

3593

2015-2016 Regular Sessions

I N S E N A T E

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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.