

7589--A

I N S E N A T E

May 10, 2016

Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the not-for-profit corporation law, in relation to powers and dissolution of land banks

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

1 Section 1. Subparagraphs 20 and 21 of paragraph (a) of section 1607 of
2 the not-for-profit corporation law, as added by chapter 257 of the laws
3 of 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 HEREUNDER WHEN THE PRIMARY REASON FOR WHICH
9 THE SUBSIDIARY SHALL BE ORGANIZED SHALL BE TO LIMIT THE POTENTIAL
10 LIABILITY IMPACT OF THE SUBSIDIARY'S PROJECT OR PROJECTS ON THE LAND
11 BANK OR BECAUSE STATE OR FEDERAL LAW REQUIRES THAT THE PURPOSE OF A
12 SUBSIDIARY BE UNDERTAKEN THROUGH A SPECIFIC CORPORATE OR BUSINESS STRUC-
13 TURE. ALL REAL PROPERTY OF A SUBSIDIARY ORGANIZED HEREUNDER SHALL BE
14 MAINTAINED ON THE INVENTORY LISTS REQUIRED IN THIS ARTICLE OF THE LAND
15 BANK OF WHICH IT IS A SUBSIDIARY AND THE SUBSIDIARY SHALL MAKE ALL
16 REPORTS AND OTHER DISCLOSURES AS ARE REQUIRED OF LAND BANKS UNDER THIS
17 ARTICLE AND AS LOCAL PUBLIC AUTHORITIES, UNLESS THE SUBSIDIARY'S OPER-
18 ATIONS AND FINANCES ARE CONSOLIDATED WITH THOSE OF THE LAND BANK OF
19 WHICH IT IS A SUBSIDIARY. SUBSIDIARIES ORGANIZED HEREUNDER SHALL BE
20 ESTABLISHED IN THE FORM OF A NEW YORK CHARITABLE NOT-FOR-PROFIT CORPO-
21 RATION OR A NEW YORK SINGLE MEMBER LIMITED LIABILITY COMPANY. SUBSID-
22 IARIES SHALL NOT HAVE THE AUTHORITY TO ISSUE BONDS, NOTES OR OTHER
23 DEBTS, PROVIDED, HOWEVER, THAT SUCH SUBSIDIARIES MAY ISSUE NOTES OR
24 OTHER DEBT TO THE LAND BANK OF WHICH IT IS A SUBSIDIARY. THE ORGANIZA-
25 TIONAL DOCUMENTS FILED TO CREATE A SUBSIDIARY HEREUNDER SHALL STATE THAT
26 THE LAND BANK IS ORGANIZING THE SUBSIDIARY FOR THE PURPOSES SET FORTH

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

LBD15351-02-6

1 HEREIN AND THE NAME OF THE SUBSIDIARY SHALL BE REASONABLY RELATED TO THE
2 NAME OF THE LAND BANK OF WHICH IT IS A SUBSIDIARY. THE REAL PROPERTY OF
3 A SUBSIDIARY ORGANIZED HEREUNDER AND ITS INCOME AND OPERATIONS ARE
4 EXEMPT FROM ALL TAXATION BY THE STATE OF NEW YORK AND BY ANY OF ITS
5 POLITICAL SUBDIVISIONS; AND

6 (22) to do all other things necessary to achieve the objectives and
7 purposes of the land bank or other laws that relate to the purposes and
8 responsibility of the land bank.

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

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

15 S 3. This act shall take effect immediately.