

STATE OF NEW YORK

6152--A

R. R. 337

2021-2022 Regular Sessions

IN ASSEMBLY

March 10, 2021

Introduced by M. of A. STECK -- read once and referred to the Committee on Judiciary -- reported and referred to the Committee on Rules -- ordered to third reading amended on the special order of third reading, ordered reprinted as amended, retaining its place on the special order of third reading

AN ACT to amend the real property law, in relation to requiring the modification of restrictive covenants prior 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. The real property law is amended by adding a new section 327-a to read as follows:

§ 327-a. Modification of restrictive covenants. 1. (a) If any covenants, conditions and restrictions exist in a document to be recorded which discriminate on the basis of race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income, or ancestry, any seller shall:

(i) have such unlawful restrictions removed from such document by submitting a restrictive covenant modification document, which shall be available from the county recorder, either with the deed for recording, or separately;

(ii) provide the purchaser or title insurance applicant with a copy of the appropriate restrictive covenant modification document prior to or at the closing of title;

(iii) record the restrictive covenant modification document, however, such seller shall not be required to pay filing fees for the recording of the restrictive covenant modification document.

(b) Within one year of the effective date of this section, the board of managers of a condominium, the board of directors of a cooperative apartment corporation or a homeowners association if such real property is subject to the rules and regulations of such an association, shall

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

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1 delete or amend any covenants, conditions and restrictions that exist in
2 a recorded document which discriminate on the basis of race, color,
3 religion, sex, sexual orientation, familial status, marital status,
4 disability, national origin, source of income, or ancestry. Such
5 deletions or amendments shall not be subject to the approval of property
6 owners.

7 (c) This section shall not apply to any lawful restrictions under
8 state and federal law.

9 2. The restrictive covenant modification document shall be indexed in
10 the same manner as any previously recorded document or documents to
11 which the modification document refers and shall reference the original
12 document by book and page number or instrument number and the date of
13 recording.

14 3. Subject to covenants, conditions, and restrictions recorded after
15 the original document containing unlawful restrictions, and subject to
16 covenants, conditions and restrictions recorded after the restrictive
17 covenant modification document, the restrictive covenant modification,
18 once recorded, shall be deemed the only restrictions having effect on
19 the property.

20 4. Any person holding an ownership interest in real property that he
21 or she believes is subject to an unlawfully restrictive covenant in
22 violation of state or federal law prohibiting restriction based on race,
23 color, religion, sex, sexual orientation, familial status, marital
24 status, disability, national origin, source of income, or ancestry may
25 record a restrictive covenant modification document pursuant to subdivi-
26 sion one of this section. Such recording shall include a complete copy
27 of the original document containing the unlawful language with the
28 unlawful language stricken and shall be signed under penalty of law.

29 5. The county recorder shall make available to the public forms for
30 preparation of a restrictive covenant modification document.

31 6. If the holder of an ownership interest in property causes to be
32 recorded a restrictive covenant modification document pursuant to this
33 section which contains language not authorized by this section, any
34 liability which derives from such recording shall be the sole responsi-
35 bility of the holder of the ownership interest of record and the county
36 recorder shall not incur any liability for recording such document.

37 § 2. This act shall take effect on the one hundred eightieth day after
38 it shall have become a law. Effective immediately, the addition, amend-
39 ment and/or repeal of any rule or regulation necessary for the implemen-
40 tation of this act on its effective date are authorized to be made and
41 completed on or before such effective date.