

# STATE OF NEW YORK

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3917

2021-2022 Regular Sessions

## IN SENATE

February 1, 2021

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

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-two, 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:

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

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

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

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

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

(a) Whenever under the provisions of this chapter members are required or permitted to take any action at a meeting, written notice shall state the place, date and hour of the meeting, for the duration of the state disaster emergency declared by executive order two hundred two that began on March seventh, two thousand twenty, or until December thirty-first, two thousand twenty-two, whichever is later, the means of electronic communication, if any, by which members may participate in the proceedings of the meeting pursuant to paragraph (a) of section six hundred three of this article and, unless it is an annual meeting, indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called. A copy of the notice of any meeting shall be given, personally, by mail, or by facsimile telecommunications or by electronic mail, to each member entitled to vote at such meeting. If the notice is given personally, by

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

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

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

51 § 28. Meetings for the duration of the state disaster emergency  
52 declared by executive order two hundred two that began on March seventh,  
53 two thousand twenty; electronic communication. For the duration of the  
54 state disaster emergency declared by executive order two hundred two  
55 that began on March seventh, two thousand twenty, or until December  
56 thirty-first, two thousand twenty-two, whichever is later, notwithstand-

1 ing any provision of law, certificate of incorporation or by-laws to the  
2 contrary, if the board of trustees of a religious corporation is author-  
3 ized to determine the place of trustee meetings or corporate meetings,  
4 the board of trustees may, in its sole discretion, determine that the  
5 meeting shall be held solely by means of electronic communication, the  
6 electronic service and/or platform through which the meeting is held  
7 shall be the place of the meeting for purposes of this chapter.

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