

STATE OF NEW YORK

10304

IN ASSEMBLY

April 10, 2018

Introduced by M. of A. PAULIN, GALEF, RAIA -- 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 audit committee membership and voting requirements of the board of certain corporations

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph (d) of section 712-a of the not-for-profit corporation law, as added by chapter 549 of the laws of 2013, is amended to read as follows:

2 (d) If a corporation controls a group of corporations, the board or
3 designated audit committee of the board of the controlling corporation
4 may perform the duties required by this section for one or more of the
5 controlled corporations and, if independent directors, directors from
6 one or more of the controlled corporations may serve on any designated
7 audit committee of the board of the controlling corporation and perform
8 the duties required by this section for each corporation and any
9 controlled corporations.

10 § 2. The opening paragraph of paragraph (a) of section 902 of the
11 not-for-profit corporation law, is amended to read as follows:

12 The board of each corporation proposing to participate in a merger or
13 consolidation under section 901 (Power of merger or consolidation) shall
14 adopt, at respective meetings by a vote of two-thirds of the entire
15 board of each corporation, or of such greater proportion or proportions
16 as may be provided specifically in the certificate of incorporation or
17 the by-laws of either, a plan of merger or consolidation, setting forth:

18 § 3. Subparagraph 1 of paragraph (a) of section 1002 of the not-for-
19 profit corporation law, as amended by chapter 549 of the laws of 2013,
20 is amended to read as follows:

21 (1) In the case of a vote by the board of directors: (i) the number of
22 directors required under the certificate of incorporation, by-laws, this
23 chapter and any other applicable law; ~~[ex]~~

24 (ii) two-thirds of the entire board of the corporation; or

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

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1 ~~(iii)~~ if the number of directors actually holding office as such at
2 the time of the vote to adopt the plan is less than the number required
3 to constitute a quorum of directors under the certificate of incorpo-
4 ration, the by-laws, this chapter or any other applicable law, the
5 remaining directors unanimously;
6 § 4. This act shall take effect on the ninetieth day after it shall
7 have become a law.