

5370

2015-2016 Regular Sessions

I N   S E N A T E

May 14, 2015

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Introduced by Sen. RANZENHOFER -- read twice and ordered printed, and  
when printed to be committed to the Committee on Corporations, Author-  
ities and Commissions

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 ASSEM-  
BLY, DO ENACT AS FOLLOWS:

1     Section 1. Paragraph (f) of section 713 of the not-for-profit corpo-  
2     ration law, as added by chapter 549 of the laws of 2013, is amended to  
3     read as follows:  
4     (f) No employee of the corporation shall serve as chair of the board  
5     or hold any other title with similar responsibilities UNLESS THE BOARD  
6     APPROVES SUCH EMPLOYEE SERVING AS CHAIR OF THE BOARD BY A MAJORITY VOTE  
7     OF THE WHOLE BOARD AND CONTEMPORANEOUSLY DOCUMENTS IN WRITING THE BASIS  
8     FOR THE BOARD APPROVAL INCLUDING THE BOARD'S CONSIDERATION OF ALTERNA-  
9     TIVE OPTIONS. THE CONTEMPORANEOUSLY DOCUMENTED BASIS OF SUCH APPROVAL  
10    SHALL BE PROVIDED TO THE ATTORNEY GENERAL WITHIN SIXTY DAYS OF SUCH  
11    APPROVAL IN WRITTEN OR ELECTRONIC FORM.  
12    S 2. This act shall take effect on the same date and in the same  
13    manner as paragraph (f) of section 713 of the not-for-profit corporation  
14    law, takes effect, pursuant to chapter 549 of the laws of 2013, as  
15    amended.

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

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