

New Amendments to the Nonprofit Revitalization Act of 2013 Signed into Law by Governor Cuomo

On November 28, 2016, New York State Governor Andrew Cuomo signed Senate Bill No. S07913B enacting another round of amendments to the Nonprofit Revitalization Act of 2013 (the "NPRA"). We previously reported on the significant impact these new amendments would have on the Related Party Transaction rules under the NPRA in our memorandum "Exempt Organizations: Potential Amendments to the Nonprofit Revitalization Act of 2013 – New York State Legislature Adopts Bill which would Significantly Reform the Related Party Transaction Rules Under the Nonprofit Revitalization Act" found at: <https://www.bsk.com/media-center/3515-exempt-organizations-potential-amendments-nonprofit-revitalization-act-of>. We also reported on the additional amendments enacted by this new law in our memo "Exempt Organizations: Potential Amendments to the Nonprofit Revitalization Act of 2013 – Summary of Potential Amendment Other Than the Changes to the Related Party Transaction Rules" found at: <https://www.bsk.com/media-center/3516-exempt-organizations-potential-amendments-nonprofit-revitalization-act-of>.

The enactment of these amendments should ease compliance with the NPRA's related party transaction rules by incorporating express exceptions, allowing for committee approval, authorizing ratification of past transactions and narrowing the universe of persons subject to the rules. All New York nonprofits would be well advised to update their governance documents to incorporate these changes so that their governance documents do not prevent them from taking advantage of these provisions. Further, all New York nonprofits would be well advised to review their governing documents for compliance with the changes these amendments made to (1) the definition of interested directors; (2) the formation, composition and authority of committees; (3) the role of audit committees; (4) certain procedural aspects of conflict of interest and whistleblower policies; and (5) the ability of a corporation's employee to serve as chair of the corporation's board.

If you have any questions about this Information Memo, please contact [Frank J. Patyi, Practice Group Chair](#), [Scott R. Leuenberger](#), any of the [attorneys](#) in our [Exempt Organizations Practice](#), or the attorney in the firm with whom you are regularly in contact.



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