# STATE OF NEW YORK

8132

# IN SENATE

March 25, 2020

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to directing the department of housing preservation and development of the city of New York to promulgate rules and regulations regarding mutual housing companies considering dissolution and/or reconstitution

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

Section 1. The private housing finance law is amended by adding a new section 35-a to read as follows:

**§ 35-a. Rules and regulations regarding dissolution. The commissioner or supervising agency shall promulgate rules and regulations regarding mutual housing companies considering dissolution and/or reconstitution pursuant to section thirty-five of this article. Such rules and regulations shall at a minimum include:**

**1. A requirement that any vote for dissolution of the company, or for authorization of a feasibility study, a preliminary offering plan which may be referred to as a red herring, a final offering plan which may be referred to as a black book, a proxy statement, or to send a notice of intent to dissolve to the commissioner or supervising agency shall require the approval of eighty percent of all dwelling units, both occupied and unoccupied, owned by the mutual housing company.**

**2. A requirement that no funds from the operating budget of the mutual housing company shall be used for the preparation or distribution of a feasibility study, a preliminary offering plan or red herring, a final offering plan or black book, a proxy statement, or a notice of intent to dissolve; or to pay for any services related to evaluation of, preparation for, or execution of dissolution and/or reconstitution pursuant to section thirty-five of this article, including but not limited to legal services.**

**3. No vote under subdivision one of this section, shall occur within five years following a vote under subdivision one of this section that failed.**

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

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§ 2. This act shall take effect immediately and shall be applicable to all votes and activities pursuant to section 35-a of the private housing finance law that take place on or after such date on which it shall have become a law.