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

7259

I N S E N A T E

May 2, 2012

Introduced by Sen. JOHNSON -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the cooperative corporations law and the executive law, in relation to providing for the resolution of disputes between the board of directors of residential cooperative corporations and a shareholder to be determined by a hearing officer appointed by the attorney general

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

Section 1. The cooperative corporations law is amended by adding a new section 78 to read as follows:

S 78. DISPUTES TO BE HEARD BY ATTORNEY GENERAL; RESIDENTIAL COOPERATIVE. A SHAREHOLDER IN A COOPERATIVE CORPORATION WHICH OWNS RESIDENTIAL REAL PROPERTY MAY APPEAL ANY DECISION BY SUCH CORPORATION'S BOARD OF DIRECTORS TO A HEARING OFFICER APPOINTED BY THE ATTORNEY GENERAL PURSUANT TO SUBDIVISION SIXTEEN OF SECTION SIXTY-THREE OF THE EXECUTIVE LAW. A HEARING UPON SUCH APPEAL SHALL BE HEARD WITHIN SIXTY DAYS OF THE FILING THEREOF WITH THE DEPARTMENT OF LAW, WITH NOTICE TO THE BOARD OF DIRECTORS. THE HEARING OFFICER SHALL PROVIDE EACH PARTY AN OPPORTUNITY TO BE HEARD AND RENDER FINAL DETERMINATION BASED ON THE EVIDENCE AND TESTIMONY PRESENTED AT THE HEARING.

S 2. Section 63 of the executive law is amended by adding a new subdivision 16 to read as follows:

16. ESTABLISH AN APPEALS PROCESS FOR THE DETERMINATION OF DISPUTES BETWEEN SHAREHOLDERS AND THE BOARDS OF DIRECTORS OF COOPERATIVE CORPORATIONS PURSUANT TO SECTION SEVENTY-EIGHT OF THE COOPERATIVE CORPORATIONS LAW. THE ATTORNEY GENERAL SHALL APPOINT AND EMPOWER SUCH HEARING OFFICERS AS SHALL BE NECESSARY TO HEAR AND DETERMINE SUCH APPEALS.

S 3. This act shall take effect immediately, except that section one of this act shall take effect on the first of January next succeeding the date on which it shall have become a law.

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

LBD15641-01-2