

STATE OF NEW YORK

6362

2017-2018 Regular Sessions

IN ASSEMBLY

March 6, 2017

Introduced by M. of A. MAGNARELLI -- read once and referred to the
Committee on Local Governments

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

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Clauses 21 and 22 of paragraph (a) of section 1607 of the
2 not-for-profit corporation law, as amended by chapter 338 of the laws of
3 2016, are amended to read as follows:

4 (21) to organize a subsidiary for a project or projects which the land
5 bank has the power to pursue under this article when the primary reason
6 for which the subsidiary shall be organized shall be to limit the poten-
7 tial liability impact of the subsidiary's project or projects on the
8 land bank or because state or federal law requires that the purpose of a
9 subsidiary be undertaken through a specific corporate or business struc-
10 ture. All real property of a subsidiary organized under this article
11 shall be maintained on the inventory lists required in this article of
12 the land bank of which it is a subsidiary and the subsidiary shall make
13 all reports and other disclosures as are required of land banks under
14 this article and as local public authorities, unless the subsidiary's
15 operations and finances are consolidated with those of the land bank of
16 which it is a subsidiary. Subsidiaries organized under this article
17 shall be established in the form of a New York charitable not-for-profit
18 corporation or a New York single member limited liability company.
19 Subsidiaries shall not have the authority to issue bonds, notes or other
20 debts, provided, however, that such subsidiaries may issue notes or
21 other debt to the land bank of which it is a subsidiary. The organiza-
22 tional documents filed to create a subsidiary under this article shall
23 state that the land bank is organizing the subsidiary for the purposes
24 set forth in this article and the name of the subsidiary shall be
25 reasonably related to the name of the land bank of which it is a subsid-

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

LBD10368-01-7

1 iary. The real property of a subsidiary organized under this article and
2 its income and operations are exempt from all taxation by the state of
3 New York and by any of its political subdivisions; [~~and~~]

4 (22) to lend money, to make grants and take and hold real and personal
5 property as security for the payment of funds so loaned or for the
6 performance and enforcement of grant agreements; and

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

10 § 2. This act shall take effect immediately.