STATE OF NEW YORK

2874

2021-2022 Regular Sessions

IN SENATE

January 26, 2021

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

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:

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

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

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

(b) Written notice of such processes shall be made available to any prospective purchasers and prospective sellers, or their respective real estate agents, promptly upon request.

(c) At a minimum, such processes shall require the cooperative corporation, upon receiving an application from a prospective purchaser, to acknowledge receipt of such application within twenty-one days and to include in such acknowledgement of receipt whether the application submitted fully satisfies the requirements therefor, the way or ways the submitted application is incomplete, and any additional materials necessary to effectuate consideration of the application.

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

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

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purchaser or their agent will be notified whether consent to the sale is granted or denied.

(e) Written notice that consent to the sale has been granted or denied shall be provided to the prospective purchaser no more than ninety days after the submission of a completed application. In the event a sale is denied, such notice shall state the reason for the denial. If no written notice is provided within ninety days, consent to the sale shall be granted.

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

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

§ 728. Residential cooperative corporations; ownership interests.

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

(b) Written notice of such processes shall be made available to any prospective purchasers and prospective sellers, or their respective real estate agents, promptly upon request.

(c) At a minimum, such processes shall require the cooperative corporation upon receiving an application from a prospective purchaser, to acknowledge receipt of such application and to include in such acknowledgement of receipt whether the application submitted fully satisfies the requirements therefor, the way or ways the submitted application is incomplete, and any additional materials necessary to effectuate consideration of the application.

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

(e) Written notice that consent to the sale has been granted or denied shall be provided to the prospective purchaser no more than ninety days after the submission of a completed application. In the event a sale is denied, such notice shall state the reason for the denial. If no written notice is provided within ninety days, consent to the sale shall be granted.

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

§ 3. This act shall take effect on the one hundred twentieth day after it shall have become a law.