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

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2015-2016 Regular Sessions

I N A S S E M B L Y

January 12, 2015

Introduced by M. of A. WRIGHT -- Multi-Sponsored by -- M. of A. COLTON -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to the sale of limited-profit housing projects

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

Section 1. The private housing finance law is amended by adding a new section 36-b to read as follows:

S 36-B. SALE OR OTHER CONVEYANCE OF PROJECT. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF LAW, UPON THE SALE OR OTHER CONVEYANCE OF A PROJECT BY A COMPANY TO ANY ENTITY OTHER THAN A COMPANY, THE FOLLOWING REQUIREMENTS SHALL APPLY.

1. ALL RESERVE AND SURPLUS FUNDS TRANSFERRED BY THE COMPANY TO THE NEW OWNER MUST BE HELD BY SUCH NEW OWNER IN ESCROW ACCOUNTS AND MAY BE USED BY SUCH NEW OWNER SOLELY FOR THE PURPOSE OF MAKING MAJOR CAPITAL IMPROVEMENTS TO THE PROJECT.

2. NO RENTAL OR OTHER CHARGE MAY BE INCREASED BY THE NEW OWNER TO DEFRAY THE COST OF ANY MAJOR CAPITAL IMPROVEMENT UNLESS AND UNTIL ALL OF SUCH RESERVE AND SURPLUS FUNDS HAVE BEEN EXPENDED TO DEFRAY THE COST OF MAJOR CAPITAL IMPROVEMENTS.

S 2. 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.

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