

2968

2015-2016 Regular Sessions

I N A S S E M B L Y

January 20, 2015

Introduced by M. of A. TITONE, JAFFEE -- Multi-Sponsored by -- M. of A. CUSICK -- 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:

1 Section 1. Section 509 of the not-for-profit corporation law, as
2 amended by chapter 549 of the laws of 2013, is amended to read as
3 follows:
4 S 509. Purchase, sale, mortgage and lease of real property.
5 1. (a) No corporation shall purchase real property unless such
6 purchase is authorized by the vote of a majority of directors of the
7 board or of a majority of a committee authorized by the board, provided
8 that if such property would, upon purchase thereof, constitute all, or
9 substantially all, of the assets of the corporation, then the vote of
10 two-thirds of the entire board shall be required, or, if there are twen-
11 ty-one or more directors, the vote of a majority of the entire board
12 shall be sufficient.
13 (b) No corporation shall sell, mortgage, lease, exchange or otherwise
14 dispose of its real property unless authorized by the vote of a majority
15 of directors of the board or of a majority of a committee authorized by
16 the board; provided that if such property constitutes all, or substan-
17 tially all, of the assets of the corporation, then the vote of two-
18 thirds of the entire board shall be required, or, if there are twenty-
19 one or more directors, the vote of a majority of the entire board shall
20 be sufficient.
21 (c) If a corporation authorizes a committee to act pursuant to [para-
22 graphs] SUBPARAGRAPHS (a) and (b) of this [section] PARAGRAPH, the
23 committee shall promptly report any actions taken to the board, and in
24 no event after the next regularly scheduled meeting of the board.

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

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

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

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

18 S 2. This act shall take effect immediately.