

STATE OF NEW YORK

9110

IN SENATE

December 2, 2020

Introduced by Sen. BENJAMIN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the business corporation law, the not-for-profit corporation law, and the religious corporations law, in relation to providing for the remote conduct of certain practices and procedures relating to board meetings

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

1 Section 1. Paragraph (b) of section 708 of the business corporation
2 law, as amended by chapter 122 of the laws of 2020, is amended to read
3 as follows:

4 (b) Unless otherwise restricted by the certificate of incorporation or
5 the by-laws, any action required or permitted to be taken by the board
6 or any committee thereof may be taken without a meeting if all members
7 of the board or the committee consent in writing to the adoption of a
8 resolution authorizing the action. The resolution and the written
9 consents thereto by the members of the board or committee shall be filed
10 with the minutes of the proceedings of the board or committee. For the
11 duration of the state disaster emergency declared by executive order two
12 hundred two that began on March seventh, two thousand twenty, or until
13 December thirty-first, two thousand twenty-one, whichever is later,
14 notwithstanding any provision of law to the contrary, the written
15 consent of a member may be made electronically, where such consent is
16 submitted via electronic mail along with information from which it can
17 be reasonably determined that the transmission was authorized by such
18 member.

19 § 2. Paragraph (a) of section 602 of the business corporation law, as
20 amended by chapter 122 of the laws of 2020, is amended to read as
21 follows:

22 (a) Meetings of shareholders may be held at such place, within or
23 without this state, as may be fixed by or under the by-laws, or if not
24 so fixed, as determined by the board of directors. For the duration of
25 the state disaster emergency declared by executive order two hundred two
26 that began on March seventh, two thousand twenty, or until December

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

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1 thirty-first, two thousand twenty-one, whichever is later, if, pursuant
2 to this paragraph or the by-laws of the corporation, the board of direc-
3 tors is authorized to determine the place of a meeting of shareholders,
4 the board of directors may, in its sole discretion, determine that the
5 meeting be held solely by means of electronic communication, the
6 platform/service of which shall be the place of the meeting for purpose
7 of this article.

8 § 3. Paragraph (a) of section 603 of the not-for-profit corporation
9 law, as amended by chapter 122 of the laws of 2020, is amended to read
10 as follows:

11 (a) Meetings of members may be held at such place, within or without
12 this state, as may be fixed by or under the by-laws or, if not so fixed,
13 as determined by the board of directors. For the duration of the state
14 disaster emergency declared by executive order two hundred two that
15 began on March seventh, two thousand twenty, or until December thirty-
16 first, two thousand twenty-one, whichever is later, the board of direc-
17 tors may, in its sole discretion, determine that meetings of members be
18 held partially or solely by means of electronic communication, the elec-
19 tronic service and/or platform by which the meeting is held shall be the
20 place of the meeting for purposes of this article if a meeting is held
21 solely by means of electronic communication. Meetings conducted partial-
22 ly or solely by means of electronic communications in reliance upon this
23 paragraph and any member's electronic participation in such meetings
24 shall be subject to those guidelines and procedures as the board adopts,
25 provided the board shall implement reasonable measures to: (1) verify
26 that each person participating electronically is a member or a proxy of
27 a member; (2) provide each member participating electronically with a
28 reasonable opportunity to participate in the meeting, including an
29 opportunity to propose, object to, and vote upon a specific action to be
30 taken by the members, and to see, read or hear the proceedings of the
31 meeting substantially concurrently with those proceedings; and (3)
32 record and maintain a record of any votes or other actions taken by
33 electronic communication at the meeting.

34 § 4. Paragraphs (a) and (b) of section 605 of the not-for-profit
35 corporation law, as amended by chapter 122 of the laws of 2020, are
36 amended to read as follows:

37 (a) Whenever under the provisions of this chapter members are required
38 or permitted to take any action at a meeting, written notice shall state
39 the place, date and hour of the meeting, for the duration of the state
40 disaster emergency declared by executive order two hundred two that
41 began on March seventh, two thousand twenty, or until December thirty-
42 first, two thousand twenty-one, whichever is later, the means of elec-
43 tronic communication, if any, by which members may participate in the
44 proceedings of the meeting pursuant to paragraph (a) of section six
45 hundred three of this article and, unless it is an annual meeting, indi-
46 cate that it is being issued by or at the direction of the person or
47 persons calling the meeting. Notice of a special meeting shall also
48 state the purpose or purposes for which the meeting is called. A copy of
49 the notice of any meeting shall be given, personally, by mail, or by
50 facsimile telecommunications or by electronic mail, to each member enti-
51 tled to vote at such meeting. If the notice is given personally, by
52 first class mail or by facsimile telecommunications or by electronic
53 mail, it shall be given not less than ten nor more than fifty days
54 before the date of the meeting; if mailed by any other class of mail, it
55 shall be given not less than thirty nor more than sixty days before such
56 date. If mailed, such notice is given when deposited in the United

1 States mail, with postage thereon prepaid, directed to the member at his
2 address as it appears on the record of members, or, if he shall have
3 filed with the secretary of the corporation a written request that
4 notices to him be mailed to some other address, then directed to him at
5 such other address. If sent by facsimile telecommunication or mailed
6 electronically, such notice is given when directed to the member's fax
7 number or electronic mail address as it appears on the record of
8 members, or, to such fax number or other electronic mail address as
9 filed with the secretary of the corporation. Notwithstanding the forego-
10 ing, such notice shall not be deemed to have been given electronically
11 (1) if the corporation is unable to deliver two consecutive notices to
12 the member by facsimile telecommunication or electronic mail; or (2) the
13 corporation otherwise becomes aware that notice cannot be delivered to
14 the member by facsimile telecommunication or electronic mail. An affida-
15 vit of the secretary or other person giving the notice or of a transfer
16 agent of the corporation that the notice required by this section has
17 been given shall, in the absence of fraud, be prima facie evidence of
18 the facts therein stated. Whenever a corporation has more than five
19 hundred members, the notice may be served by publication in a newspaper
20 published in the county in the state in which the principal office of
21 the corporation is located, once a week for three successive weeks next
22 preceding the date of the meeting, provided that the corporation shall
23 also prominently post notice of such meeting on the homepage of any
24 website maintained by the corporation continuously from the date of
25 publication through the date of the meeting. A corporation shall send
26 notice of meetings by first class mail to any member who requests in
27 writing that such notices be delivered by such method.

28 (b) When a meeting is adjourned to another time or place, it shall not
29 be necessary, unless the by-laws require otherwise, to give any notice
30 of the adjourned meeting if the time and place to which the meeting is
31 adjourned and, for the duration of the state disaster emergency declared
32 by executive order two hundred two that began on March seventh, two
33 thousand twenty, or until December thirty-first, two thousand twenty-
34 one, whichever is later, the means of electronic communications, if any,
35 by which members may participate in the proceedings of the meeting
36 pursuant to paragraph (a) of section six hundred three of this article
37 are announced at the meeting at which the adjournment is taken, and at
38 the adjourned meeting any business may be transacted that might have
39 been transacted on the original date of the meeting. However, if after
40 the adjournment the board fixes a new record date for the adjourned
41 meeting, a notice of the adjourned meeting shall be given to each member
42 of record on the new record date entitled to notice under paragraph (a)
43 of this section.

44 § 5. Section 28 of the religious corporations law, as amended by chap-
45 ter 122 of the laws of 2020, is amended to read as follows:

46 § 28. Meetings for the duration of the state disaster emergency
47 declared by executive order two hundred two that began on March seventh,
48 two thousand twenty; electronic communication. For the duration of the
49 state disaster emergency declared by executive order two hundred two
50 that began on March seventh, two thousand twenty, or until December
51 thirty-first, two thousand twenty-one, whichever is later, notwithstand-
52 ing any provision of law, certificate of incorporation or by-laws to the
53 contrary, if the board of trustees of a religious corporation is author-
54 ized to determine the place of trustee meetings or corporate meetings,
55 the board of trustees may, in its sole discretion, determine that the
56 meeting shall be held solely by means of electronic communication, the

1 electronic service and/or platform through which the meeting is held
2 shall be the place of the meeting for purposes of this chapter.

3 § 6. This act shall take effect immediately, provided, however, that
4 the amendments to paragraph (b) of section 708 of the business corpo-
5 ration law made by section one of this act, paragraph (a) of section 602
6 of the business corporation law made by section two of this act, para-
7 graph (a) of section 603 of the not-for-profit corporation law made by
8 section three of this act, paragraphs (a) and (b) of section 605 of the
9 not-for-profit corporation law made by section four of this act, and
10 section 28 of the religious corporations law made by section five of
11 this act, shall not affect the expiration or repeal of such paragraphs
12 or such section and shall be deemed to expire or repeal therewith.