

3593

2015-2016 Regular Sessions

I N   S E N A T E

February 12, 2015

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Introduced by Sens. ESPAILLAT, KRUEGER, PERKINS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the general business law, in relation to the rights of cooperative and condominium sponsors and purchasers regarding the rental of vacant dwelling units

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

1     Section 1. Section 352-eeee of the general business law is amended by  
2     adding a new subdivision 8 to read as follows:  
3     8. (A) WHENEVER ANY UNSOLD DWELLING UNIT IN A RESIDENTIAL COOPERATIVE  
4     OR CONDOMINIUM BUILDING BECOMES VACANT, SUCH DWELLING UNIT MAY NOT BE  
5     RENTED AND MUST BE OFFERED FOR SALE UNLESS EITHER:  
6     (I) THE ORIGINAL OFFERING PLAN WHICH WAS ACCEPTED FOR FILING BY THE  
7     ATTORNEY GENERAL EXPRESSLY DISCLOSED THE POSSIBILITY THAT UNSOLD DWELL-  
8     ING UNITS MIGHT NOT BE SOLD WHEN THEY BECOME VACANT, AND THE OFFERING  
9     PLAN CONTAINED A WARNING TO PURCHASERS OF THE RISK ENTAILED IN PURCHAS-  
10    ING A UNIT IN A BUILDING WHERE UNSOLD DWELLING UNITS ARE NOT OFFERED FOR  
11    SALE; OR  
12    (II) THE SPONSOR OR OTHER OWNER OF THE UNSOLD DWELLING UNIT FIRST  
13    OBTAINS THE CONSENT OF A MAJORITY OF THOSE MEMBERS OF THE COOPERATIVE  
14    CORPORATION BOARD OF DIRECTORS OR CONDOMINIUM ASSOCIATION BOARD OF  
15    MANAGERS WHO ARE NOT AFFILIATED WITH, EMPLOYED BY, OR RELATED TO THE  
16    SPONSOR OR OWNER OF THE UNSOLD DWELLING UNIT OR UNITS TO SAID RENTAL.  
17    (B) IN THE EVENT THAT NEITHER OF THE CONDITIONS SET FORTH IN SUBPARA-  
18    GRAPHS (I) AND (II) OF PARAGRAPH (A) OF THIS SUBDIVISION ARE MET, AND  
19    SUCH DWELLING UNIT REMAINS UNSOLD AND UNOCCUPIED FOR A PERIOD OF ONE  
20    YEAR FROM THE DATE IT BECOMES VACANT, THEN THE DWELLING UNIT MAY BE  
21    RENTED FOR A PERIOD OF UP TO ONE YEAR. AT THE CONCLUSION OF SUCH ONE  
22    YEAR RENTAL PERIOD, THE UNSOLD DWELLING UNIT SHALL ONCE AGAIN BE DEEMED  
23    TO HAVE BECOME VACANT, AND THE PROVISIONS OF THIS SUBDIVISION SHALL BE

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

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1 APPLIED ONCE AGAIN. THE PROHIBITION AGAINST THE SALE OR RENTAL OF UNSOLD  
2 DWELLING UNITS EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBDIVI-  
3 SION SHALL CONTINUE UNTIL THE APARTMENT IS SOLD.

4 (C) IF ANY UNSOLD DWELLING UNIT WHICH BECOMES VACANT IS RENTED PURSU-  
5 ANT TO THE PROVISIONS OF THIS SUBDIVISION, THEN THE OWNER OF THE UNIT  
6 BEING RENTED SHALL IMMEDIATELY SEND A COPY OF THE FULLY EXECUTED LEASE,  
7 AS WELL AS SUCH OTHER INFORMATION AS MAY BE NECESSARY SO THAT BOTH THE  
8 OWNER OF THE UNIT AND THE TENANT CAN BE REACHED IN THE EVENT OF AN EMER-  
9 GENCY, TO THE BOARD OF DIRECTORS OF THE COOPERATIVE CORPORATION OR THE  
10 BOARD OF MANAGERS OF THE CONDOMINIUM ASSOCIATION.

11 (D) THIS SUBDIVISION SHALL NOT APPLY TO ANY SHAREHOLDER OR UNIT OWNER  
12 WHO ESTABLISHES TO THE REASONABLE SATISFACTION OF A MAJORITY OF THOSE  
13 MEMBERS OF THE COOPERATIVE CORPORATION BOARD OF DIRECTORS OR CONDOMINIUM  
14 ASSOCIATION BOARD OF MANAGERS WHO ARE NOT AFFILIATED WITH, EMPLOYED BY,  
15 OR RELATED TO, THE SPONSOR OR OWNER OF THE UNSOLD DWELLING UNIT OR UNITS  
16 THAT HE OR SHE PURCHASED A DWELLING UNIT FOR PERSONAL USE OR USE BY HIS  
17 OR HER IMMEDIATE FAMILY MEMBER, BUT WHOSE IMMEDIATE FAMILY MEMBER IS NOT  
18 PRESENTLY OCCUPYING THE DWELLING UNIT, NOR SHALL THIS SUBDIVISION APPLY  
19 TO DWELLING UNITS OWNED BY A COOPERATIVE CORPORATION OR CONDOMINIUM  
20 ASSOCIATION OR ENTITIES FORMED BY EITHER OF THEM TO HOLD UNITS OBTAINED  
21 FROM A SPONSOR. IMMEDIATE FAMILY MEMBER AS USED IN THIS PARAGRAPH SHALL  
22 BE DEFINED AS THE SHAREHOLDER'S SPOUSE, CHILDREN, GRANDCHILDREN,  
23 PARENTS, GRANDPARENTS, BROTHERS OR SISTERS.

24 (E) AS USED IN THIS SUBDIVISION, THE TERM "UNSOLD DWELLING UNIT" SHALL  
25 MEAN AN APARTMENT IN A COOPERATIVE HOUSING CORPORATION OR A UNIT IN A  
26 CONDOMINIUM THAT WAS NOT SOLD FOR OCCUPANCY BY THE PURCHASER AND SHALL  
27 INCLUDE, BUT NOT BE LIMITED TO, COOPERATIVE SHARES AND CONDOMINIUM UNITS  
28 DESIGNATED BY THE SPONSOR OR HOLDER OF UNSOLD SHARES AS "UNSOLD SHARES"  
29 OR "UNSOLD UNITS".

30 S 2. This act shall take effect immediately and shall apply to all  
31 dwelling units in cooperative and condominium buildings that become  
32 vacant on or after such effective date; provided, however, that the  
33 amendments to section 352-eeee of the general business law made by  
34 section one of this act shall not affect the expiration of such section  
35 and shall be deemed to expire therewith.