

STATE OF NEW YORK

7600

2025-2026 Regular Sessions

IN SENATE

April 23, 2025

Introduced by Sen. BYNOE -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

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:

1 Section 1. The real property law is amended by adding a new section
2 339-mm to read as follows:

3 § 339-mm. Capitol reserve study. 1. Any condominium or cooperative
4 housing association created pursuant to this article shall undertake a
5 capital reserve study, including a thirty-year funding plan, in order to
6 ensure that the condominium or cooperative housing association has
7 adequate reserve funds available to repair or replace the assets located
8 on the property that the association is obligated to maintain without
9 the need to create any special assessment or loan obligation. All capi-
10 tal reserve studies shall be prepared in conformity with the latest
11 edition of the national reserve study standards of the community associ-
12 ations institute or similar standards by another recognized national
13 organization.

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

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

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

21 (c) an analysis of the physical status and of the common area compo-
22 ponents of the buildings and other common areas that the association is
23 obligated to maintain;

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

LBD11718-02-5

1 (d) the anticipated costs associated with the building maintenance, as
2 well as the anticipated costs of repair or replacement of common build-
3 ing components, which are necessary to maintain the structural integrity
4 of the buildings and other common areas that the association is obli-
5 gated to maintain;

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

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

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

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

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

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

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

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

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

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

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

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