

# STATE OF NEW YORK

11150

## IN ASSEMBLY

December 4, 2020

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Paulin) --  
read once and referred to the Committee on Corporations, Authorities  
and Commissions

AN ACT to amend the business corporation law, the not-for-profit corpo-  
ration law and the religious corporations law, in relation to allowing  
corporations to conduct business and meetings electronically for a  
certain period of time

The People of the State of New York, represented in Senate and Assem-  
bly, 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

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

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

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

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

35 § 4. Section 605 of the not-for-profit corporation law, as amended by  
36 chapter 122 of the laws of 2020, is amended to read as follows:

37 § 605. Notice of meeting of members.

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

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

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

45 (c) Nothing required in paragraphs (a) or (b) of this section shall  
46 limit, restrict or supersede other forms of voting and participation.

47 § 5. Section 28 of the religious corporations law, as added by chapter  
48 122 of the laws of 2020, is amended to read as follows:

49 § 28. Meetings for the duration of the state disaster emergency  
50 declared by executive order two hundred two that began on March seventh,  
51 two thousand twenty; electronic communication. For the duration of the  
52 state disaster emergency declared by executive order two hundred two  
53 that began on March seventh, two thousand twenty, or until December  
54 thirty-first, two thousand twenty-one, whichever is later, notwithstand-  
55 ing any provision of law, certificate of incorporation or by-laws to the  
56 contrary, if the board of trustees of a religious corporation is author-

1 ized to determine the place of trustee meetings or corporate meetings,  
2 the board of trustees may, in its sole discretion, determine that the  
3 meeting shall be held solely by means of electronic communication, the  
4 electronic service and/or platform through which the meeting is held  
5 shall be the place of the meeting for purposes of this chapter.

6 § 6. This act shall take effect immediately, provided, however, that:

7 a. the amendments to paragraph (b) of section 708 of the business  
8 corporation law made by section one of this act shall not affect the  
9 expiration of such paragraph and shall be deemed to expire therewith;

10 b. the amendments to paragraph (a) of section 602 of the business  
11 corporation law made by section two of this act shall not affect the  
12 expiration of such paragraph and shall be deemed to expire therewith;

13 c. the amendments to paragraph (a) of section 603 of the not-for-pro-  
14 fit corporation law made by section three of this act shall not affect  
15 the expiration of such paragraph and shall be deemed to expire there-  
16 with;

17 d. the amendments to section 605 of the not-for-profit corporation law  
18 made by section four of this act shall not affect the expiration of such  
19 section and shall be deemed to expire therewith; and

20 e. the amendments to section 28 of the religious corporations law made  
21 by section five of this act shall not affect the repeal of such section  
22 and shall be deemed repealed therewith.