

STATE OF NEW YORK

6488

2021-2022 Regular Sessions

IN SENATE

May 3, 2021

Introduced by Sen. KAVANAGH -- 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 supervision of certain limited profit housing companies

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 7 of section 32 of the private housing finance
2 law, as amended by chapter 550 of the laws of 1968, is amended to read
3 as follows:

4 7. Whenever the commissioner, in the case of a company undertaking or
5 otherwise operating a state-aided project, or the supervising agency, in
6 the case of a company undertaking or otherwise operating a municipally-
7 aided project, shall be of the opinion that such company is failing or
8 omitting, or is about to fail or omit to do anything required of it by
9 law or by order of the commissioner or is doing or is about to do
10 anything, or permitting anything, or is about to permit anything to be
11 done, contrary to and in violation of law or of any order, regulation or
12 directive of the commissioner or the supervising agency, as the case may
13 be, or which is improvident or prejudicial to the interest of the
14 public, the lienholders, the stockholders, or the tenants, the commis-
15 sioner or the supervising agency, as the case may be, [~~may, in addition~~
16 ~~to such other remedies as may be available, commence~~] shall take such
17 steps, as may be necessary and proper to effect such remedies as may be
18 available. Such remedy may include commencing an action or proceeding in
19 the supreme court of the state of New York in the name of the commis-
20 sioner or the supervising agency, as the case may be, for the purpose of
21 having such violations or threatened violations stopped and prevented,
22 and in such action or proceeding the court may appoint a temporary or
23 permanent receiver or both. Such action or proceeding shall be commenced
24 by a petition to the supreme court, alleging the violation complained of

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

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1 and praying for appropriate relief. It shall thereupon be the duty of
2 the court to specify the time, not exceeding twenty days after service
3 of a copy of the petition, within which the company complained of must
4 answer the petition. In case of any default or after answer the court
5 shall immediately inquire into the facts and circumstances in such
6 manner as the court shall direct without other or formal pleadings, and
7 without respect to any technical requirements. Such other persons or
8 corporations as it shall seem to the court necessary or proper to join
9 as parties in order to make its order or judgment effective, may be
10 joined as parties. The final judgment in any such action or proceeding
11 shall either dismiss the action or proceeding or direct that an order or
12 an injunction, or both, issue, or provide for the appointment of a
13 receiver as prayed for in the petition, and grant such other relief as
14 the court may deem appropriate.

15 § 2. This act shall take effect immediately.