

# STATE OF NEW YORK

6408--A

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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) Any residential cooperative corporation incorporated pursuant to  
5 this chapter, shall establish uniform processes for applying to and  
6 considering applications for the purchase of certificates of stock, a  
7 proprietary lease or other evidence of an ownership interest in such  
8 residential cooperative corporation.

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

13 (c) At a minimum, such processes shall require the cooperative corpo-  
14 ration, upon receiving an application from a prospective purchaser, to  
15 acknowledge receipt of such application and to include in such acknowl-  
16 edgement of receipt whether the application submitted fully satisfies  
17 the requirements therefor, the way or ways the submitted application is  
18 incomplete, and any additional materials necessary to effectuate consid-  
19 eration of the application.

20 (d) The processes established pursuant to this section shall further  
21 require that, following the submission of a completed application and  
22 all additional materials requested in the acknowledgement of receipt,  
23 the board of directors shall notify the prospective purchaser or their

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

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1 agent that the application is complete. Such notice shall state by what  
2 date review of the application will be complete and when the prospective  
3 purchaser or their agent will be notified whether consent to the sale is  
4 granted or denied.

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

7 § 2. The business corporation law is amended by adding a new section  
8 728 to read as follows:

9 § 728. Residential cooperative corporations; ownership interests.

10 (a) Any residential cooperative corporation incorporated pursuant to  
11 this chapter, shall establish uniform processes for applying to and  
12 considering applications for the purchase of certificates of stock, a  
13 proprietary lease or other evidence of an ownership interest in such  
14 residential cooperative 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 cooperative corpo-  
20 ration upon receiving an application from a prospective purchaser, to  
21 acknowledge receipt of such application and to include in such acknowl-  
22 edgement of receipt whether the application submitted fully satisfies  
23 the requirements therefor, the way or ways the submitted application is  
24 incomplete, and any additional materials necessary to effectuate consid-  
25 eration 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 will be notified whether consent to the sale is  
33 granted or 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 on the one hundred twentieth day after  
37 it shall have become a law.