

STATE OF NEW YORK

4740--A

2021-2022 Regular Sessions

IN SENATE

February 10, 2021

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

1 Section 1. The real property law is amended by adding a new section
2 327-a to read as follows:

3 § 327-a. Modification of restrictive covenants. 1. (a) If any coven-
4 ants, conditions and restrictions exist in a document to be recorded
5 which discriminate on the basis of race, color, religion, sex, sexual
6 orientation, familial status, marital status, disability, national
7 origin, source of income, or ancestry, any seller shall:

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

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

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

18 (b) Within one year of the effective date of this section, the board
19 of managers of a condominium, the board of directors of a cooperative
20 apartment corporation or a homeowners association if such real property
21 is subject to the rules and regulations of such an association, shall
22 delete or amend any covenants, conditions and restrictions that exist in

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

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1 a recorded document which discriminate on the basis of race, color,
2 religion, sex, sexual orientation, familial status, marital status,
3 disability, national origin, source of income, or ancestry. Such
4 deletions or amendments shall not be subject to the approval of property
5 owners.

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

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

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

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

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

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

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