

10205

I N   A S S E M B L Y

May 16, 2016

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

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

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

1     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  
2     read as follows:  
3     (f) No employee of the corporation shall serve as chair of the board  
4     or hold any other title with similar responsibilities UNLESS THE BOARD  
5     APPROVES SUCH EMPLOYEE SERVING AS CHAIR OF THE BOARD BY TWO-THIRDS VOTE  
6     OF THE ENTIRE BOARD AND CONTEMPORANEOUSLY DOCUMENTS IN WRITING THE BASIS  
7     FOR THE BOARD APPROVAL; PROVIDED, HOWEVER, THAT NO SUCH EMPLOYEE SHALL  
8     BE CONSIDERED AN INDEPENDENT DIRECTOR.  
9     S 2. This act shall take effect on the same date and in the same  
10    manner as section 73 of chapter 549 of the laws of 2013, takes effect.  
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EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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