STATE OF NEW YORK

8945

2025-2026 Regular Sessions

IN ASSEMBLY

July 16, 2025

Introduced by M. of A. JACKSON -- read once and referred to the Committee on Housing

AN ACT to amend the real property law, in relation to directing condominium and cooperative housing associations to complete capital reserve studies

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

Section 1. The real property law is amended by adding a new section 339-mm to read as follows:

§ 339-mm. Capitol reserve study. 1. Any condominium or cooperative housing association created pursuant to this article shall undertake a capital reserve study, including a thirty-year funding plan, in order to ensure that the condominium or cooperative housing association has adequate reserve funds available to repair or replace the assets located on the property that the association is obligated to maintain without the need to create any special assessment or loan obligation. All capital reserve studies shall be prepared in conformity with the latest edition of the national reserve study standards of the community associations institute or similar standards by another recognized national organization.

2. A capital reserve study conducted pursuant to this section shall be performed or overseen by a reserve specialist credentialed through the association of professional reserve analysts or an engineer or architect who is in good standing with the state. Such reserve study shall include, but not be limited to, the following:

(a) the association's capital reserve fund balances;

(b) the association's anticipated income and expenses;

(c) an analysis of the physical status and of the common area components of the buildings and other common areas that the association is obligated to maintain;

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

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(d) the anticipated costs associated with the building maintenance, as well as the anticipated costs of repair or replacement of common building components, which are necessary to maintain the structural integrity of the buildings and other common areas that the association is obligated to maintain;

(e) a reasonable estimate of the cost of any future reserve studies, reserve study updates, or engineering reports;

(f) a reasonable estimate of the costs associated with implementing any corrective maintenance;

(g) a proposed thirty-year funding plan that establishes the adequate proposed capital reserve funding over a thirty-year period; and

(h) any other information necessary to perform an analysis of the adequacy of the association's capital reserve funds relative to maintaining the structural integrity of buildings and common areas in which the association is obligated to maintain.

3. Associations which have not undertaken a reserve study within five years of the effective date of this section shall undertake a reserve study within one year of this legislation going into effect. Associations formed after the effective date of this section shall have two years after the election of a majority of a board of managers to complete a reserve study.

4. A property management company or owner shall ensure that a capital reserve study conducted pursuant to this section shall be reviewed by a licensed architect, engineer, or credentialed reserve specialist.

5. This section shall not apply to an association with less than twenty-five thousand dollars in total common area capital assets.

6. If a condominium or cooperative housing association does not have an adequate reserve fund as described in subdivision one of this section and would require an increase of more than ten percent of the prior year's common expense assessment, the deficiency shall be made adequate within ten fiscal years or the projected date predicted by the reserve study by which absent increased funding, the balance in the association's reserve account would fall below zero. In either case, the annual increase in reserve funding during the required period of time shall be an equal annual line item increase in the reserve fund until the reserve fund is made adequate, notwithstanding causing an increase of more than ten percent in the annual common expense assessment.

7. If a condominium or cooperative housing association does not have an adequate reserve fund as described in subdivision one of this section and would require an increase of less than ten percent of the prior year's common expense assessment, the deficiency shall be made adequate within three fiscal years.

8. All capital reserve fund studies completed pursuant to this section shall be reviewed on an annual basis by the board of managers and the property management company to determine if the reserve fund balance is adequate to cover estimated costs for the year.

9. Any capital reserve study completed pursuant to this section must be filed with the office of the state comptroller within sixty days of completion. The state comptroller shall have the authority to review and audit such documents and compel a property management company, board of managers, or any condominium or cooperative housing association to complete a capital reserve study if they have not done so pursuant to this section.

§ 2. This act shall take effect on the one hundred eightieth day after it shall have become a law.