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

2383

2011-2012 Regular Sessions

I N A S S E M B L Y

January 18, 2011

Introduced by M. of A. DESTITO, PRETLOW, SPANO, KAVANAGH, LANCMAN, DenDEKKER, SCHROEDER, JEFFRIES -- Multi-Sponsored by -- M. of A. AUBRY, COOK, CYMBROWITZ, ENGLEBRIGHT, FARRELL, GALEF, GLICK, GOTTFRIED, HEASTIE, HEVESI, JACOBS, LATIMER, MAYERSOHN, MILLMAN, O'DONNELL, TOWNS, WEISENBERG, WRIGHT -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the civil rights law, in relation to discrimination in the ownership of cooperative housing

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

Section 1. Legislative findings and declaration of intent. The legislature recognizes that cooperative ownership in multi-family dwellings is a popular form of home ownership in New York state. An ongoing concern for consumers dealing in the cooperative housing market is the potential for the unlawful rejection by a board of directors of a buyer.

The legislature finds and determines that, not infrequently, a co-op board rejects what appears to be a well-qualified customer. Often, the prospective purchaser has concerns that the rejection was in fact unlawful discrimination. Both federal and state laws protect our citizens from unfair housing practices, which include discrimination based upon race, ethnicity, gender, age or family status.

For such reasons, it is the legislature's intent to require boards of directors of cooperative housing to disclose to proposed purchasers, the reasons for rejecting a sale.

S 2. Section 19-a of the civil rights law, as added by chapter 376 of the laws of 1971, is amended to read as follows:

S 19-a. Prohibition against unreasonable withholding of consent. WHENEVER ANY CORPORATION FORMED FOR THE PURPOSE OF THE COOPERATIVE OWNERSHIP OF REAL ESTATE WITHIN THE STATE WITHHOLDS CONSENT TO THE SALE OR PROPOSED SALE OF CERTIFICATES OF STOCK OR OTHER EVIDENCE OF OWNERSHIP OF AN INTEREST IN SUCH CORPORATION, SUCH CORPORATION SHALL PROVIDE THE

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

LBD06151-01-1

PROSPECTIVE PURCHASER WITH A WRITTEN STATEMENT OF ITS REASONS FOR WITHHOLDING CONSENT NO LATER THAN FIVE BUSINESS DAYS AFTER ITS DECISION TO WITHHOLD CONSENT.

1. No SUCH corporation [formed for the purpose of the cooperative ownership of real estate within the state] shall withhold [its] SUCH consent [to the sale or proposed sale of certificates of stock or other evidence of ownership of an interest in such corporation] because of the race, creed, national origin, or sex of the purchaser.

2. For the purposes of this section a "corporation" shall include the cooperative management, cooperative tenants, cooperative shareholders, or any appointee or successor in interest of a corporation.

3. This section shall apply to every sale or proposed sale whether by a corporation directly, its successor in interest, or by any other lawfully entitled party.

4. Every agreement, negative covenant, restrictive covenant or other provision, whether written or oral and wherever contained, inconsistent with this section shall be void and unenforceable.

S 3. This act shall take effect on the ninetieth day after it shall have become a law.