

5370--A

2015-2016 Regular Sessions

I N S E N A T E

May 14, 2015

Introduced by Sen. RANZENHOFER -- read twice and ordered printed, and when printed to be committed 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:

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; PROVIDED, HOWEVER, THAT NO SUCH EMPLOYEE SHALL BE CONSID-
10 ERED AN INDEPENDENT DIRECTOR.
11 S 2. This act shall take effect on the same date and in the same
12 manner as paragraph (f) of section 713 of the not-for-profit corporation
13 law, takes effect, pursuant to chapter 549 of the laws of 2013, as
14 amended.

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

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