

# STATE OF NEW YORK

3917--A

Cal. No. 327

2021-2022 Regular Sessions

## IN SENATE

February 1, 2021

Introduced by Sen. BENJAMIN -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- reported favorably from said committee, ordered to first and second report, amended on second report, ordered to a third reading, and to be reprinted as amended, retaining its place in the order of third reading

AN ACT to amend the business corporation law, the not-for-profit corporation 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 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.

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

LBD05120-02-1

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

4 (a) Meetings of shareholders may be held at such place, within or  
5 without this state, as may be fixed by or under the by-laws, or if not  
6 so fixed, as determined by the board of directors. For the duration of  
7 the state disaster emergency declared by executive order two hundred two  
8 that began on March seventh, two thousand twenty, or until December  
9 thirty-first, two thousand twenty-one, whichever is later, if, pursuant  
10 to this paragraph or the by-laws of the corporation, the board of direc-  
11 tors is authorized to determine the place of a meeting of shareholders,  
12 the board of directors may, in its sole discretion, determine that the  
13 meeting be held solely by means of electronic communication, the  
14 platform/service of which shall be the place of the meeting for purpose  
15 of this article.

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

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

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

44 § 605. Notice of meeting of members.

45 (a) Whenever under the provisions of this chapter members are required  
46 or permitted to take any action at a meeting, written notice shall state  
47 the place, date and hour of the meeting, for the duration of the state  
48 disaster emergency declared by executive order two hundred two that  
49 began on March seventh, two thousand twenty, or until December thirty-  
50 first, two thousand twenty-one, whichever is later, the means of elec-  
51 tronic communication, if any, by which members may participate in the  
52 proceedings of the meeting pursuant to paragraph (a) of section six  
53 hundred three of this article and, unless it is an annual meeting, indi-  
54 cate that it is being issued by or at the direction of the person or  
55 persons calling the meeting. Notice of a special meeting shall also  
56 state the purpose or purposes for which the meeting is called. A copy of

1 the notice of any meeting shall be given, personally, by mail, or by  
2 facsimile telecommunications or by electronic mail, to each member enti-  
3 tled to vote at such meeting. If the notice is given personally, by  
4 first class mail or by facsimile telecommunications or by electronic  
5 mail, it shall be given not less than ten nor more than fifty days  
6 before the date of the meeting; if mailed by any other class of mail, it  
7 shall be given not less than thirty nor more than sixty days before such  
8 date. If mailed, such notice is given when deposited in the United  
9 States mail, with postage thereon prepaid, directed to the member at his  
10 address as it appears on the record of members, or, if he shall have  
11 filed with the secretary of the corporation a written request that  
12 notices to him be mailed to some other address, then directed to him at  
13 such other address. If sent by facsimile telecommunication or mailed  
14 electronically, such notice is given when directed to the member's fax  
15 number or electronic mail address as it appears on the record of  
16 members, or, to such fax number or other electronic mail address as  
17 filed with the secretary of the corporation. Notwithstanding the forego-  
18 ing, such notice shall not be deemed to have been given electronically  
19 (1) if the corporation is unable to deliver two consecutive notices to  
20 the member by facsimile telecommunication or electronic mail; or (2) the  
21 corporation otherwise becomes aware that notice cannot be delivered to  
22 the member by facsimile telecommunication or electronic mail. An affida-  
23 vit of the secretary or other person giving the notice or of a transfer  
24 agent of the corporation that the notice required by this section has  
25 been given shall, in the absence of fraud, be prima facie evidence of  
26 the facts therein stated. Whenever a corporation has more than five  
27 hundred members, the notice may be served by publication in a newspaper  
28 published in the county in the state in which the principal office of  
29 the corporation is located, once a week for three successive weeks next  
30 preceding the date of the meeting, provided that the corporation shall  
31 also prominently post notice of such meeting on the homepage of any  
32 website maintained by the corporation continuously from the date of  
33 publication through the date of the meeting. A corporation shall send  
34 notice of meetings by first class mail to any member who requests in  
35 writing that such notices be delivered by such method.

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

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

54 § 5. Section 28 of the religious corporations law, as added by chapter  
55 122 of the laws of 2020, is amended to read as follows:

1 § 28. Meetings for the duration of the state disaster emergency  
2 declared by executive order two hundred two that began on March seventh,  
3 two thousand twenty; electronic communication. For the duration of the  
4 state disaster emergency declared by executive order two hundred two  
5 that began on March seventh, two thousand twenty, or until December  
6 thirty-first, two thousand twenty-one, whichever is later, notwithstand-  
7 ing any provision of law, certificate of incorporation or by-laws to the  
8 contrary, if the board of trustees of a religious corporation is author-  
9 ized to determine the place of trustee meetings or corporate meetings,  
10 the board of trustees may, in its sole discretion, determine that the  
11 meeting shall be held solely by means of electronic communication, the  
12 electronic service and/or platform through which the meeting is held  
13 shall be the place of the meeting for purposes of this chapter.

14 § 6. This act shall take effect immediately, provided, however, that:  
15 a. the amendments to paragraph (b) of section 708 of the business  
16 corporation law made by section one of this act shall not affect the  
17 expiration of such paragraph and shall be deemed to expire therewith;  
18 b. the amendments to paragraph (a) of section 602 of the business  
19 corporation law made by section two of this act shall not affect the  
20 expiration of such paragraph and shall be deemed to expire therewith;  
21 c. the amendments to paragraph (a) of section 603 of the not-for-pro-  
22 fit corporation law made by section three of this act shall not affect  
23 the expiration of such paragraph and shall be deemed to expire there-  
24 with;  
25 d. the amendments to section 605 of the not-for-profit corporation law  
26 made by section four of this act shall not affect the expiration of such  
27 section and shall be deemed to expire therewith; and  
28 e. the amendments to section 28 of the religious corporations law made  
29 by section five of this act shall not affect the repeal of such section  
30 and shall be deemed repealed therewith.