

STATE OF NEW YORK

10096

IN ASSEMBLY

March 14, 2018

Introduced by M. of A. PAULIN, SEAWRIGHT -- 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 All general laws and special acts passed pursuant to this section may be altered from time to time or repealed.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 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

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

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1 and which are doing business in this state, shall conduct their activ-
2 ities in this state in accordance with such code of corporate responsi-
3 bility.

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

6 § 4. The term corporations, as used in this section and in sections
7 1, 2, and 3 of this article, shall be construed to include all associ-
8 ations ~~[and]~~, joint-stock companies, limited liability companies, and
9 other entities having any of the powers or privileges of corporations
10 not possessed by individuals or partnerships. Corporations formed under
11 the laws of other states or other countries may do business in this
12 state; provided that they pay such registration fees and taxes, that
13 they register with the secretary of state and with such other state
14 officer or officers as the legislature may require by law, and that they
15 agree to comply and do comply with all laws of this state with which
16 corporations formed under the laws of this state must comply, except as
17 otherwise provided by law. The supreme court may dissolve a corporation
18 formed under the laws of this state or revoke the authority to do busi-
19 ness in this state of a corporation formed under the laws of another
20 state or country (a) in an action by the attorney general, if it is
21 established that (i) the corporation obtained its certificate of incor-
22 poration or its authorization to do business in this state through
23 fraud, or (ii) the corporation has exceeded or abused, on a continuing
24 basis, the authority conferred upon it by law or it has violated the
25 law, on a continuing basis, or (iii) the corporation has acted contrary
26 to the public policy of the state, or (iv) the corporation has acted in
27 a manner that is inconsistent with the code of corporate responsibility
28 established pursuant to section 1 of this article or (b) in an action by
29 a shareholder, if it is established that the directors or those in
30 control of the corporation have acted, or are acting, or will act in a
31 manner that is illegal, oppressive, or fraudulent. And all corporations
32 shall have the right to sue and shall be subject to be sued in all
33 courts in like cases as natural persons.

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