

7529--B

2015-2016 Regular Sessions

I N A S S E M B L Y

May 15, 2015

Introduced by M. of A. MAGNARELLI, LUPARDO, McDONALD, CRESPO, GOTTFRIED, FAHY, SKARTADOS, HUNTER -- Multi-Sponsored by -- M. of A. MAGEE -- read once and referred to the Committee on Local Governments -- recommended to the Committee on Local Governments in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the not-for-profit corporation law, in relation to the powers of a land bank

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

1 Section 1. Clauses 20 and 21 of paragraph (a) of section 1607 of the
2 not-for-profit corporation law, as added by chapter 257 of the laws of
3 2011, are amended to read as follows:
4 (20) to enter in agreements with a foreclosing governmental unit for
5 the distribution of revenues to the foreclosing governmental unit and
6 school district; [and]
7 (21) TO ORGANIZE A SUBSIDIARY FOR A PROJECT OR PROJECTS WHICH THE LAND
8 BANK HAS THE POWER TO PURSUE UNDER THIS ARTICLE WHEN THE PRIMARY REASON
9 FOR WHICH THE SUBSIDIARY SHALL BE ORGANIZED SHALL BE TO LIMIT THE POTENTIAL
10 LIABILITY IMPACT OF THE SUBSIDIARY'S PROJECT OR PROJECTS ON THE
11 LAND BANK OR BECAUSE STATE OR FEDERAL LAW REQUIRES THAT THE PURPOSE OF A
12 SUBSIDIARY BE UNDERTAKEN THROUGH A SPECIFIC CORPORATE OR BUSINESS STRUCTURE.
13 ALL REAL PROPERTY OF A SUBSIDIARY ORGANIZED UNDER THIS ARTICLE
14 SHALL BE MAINTAINED ON THE INVENTORY LISTS REQUIRED IN THIS ARTICLE OF
15 THE LAND BANK OF WHICH IT IS A SUBSIDIARY AND THE SUBSIDIARY SHALL MAKE
16 ALL REPORTS AND OTHER DISCLOSURES AS ARE REQUIRED OF LAND BANKS UNDER
17 THIS ARTICLE AND AS LOCAL PUBLIC AUTHORITIES, UNLESS THE SUBSIDIARY'S
18 OPERATIONS AND FINANCES ARE CONSOLIDATED WITH THOSE OF THE LAND BANK OF
19 WHICH IT IS A SUBSIDIARY. SUBSIDIARIES ORGANIZED UNDER THIS ARTICLE

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

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1 SHALL BE ESTABLISHED IN THE FORM OF A NEW YORK CHARITABLE NOT-FOR-PROFIT
2 CORPORATION OR A NEW YORK SINGLE MEMBER LIMITED LIABILITY COMPANY.
3 SUBSIDIARIES SHALL NOT HAVE THE AUTHORITY TO ISSUE BONDS, NOTES OR OTHER
4 DEBTS, PROVIDED, HOWEVER, THAT SUCH SUBSIDIARIES MAY ISSUE NOTES OR
5 OTHER DEBT TO THE LAND BANK OF WHICH IT IS A SUBSIDIARY. THE ORGANIZA-
6 TIONAL DOCUMENTS FILED TO CREATE A SUBSIDIARY UNDER THIS ARTICLE SHALL
7 STATE THAT THE LAND BANK IS ORGANIZING THE SUBSIDIARY FOR THE PURPOSES
8 SET FORTH IN THIS ARTICLE AND THE NAME OF THE SUBSIDIARY SHALL BE
9 REASONABLY RELATED TO THE NAME OF THE LAND BANK OF WHICH IT IS A SUBSID-
10 IARY. THE REAL PROPERTY OF A SUBSIDIARY ORGANIZED UNDER THIS ARTICLE AND
11 ITS INCOME AND OPERATIONS ARE EXEMPT FROM ALL TAXATION BY THE STATE OF
12 NEW YORK AND BY ANY OF ITS POLITICAL SUBDIVISIONS; AND

13 (22) to do all other things necessary to achieve the objectives and
14 purposes of the land bank or other laws that relate to the purposes and
15 responsibility of the land bank.

16 S 2. Paragraph (a) of section 1609 of the not-for-profit corporation
17 law, as added by chapter 257 of the laws of 2011, is amended to read as
18 follows:

19 (a) The land bank shall hold in its own name, OR IN THE NAME OF A
20 LAWFULLY ORGANIZED SUBSIDIARY, all real property acquired by the land
21 bank irrespective of the identity of the transferor of such property.

22 S 3. This act shall take effect immediately.