the Presbyterian Church (U.S.A.).

7 4. Each presbytery shall thereafter join in a petition to the supreme  
8 court for an order consolidating OR MERGING the corporation, setting  
9 forth the agreement of the contracting presbyteries, the direction and  
10 approval of the bodies as set forth in subdivision three [hereof] OF  
11 THIS SECTION, a statement of all the property and liabilities and the  
12 sources of the annual income of each presbytery and a description of any  
13 property held by such presbyteries in trust for specific purposes. In  
14 its discretion the court may direct that notice of the hearing of such  
15 petition be given to the parties interested therein in such manner as it  
16 may prescribe.

17 5. After hearing all the parties interested, present and desiring to  
18 be heard, the court may make an order for the consolidation OR MERGER of  
19 the presbyteries on the terms of such agreement and such other terms and  
20 conditions as it may prescribe, specifying the name of the new corpo-  
21 ration or the name the continuing corporation will have if one of the  
22 [constituent] CONSTITUENT corporations is to become the consolidated OR  
23 MERGED corporation, the first trustees thereof if a new corporation is  
24 to be created and the method by which their successors shall be chosen  
25 and the date of the first annual corporate meeting if a new corporation  
26 is to be created.

27 6. When such order is made and duly entered, the persons constituting  
28 such corporate presbyteries shall become one incorporated consolidated  
29 OR MERGED presbytery by, and said petitioning presbyteries shall become  
30 consolidated OR MERGED under, the name designated in the order, and the  
31 trustees therein named, if it is a new corporation, shall be the first  
32 trustees thereof, and if it is a new corporation the trustees thereof  
33 shall be chosen by the method therein designated, and all the estate,  
34 rights, powers and property of whatsoever nature, belonging to either  
35 corporation shall without further act or deed be vested in and/or trans-  
36 ferred to the new corporation as effectually as they were vested in or  
37 belonging to the former corporations, and the new or continuing corpo-  
38 rations shall be liable for all the debts and liabilities of the former  
39 corporations in the same manner and as effectually as if said debts or  
40 liabilities had been contracted or incurred by the new corporation.

41 7. The order or a certified copy thereof shall be recorded in the book  
42 for recording certificates of incorporation in each county clerk's  
43 office in which the certificate of incorporation of each constituent  
44 presbytery was recorded.

45 8. Such consolidated OR MERGED presbytery shall have all the powers  
46 and responsibilities conferred upon presbyteries by the constitution and  
47 form of government of the Presbyterian Church (U.S.A.).

48 S 53. Section 208 of the religious corporations law, as added by chap-  
49 ter 117 of the laws of 1927, is amended to read as follows:

50 S 208. Consolidation. Any two or more religious corporations of the  
51 Jewish faith, incorporated under or by general or special laws, may  
52 enter into an agreement for the consolidation OR MERGER of such corpo-  
53 rations, setting forth the terms and conditions of consolidation, the  
54 name of the proposed OR SURVIVING corporation, the number of its trus-  
55 tees, the time of the annual election and the names of the persons to be  
56 its trustees until the first OR NEXT annual meeting. Each corporation

1 may petition the supreme court for an order consolidating OR MERGING the  
2 corporations, setting forth the agreement for consolidation OR MERGER  
3 and a statement of its real property and of its liabilities. Before the  
4 presentation of the petition to the court the agreement and petition  
5 must be approved by two-thirds of the votes cast in person or by proxy  
6 at a meeting of the members of each corporation called for the purpose  
7 of considering the proposed consolidation OR MERGER in the manner  
8 prescribed by section [forty-three of the membership corporations law]  
9 SIX HUNDRED FIVE OF THE NOT-FOR-PROFIT CORPORATION LAW. An affidavit by  
10 the president and the secretary of each corporation stating that such  
11 approval has been given shall be annexed to the petition. On presenta-  
12 tion to the court of such petition and agreement for consolidation OR  
13 MERGER and on such notice as the court may direct, the court after hear-  
14 ing all the parties interested desiring to be heard, may make an order  
15 approving the consolidation OR MERGER. When such order is made and duly  
16 entered and a certified copy thereof filed with the secretary of state  
17 and in the offices of the clerks of the counties in which the certif-  
18 icates of incorporation of the several constituent corporations were  
19 recorded, or if no such certificate was recorded, then in the office of  
20 the clerk of the county in which the principal place of worship of the  
21 new OR SURVIVING corporation is intended to be situated, such corpo-  
22 rations shall become one corporation by the name designated in the order  
23 and the trustees named in the agreement for consolidation OR MERGER  
24 shall be the [first] trustees of the consolidated corporation.

25 S 54. Section 209 of the religious corporations law, as added by chap-  
26 ter 117 of the laws of 1927, is amended to read as follows:

27 S 209. Effect of consolidation. The consolidated OR MERGED corpo-  
28 ration shall possess all the powers of the constituent corporations and  
29 shall have the power and be subject to the duties and obligations of a  
30 congregation of the Jewish faith formed for like purposes under the  
31 religious corporations law. All the rights, privileges and interests of  
32 each of the constituent corporations, all the property, real, personal  
33 and mixed, and all the debts due on whatever account to either of them,  
34 and all things in action, belonging to either of them, shall be deemed  
35 to be transferred to and vested in such new corporation without further  
36 act or deed; and all claims, demands[.], property, and every other  
37 interest, belonging to the several constituent corporations, shall be as  
38 effectually the property of the new corporation as they were of the  
39 constituent corporations, and the title to all real property, held or  
40 taken by deed or otherwise under the laws of this state, vested in the  
41 several constituent corporations shall not be deemed to revert or to be  
42 in any way impaired by reason of the consolidation but shall be vested  
43 in the new corporation. Any devise, bequest, gift, grant, or declaration  
44 of trust, contained in any deed, will, or other instrument, in trust or  
45 otherwise, made before or after such consolidation, OR MERGER to or for  
46 any of the constituent corporations, shall inure to the benefit of the  
47 consolidated OR MERGED corporation. The consolidated corporation shall  
48 be deemed to have assumed and shall be liable for all debts and obli-  
49 gations of the constituent corporations in the same manner as if such  
50 new corporation had itself incurred such debts or obligations.

51 S 55. This act shall take effect January 1, 2014, provided that  
52 section three of this act and paragraph (d) of section 8-1.9 of the  
53 estates, powers and trusts law as added by section eight of this act  
54 shall not be applicable until January 1, 2015 for any corporation or  
55 trust that had annual revenues of less than 10,000,000 dollars in the  
56 last fiscal year ending prior to January 1, 2014.

1 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
2 sion, section or part of this act shall be adjudged by any court of  
3 competent jurisdiction to be invalid, such judgment shall not affect,  
4 impair, or invalidate the remainder thereof, but shall be confined in  
5 its operation to the clause, sentence, paragraph, subdivision, section  
6 or part thereof directly involved in the controversy in which such judg-  
7 ment shall have been rendered. It is hereby declared to be the intent of  
8 the legislature that this act would have been enacted even if such  
9 invalid provisions had not been included herein.

10 S 3. This act shall take effect immediately provided, however, that  
11 the applicable effective date of Parts A through B of this act shall be  
12 as specifically set forth in the last section of such Parts.