STATE OF NEW YORK

6017

2017-2018 Regular Sessions

IN ASSEMBLY

February 21, 2017

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

CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY

proposing amendments to sections 1 and 4 of article 10 of the constitution, in relation to corporations

Section 1. Resolved (if the Senate concur), That section 1 of article 10 of the constitution be amended to read as follows:

Section 1. Corporations may be formed under general laws; but shall not be created by special act, except for municipal purposes, and in cases where, in the judgment of the legislature, the objects of the corporation cannot be attained under general laws. All general laws and special acts passed pursuant to this section may be altered from time to time or repealed.

On or before July first, two thousand twenty, the legislature shall enact, and may thereafter from time to time amend, a code of corporate responsibility. Such code shall set forth that, in recognition of the granting to corporations of certain powers and privileges which are not possessed by individuals or partnerships, corporations doing business in this state have certain responsibilities to the people and communities of this state. Such responsibilities shall include (a) the responsibility to do business in this state in a manner which promotes the economic security and development of the state, its communities, and its citizens, which protects the quality of the state's air and water, which provides safe and sanitary workplaces for its employees, and which refrains from the exercises of monopolistic or oligopolistic powers to increase prices and generate windfall profits; and (b) such other responsibilities as the legislature may deem appropriate and necessary to the promotion of the health, safety, and welfare of the people and communities of this state. The code of corporate responsibility, as enacted and from time to time amended by the legislature, may establish specific actions which may not be taken by corporations doing business in this state. All entities which have been formed under general or

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

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special laws of this state and which have any of the powers or privileges of corporations not possessed by individuals or partnerships, and all such entities which have been formed under the laws of other states and which are doing business in this state, shall conduct their activities in this state in accordance with such code of corporate responsibility.

§ 2. Resolved (if the Senate concur), That section 4 of article 10 of the constitution be amended to read as follows:

§ 4. The term corporations, as used in this section and in sections 1, 2, and 3 of this article, shall be construed to include all associations [~~and~~], joint-stock companies, limited liability companies, and other entities having any of the powers or privileges of corporations not possessed by individuals or partnerships. Corporations formed under the laws of other states or other countries may do business in this state; provided that they pay such registration fees and taxes, that they register with the secretary of state and with such other state officer or officers as the legislature may require by law, and that they agree to comply and do comply with all laws of this state with which corporations formed under the laws of this state must comply, except as otherwise provided by law. The supreme court may dissolve a corporation formed under the laws of this state or revoke the authority to do business in this state of a corporation formed under the laws of another state or country (a) in an action by the attorney general, if it is established that (i) the corporation obtained its certificate of incorporation or its authorization to do business in this state through fraud, or (ii) the corporation has exceeded or abused, on a continuing basis, the authority conferred upon it by law or it has violated the law, on a continuing basis, or (iii) the corporation has acted contrary to the public policy of the state, or (iv) the corporation has acted in a manner that is inconsistent with the code of corporate responsibility established pursuant to section 1 of this article or (b) in an action by a shareholder, if it is established that the directors or those in control of the corporation have acted, or are acting, or will act in a manner that is illegal, oppressive, or fraudulent. And all corporations shall have the right to sue and shall be subject to be sued in all courts in like cases as natural persons.

§ 3. Resolved (if the Senate concur), That the foregoing amendment be referred to the first regular legislative session convening after the next succeeding general election of members of the assembly, and, in conformity with section 1 of article 19 of the constitution, be published for 3 months previous to the time of such election.