STATE OF NEW YORK

7420

2017-2018 Regular Sessions

IN ASSEMBLY

April 25, 2017

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:

Section 1. Section 509 of the not-for-profit corporation law, as amended by chapter 549 of the laws of 2013, is amended to read as follows:

§ 509. Purchase, sale, mortgage and lease of real property.

(a) **1.** No corporation shall purchase real property unless such purchase is authorized by the vote of a majority of directors of the board or of a majority of a committee authorized by the board, provided that if such property would, upon purchase thereof, constitute all, or substantially all, of the assets of the corporation, then the vote of two-thirds of the entire board shall be required, or, if there are twenty-one or more directors, the vote of a majority of the entire board shall be sufficient.

[~~(b)~~] **2.** No corporation shall sell, mortgage, lease, exchange or otherwise dispose of its real property unless authorized by the vote of a majority of directors of the board or of a majority of a committee authorized by the board; provided that if such property constitutes all, or substantially all, of the assets of the corporation, then the vote of two-thirds of the entire board shall be required, or, if there are twenty-one or more directors, the vote of a majority of the entire board shall be sufficient.

[~~(c)~~] **3.** If a corporation authorizes a committee to act pursuant to [~~paragraphs (a) and (b)~~] **subparagraphs one and two** of this [~~section~~] **paragraph**, the committee shall promptly report any actions taken to the

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

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board, and in no event after the next regularly scheduled meeting of the board.

(b) 1. A corporation which sells real property to any entity other than the state or another not-for-profit corporation which is subject to the provisions of this chapter shall reimburse the state and/or a municipality for any capital funding, grants or financing received through the state or a municipal agency or public benefit corporation within the ten years preceding such sale.

2. A sale of real property by a not-for-profit corporation to any entity other than the state or another not-for-profit corporation which is subject to the provisions of this chapter shall not be exempt from the payment of the real property transfer tax imposed by section fourteen hundred two of the tax law.

3. Any corporation which has received a real property tax abatement within the last ten years for real property taxes assessed on such property shall reimburse the taxing authority the total amount of any such abatement upon the sale of such real property to any entity other than the state or another not-for-profit corporation which is subject to the provisions of this chapter.

§ 2. This act shall take effect immediately.