

# STATE OF NEW YORK

9969

## IN ASSEMBLY

April 27, 2022

Introduced by M. of A. PAULIN -- 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 modernizing such law to align with current practices, streamlining procedures, and eliminating unnecessary regulatory burdens

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

1 Section 1. Paragraph (a) of section 614 of the not-for-profit corporation law, as amended by chapter 358 of the laws of 2015, is amended to  
2 read as follows:

3  
4 (a) Whenever, under this chapter, members are required or permitted to  
5 take any action by vote, such action may be taken without a meeting upon  
6 the consent of all of the members entitled to vote thereon, which  
7 consent shall set forth the action so taken. Such consent may be written  
8 or electronic. If written, the consent must be executed by the member or  
9 the member's authorized officer, director, employee or agent by signing  
10 such consent or causing his or her signature to be affixed to such  
11 consent by any reasonable means including but not limited to facsimile  
12 signature. If electronic, the transmission of the consent must be sent  
13 by electronic mail or other electronic means and set forth, or be  
14 submitted with, information from which it can reasonably be determined  
15 that the transmission was authorized by the member. This paragraph shall  
16 not be construed to alter or modify any provision in a certificate of  
17 incorporation not inconsistent with this chapter under which the written  
18 consent of less than all of the members is sufficient for corporate  
19 action.

20 § 2. Paragraph (c) of section 705 of the not-for-profit corporation  
21 law is amended to read as follows:

22 (c) [A] Unless otherwise provided in the certificate of incorporation  
23 or bylaws, a director elected or appointed to fill a vacancy in an unex-  
24 pired term shall hold office until the ~~[next annual meeting at which the~~  
25 ~~election of directors is in the regular order of business]~~ end of the  
26 term which the director was elected or appointed to fill, or for a term  
27 to be determined by the board which ends at an annual meeting, subject

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

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1 to the limitations on terms of office in paragraph (b) of section seven  
2 hundred three of this article, and until his successor is elected or  
3 appointed and qualified.

4 § 3. Paragraph (b) of section 708 of the not-for-profit corporation  
5 law, as amended by chapter 549 of the laws of 2013, is amended to read  
6 as follows:

7 (b) Unless otherwise restricted by the certificate of incorporation or  
8 the by-laws, any action required or permitted to be taken by the board  
9 or any committee thereof may be taken without a meeting if all members  
10 of the board or the committee consent to the adoption of a resolution  
11 authorizing the action. Such consent may be written or electronic. If  
12 written, the consent must be executed by the director by signing such  
13 consent or causing his or her signature to be affixed to such consent by  
14 any reasonable means including, but not limited to, facsimile signature.  
15 If electronic, the transmission of the consent must be sent by electron-  
16 ic mail or other electronic means and set forth, or be submitted with,  
17 information from which it can reasonably be determined that the trans-  
18 mission was authorized by the director. The resolution and the written  
19 consents thereto by the members of the board or committee shall be filed  
20 with the minutes of the proceedings of the board or committee.

21 § 4. Paragraph (d) of section 708 of the not-for-profit corporation  
22 law, as amended by chapter 555 of the laws of 2015, is amended to read  
23 as follows:

24 (d) Except as otherwise provided in this chapter, the vote of a major-  
25 ity of the directors present at the time of the vote, if a quorum is  
26 present at such time, shall be the act of the board. Directors who are  
27 present at a meeting but not present at the time of a vote due to a  
28 conflict of interest or related party transaction shall be determined to  
29 be present at the time of the vote for purposes of [~~this paragraph~~]  
30 determining if a quorum is present at such time.

31 § 5. This act shall take effect immediately.