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

7442--A

2015-2016 Regular Sessions

I N A S S E M B L Y

May 12, 2015

Introduced by M. of A. BRENNAN -- read once and referred to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the not-for-profit corporation law, in relation to corporations serving as chair of a board

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

Section 1. Paragraph (f) of section 713 of the not-for-profit corporation law, as added by chapter 549 of the laws of 2013, is amended to read as follows:

(f) No employee of the corporation shall serve as chair of the board or hold any other title with similar responsibilities UNLESS THE BOARD APPROVES SUCH EMPLOYEE SERVING AS CHAIR OF THE BOARD BY A MAJORITY VOTE OF THE WHOLE BOARD AND CONTEMPORANEOUSLY DOCUMENTS IN WRITING THE BASIS FOR THE BOARD APPROVAL INCLUDING THE BOARD'S CONSIDERATION OF ALTERNATIVE OPTIONS; PROVIDED, HOWEVER, THAT NO SUCH EMPLOYEE SHALL BE CONSIDERED AN INDEPENDENT DIRECTOR.

S 2. This act shall take effect on the same date and in the same manner as paragraph (f) of section 713 of the not-for-profit corporation law, takes effect, pursuant to chapter 549 of the laws of 2013, as amended.

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

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