

STATE OF NEW YORK

6408

2019-2020 Regular Sessions

IN SENATE

June 7, 2019

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the not-for-profit corporation law and the business corporation law, in relation to cooperative purchase applications

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

1 Section 1. The not-for-profit corporation law is amended by adding a
2 new section 519-b to read as follows:

3 § 519-b. Residential cooperative corporations; ownership interests.

4 (a) The board of directors of any residential cooperative corporation,
5 incorporated pursuant to this chapter, shall establish through amend-
6 ments to its by-laws uniform processes for applying to and considering
7 applications for the purchase certificates of stock, a proprietary lease
8 or other evidence of an ownership interest in such residential cooper-
9 ative corporation.

10 (b) Written notice of such processes shall be made available to any
11 prospective purchasers and prospective sellers, or their respective real
12 estate agents, promptly upon request. Prospective purchasers shall be
13 required to confirm receipt of such notice in writing.

14 (c) At a minimum, such processes shall require the board of directors,
15 upon receiving an application from a prospective purchaser, to acknowl-
16 edge receipt of such application and to include in such acknowledgement
17 of receipt whether the application submitted fully satisfies the
18 requirements therefor, the way or ways the submitted application is
19 incomplete, and/or any additional materials necessary to effectuate
20 consideration of the application.

21 (d) The processes established pursuant to this section shall further
22 require that, following the submission of a completed application and
23 all additional materials requested in the acknowledgement of receipt,
24 the board of directors shall notify the prospective purchaser or their
25 agent that the application is complete. Such notice shall state by what

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

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1 date review of the application will be complete and when the prospective
2 purchaser or their agent whether its consent to the sale is granted or
3 denied.

4 (e) Nothing in this section shall be construed to limit the rights or
5 remedies provided by any other provision of law.

6 § 2. The business corporation law is amended by adding a new section
7 728 to read as follows:

8 § 728. Residential cooperative corporations; ownership interests.

9 (a) The board of directors of any residential cooperative corporation,
10 incorporated pursuant to this chapter, shall establish through amend-
11 ments to its by-laws uniform processes for applying to and considering
12 applications for the purchase certificates of stock, a proprietary lease
13 or other evidence of an ownership interest in such residential cooper-
14 ative corporation.

15 (b) Written notice of such processes shall be made available to any
16 prospective purchasers and prospective sellers, or their respective real
17 estate agents, promptly upon request. Prospective purchasers shall be
18 required to confirm receipt of such notice in writing.

19 (c) At a minimum, such processes shall require the board of directors,
20 upon receiving an application from a prospective purchaser, to acknowl-
21 edge receipt of such application and to include in such acknowledgement
22 of receipt whether the application submitted fully satisfies the
23 requirements therefor, the way or ways the submitted application is
24 incomplete, and/or any additional materials necessary to effectuate
25 consideration of the application.

26 (d) The processes established pursuant to this section shall further
27 require that, following the submission of a completed application and
28 all additional materials requested in the acknowledgement of receipt,
29 the board of directors shall notify the prospective purchaser or their
30 agent that the application is complete. Such notice shall state by what
31 date review of the application will be complete and when the prospective
32 purchaser or their agent whether its consent to the sale is granted or
33 denied.

34 (e) Nothing in this section shall be construed to limit the rights or
35 remedies provided by any other provision of law.

36 § 3. This act shall take effect immediately.