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2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sens. KRUEGER, DUANE, HUNTLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to the sale of limited-profit housing projects

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The private housing finance law is amended by adding a new
2 section 36-b to read as follows:
3 S 36-B. SALE OR OTHER CONVEYANCE OF PROJECT. NOTWITHSTANDING ANY
4 INCONSISTENT PROVISION OF LAW, UPON THE SALE OR OTHER CONVEYANCE OF A
5 PROJECT BY A COMPANY TO ANY ENTITY OTHER THAN A COMPANY, THE FOLLOWING
6 REQUIREMENTS SHALL APPLY.
7 1. ALL RESERVE AND SURPLUS FUNDS TRANSFERRED BY THE COMPANY TO THE NEW
8 OWNER MUST BE HELD BY SUCH NEW OWNER IN ESCROW ACCOUNTS AND MAY BE USED
9 BY SUCH NEW OWNER SOLELY FOR THE PURPOSE OF MAKING MAJOR CAPITAL
10 IMPROVEMENTS TO THE PROJECT.
11 2. NO RENTAL OR OTHER CHARGE MAY BE INCREASED BY THE NEW OWNER TO
12 DEFRAY THE COST OF ANY MAJOR CAPITAL IMPROVEMENT UNLESS AND UNTIL ALL OF
13 SUCH RESERVE AND SURPLUS FUNDS HAVE BEEN EXPENDED TO DEFRAY THE COST OF
14 MAJOR CAPITAL IMPROVEMENTS.
15 S 2. This act shall take effect on the first of January next succeed-
16 ing the date on which it shall have become a law.

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

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