STATE OF NEW YORK

6324

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 in relation to prohibiting certain limited-profit housing companies from voluntarily dissolving during the state disaster emergency declared in response to the outbreak of COVID-19

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

Section 1. 1. Notwithstanding any provision of law to the contrary, no company or urban rental company, as such terms are defined in section 12 of the private housing finance law, shall be dissolved pursuant to the provisions of section 35 of such law or shall undergo semi-privatization pursuant to 28 RCNY 3-14(i)(15), or shall initiate any actions or proceedings related to dissolution or semi-privatization, including but not limited to, conducting a vote to authorize a feasibility study; submitting a preliminary offering plan to the attorney general for approval; distributing a preliminary offering plan to shareholders; distributing a final offering plan or proxy statement to shareholders; submitting a notice of intent to dissolve to the commissioner of housing or supervising agency; committing, promising, or expending funds in any way for the purposes of dissolution or semi-privatization; or holding any of the required notice meetings during the state disaster emergency declared pursuant to executive order 202 of 2020 in response to the outbreak of novel coronavirus, COVID-19.

2. As used in this act, the term "semi-privatization" means dissolving as a mutual housing company and transferring the property to a housing development fund company organized pursuant to article XI of the private housing finance law.

§ 2. This act shall take effect immediately.

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

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