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

4508

2011-2012 Regular Sessions

I N A S S E M B L Y

February 3, 2011

Introduced by M. of A. TITONE, JAFFEE, TOBACCO -- Multi-Sponsored by -- M. of A. BOYLAND, CUSICK, MAISEL, REILLY, WEISENBERG -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the not-for-profit corporation law, in relation to the sale of real property

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

Section 1. Section 509 of the not-for-profit corporation law, as amended by chapter 145 of the laws of 1991, is amended to read as follows:

S 509. Purchase, sale, mortgage and lease of real property.

1. No purchase of real property shall be made by a corporation and no corporation shall sell, mortgage or lease real property, unless authorized by the vote of two-thirds of the entire board, provided that if there are twenty-one or more directors, the vote of a majority of the entire board shall be sufficient.

2. (A) A CORPORATION WHICH SELLS REAL PROPERTY TO ANY ENTITY OTHER THAN THE STATE OR ANOTHER NOT-FOR-PROFIT CORPORATION WHICH IS SUBJECT TO THE PROVISIONS OF THIS CHAPTER SHALL REIMBURSE THE STATE AND/OR A MUNICIPALITY FOR ANY CAPITAL FUNDING, GRANTS OR FINANCING RECEIVED THROUGH THE STATE OR A MUNICIPAL AGENCY OR PUBLIC BENEFIT CORPORATION WITHIN THE TEN YEARS PRECEDING SUCH SALE.

(B) A SALE OF REAL PROPERTY BY A NOT-FOR-PROFIT CORPORATION TO ANY ENTITY OTHER THAN THE STATE OR ANOTHER NOT-FOR-PROFIT CORPORATION WHICH IS SUBJECT TO THE PROVISIONS OF THIS CHAPTER SHALL NOT BE EXEMPT FROM THE PAYMENT OF THE REAL PROPERTY TRANSFER TAX IMPOSED BY SECTION FOURTEEN HUNDRED TWO OF THE TAX LAW.

(C) ANY CORPORATION WHICH HAS RECEIVED A REAL PROPERTY TAX ABATEMENT WITHIN THE LAST TEN YEARS FOR REAL PROPERTY TAXES ASSESSED ON SUCH PROPERTY SHALL REIMBURSE THE TAXING AUTHORITY THE TOTAL AMOUNT OF ANY SUCH ABATEMENT UPON THE SALE OF SUCH REAL PROPERTY TO ANY ENTITY OTHER THAN THE STATE OR ANOTHER NOT-FOR-PROFIT CORPORATION WHICH IS SUBJECT TO THE PROVISIONS OF THIS CHAPTER.

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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