STATE OF NEW YORK

6297

2021-2022 Regular Sessions

IN SENATE

April 21, 2021

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 voting, election and referendum procedures

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 13-c to read as follows:

§ 13-c. Voting, election and referendum procedures. 1. Any shareholder vote shall be conducted using secret ballots. Such ballots shall be cast in-person by tenants entitled to occupancy in the project; unless such tenant casts such ballot using an absentee ballot issued pursuant to subdivision two of this section.

2. A shareholder entitled to occupancy in the project shall be entitled to request an absentee ballot to cast a ballot in any shareholder vote. Such absentee ballot shall be delivered or mailed only to the primary residence address of a shareholder entitled to occupancy in the project. An absentee ballot cast pursuant to this subdivision shall be sealed within two envelopes, shall contain the signature of the shareholder casting the vote, and shall be mailed to a neutral third party not running for a position on the board of directors.

3. Proxy voting shall not be permitted in an election for a position on a board of directors, for dissolution of the company, for the authorization of a feasibility study, for an offering plan including a red herring or black book, or any document offered in place of an offering plan as permitted by the attorney general.

4. In-person ballots shall produce a paper record which may be audited in the case of a contested election result.

5. No otherwise-eligible person shall be prevented from being a candidate for, being elected to, or serving on a board of directors based

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

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solely on that person owing or having owed any amount of any form of arrears to the housing company, unless, at the time of nomination, that person currently owes an amount of bona fide arrears greater than the equivalent of two months of that person's monthly maintenance. Nothing in this subdivision shall be construed to require or mandate any housing company to adopt bylaws, rules, policies, or procedures restricting any person's eligibility to be nominated, elected, or serve on a board of directors. Nothing contained in this subdivision shall be a basis in itself to deny such eligibility to any person.

6. For any shareholder vote requiring a specific percentage of dwelling units, the term "dwelling units" shall mean all dwelling units for which shares have been issued, regardless of whether such dwelling units are occupied or vacant.

§ 2. This act shall take effect on the thirtieth day after it shall have become a law and shall apply to any vote or election that occurs on or after such date regardless of when such vote or election was first noticed.