

3167

2013-2014 Regular Sessions

I N   S E N A T E

January 31, 2013

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Introduced by Sen. KRUEGER -- 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    DEFRAID THE COST OF ANY MAJOR CAPITAL IMPROVEMENT UNLESS AND UNTIL ALL OF  
13    SUCH RESERVE AND SURPLUS FUNDS HAVE BEEN EXPENDED TO DEFRAID 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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