

7545

I N S E N A T E

April 20, 2010

Introduced by Sen. PERALTA -- 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 general business law, in relation to prohibiting a sponsor from becoming a director or voting on the board after a building has been converted to a cooperative apartment building or condominium ownership

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

1 Section 1. Paragraphs (iv) and (v) of subdivision 1 of section 352-ee
2 of the general business law, as added by chapter 509 of the laws of
3 1978, are amended and a new paragraph (vi) is added to read as follows:
4 (iv) a statement, satisfactory to the attorney general, that it is the
5 obligation of the sponsor to complete all alterations and improvements
6 to individual spaces or dwelling units in compliance with such approved
7 plans within the time specified in the plan or, if the sponsor does not
8 undertake such obligation, that it is the obligation of the individual
9 owners of shares in the cooperative corporation or of condominium units,
10 under the supervision of the cooperative corporation or, in the case of
11 a condominium, under the supervision of the board of managers, to
12 complete such alterations and improvements within the time specified in
13 the plan; [and]
14 (v) a statement that a permanent certificate of occupancy is required
15 for permanent residential use of the premises, that a temporary certifi-
16 cate of occupancy may only be renewed for a total period of two years
17 from the date of its original issuance and that, if the temporary
18 certificate of occupancy shall have expired prior to obtaining a perma-
19 nent certificate of occupancy, residential occupancy of the premises
20 will be in violation of the multiple dwelling law, subjecting the occu-
21 pants and the cooperative corporation and its board of directors or, in
22 the case of a condominium, the unit owners and board of managers, to
23 penalties under the multiple dwelling law including eviction of residen-
24 tial occupants[.]; AND

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

LBD02737-01-9

1 (VI) A STATEMENT THAT THE SPONSOR SHALL NOT HOLD A SEAT ON THE BOARD
2 OF DIRECTORS OR BE ALLOWED TO VOTE ANY SHARES AFTER CONVERSION TO COOP-
3 ERATIVE OR CONDOMINIUM OWNERSHIP.

4 S 2. Subdivision 2 of section 352-eee of the general business law is
5 amended by adding a new paragraph (g) to read as follows:

6 (G) THE PLAN PROVIDES THAT AFTER THE CONVERSION TO COOPERATIVE OR
7 CONDOMINIUM OWNERSHIP THE SPONSOR SHALL NOT HOLD A SEAT ON THE BOARD OF
8 DIRECTORS NOR VOTE ANY SHARES.

9 S 3. Subdivision 2 of section 352-eeee of the general business law is
10 amended by adding a new paragraph (g) to read as follows:

11 (G) THE PLAN PROVIDES THAT AFTER THE CONVERSION TO COOPERATIVE OR
12 CONDOMINIUM OWNERSHIP THE SPONSOR SHALL NOT HOLD A SEAT ON THE BOARD OF
13 DIRECTORS NOR VOTE ANY SHARES.

14 S 4. This act shall take effect immediately and shall apply to plans
15 submitted on and after such date; provided, however, that the amendments
16 to sections 352-eee and 352-eeee of the general business law made by
17 sections two and three of this act shall not affect the expiration of
18 such sections and shall be deemed to expire therewith.