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

3861--A

2009-2010 Regular Sessions

I N S E N A T E

April 2, 2009

Introduced by Sen. ESPADA -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- recommitted to the Committee on Housing, Construction and Community Development in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the private housing finance law, in relation to mutual companies in a city with a population of one million or more

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 35 of the private housing finance law is amended by adding a new subdivision 5 to read as follows:

5. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS ARTICLE OR OF ANY OTHER PROVISION OF GENERAL, SPECIAL OR LOCAL LAW, A MUTUAL COMPANY THAT OPERATES A PROJECT IN A CITY WITH A POPULATION OF ONE MILLION OR MORE, MUST, AT LEAST NINETY DAYS BEFORE THE DATE OF ITS DISSOLUTION OR RECONSTITUTION PURSUANT TO THIS SECTION, MAKE AN OFFER TO ALL OF ITS SHAREHOLDERS TO REPURCHASE THEIR SHARES IN SUCH MUTUAL COMPANY AT A RATE EQUIVALENT TO THE AMOUNT OF EQUITY ORIGINALLY INVESTED IN EACH SHARE. A SHAREHOLDER WHO ELECTS TO SELL HIS OR HER SHARES BACK TO SUCH MUTUAL COMPANY SHALL BE OFFERED A ONE-YEAR OR A TWO-YEAR LEASE FOR HIS OR HER DWELLING UNIT TO COMMENCE UPON THE DATE OF SUCH DISSOLUTION OR RECONSTITUTION, AND SUCH DWELLING UNIT SHALL BE FULLY SUBJECT TO THE PROVISIONS OF THE RENT STABILIZATION LAW OF NINETEEN HUNDRED SIXTY-NINE AND THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR. THE INITIAL LEGAL REGULATED RENT FOR ANY SUCH DWELLING UNIT FOLLOWING THE DISSOLUTION DATE SHALL BE THE LAST CARRYING CHARGES AUTHORIZED FOR SUCH DWELLING UNIT BEFORE THE DISSOLUTION DATE, INCLUDING SURCHARGES, IF ANY, AND SHALL NOT BE SUBJECT TO ADJUSTMENT PURSUANT TO SUBDIVISION A OF SECTION 26-513 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK. ANY SUCH DWELLING UNIT WHICH IS SUBJECT TO RENT REGULATION SOLELY BY VIRTUE OF THIS SUBDIVISION SHALL BE DECONTROLLED UPON THE FIRST VACANCY THEREOF.

S 2. This act shall take effect immediately.

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

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