S T A T E O F N E W Y O R K

859

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. BING, V. LOPEZ, BRODSKY, BENEDETTO, KAVANAGH, MILLMAN, O'DONNELL, ROSENTHAL, REILLY, GREENE, CAMARA, DIAZ, J. RIVERA, BOYLAND, CLARK, BROOK-KRASNY, TITONE, ESPAILLAT -- Multi-Sponsored by -- M. of A. BRENNAN, CHRISTENSEN, DINOWITZ, GLICK, GOTTFRIED, JOHN, KELLNER, MARKEY, MAYERSOHN, PHEFFER, TOWNS, WRIGHT -- read once and referred to the Committee on Housing

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:

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

7. Whenever the commissioner, in the case of a company undertaking or otherwise operating a state-aided project, or the supervising agency, in the case of a company undertaking or otherwise operating a municipally-aided project, shall be of the opinion that such company is failing or omitting, or is about to fail or omit to do anything required of it by law or by order of the commissioner or is doing or is about to do anything, or permitting anything, or is about to permit anything to be done, contrary to and in violation of law or of any order, regulation or directive of the commissioner or the supervising agency, as the case may be, or which is improvident or prejudicial to the interest of the public, the lienholders, the stockholders, or the tenants, the commissioner or the supervising agency, as the case may be, [may, in addition to such other remedies as may be available, commence] SHALL TAKE SUCH STEPS AS MAY BE NECESSARY AND PROPER TO EFFECT SUCH REMEDIES AS MAY BE AVAILABLE. SUCH REMEDY MAY INCLUDE COMMENCING an action or proceeding in the supreme court of the state of New York in the name of the commissioner or the supervising agency, as the case may be, for the purpose of

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

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having such violations or threatened violations stopped and prevented, and in such action or proceeding the court may appoint a temporary or permanent receiver or both. Such action or proceeding shall be commenced by a petition to the supreme court, alleging the violation complained of and praying for appropriate relief. It shall thereupon be the duty of the court to specify the time, not exceeding twenty days after service of a copy of the petition, within which the company complained of must answer the petition. In case of any default or after answer the court shall immediately inquire into the facts and circumstances in such manner as the court shall direct without other or formal pleadings, and without respect to any technical requirements. Such other persons or corporations as it shall seem to the court necessary or proper to join as parties in order to make its order or judgment effective, may be joined as parties. The final judgment in any such action or proceeding shall either dismiss the action or proceeding or direct that an order or an injunction, or both, issue, or provide for the appointment of a receiver as prayed for in the petition, and grant such other relief as the court may deem appropriate.

S 2. This act shall take effect immediately.