STATE OF NEW YORK

7026

2021-2022 Regular Sessions

IN SENATE

May 24, 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 the application of tenant-cooperator shares of mutual company holdings

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

Section 1. Section 31-a of the private housing finance law is amended by adding a new subdivision (f) to read as follows:

(f) a mutual company shall provide, upon request of a tenant-cooperator, a written statement providing the current value of such tenant-cooperator's shares and equity in such mutual company;

§ 2. The private housing finance law is amended by adding a new section 31-c to read as follows:

§ 31-c. Tenant-cooperators; application of shares. 1. No mutual company shall require a current tenant-cooperator to use cash, loan or mortgage to make an initial payment for shares that would entitle the tenant-cooperator to occupancy upon transfer to another dwelling unit within the mutual company's facilities, but instead, subject to subdivision two of this section, shall first allow the tenant-cooperator the option to apply the value of his or her shares and equity in the mutual company toward any consideration required to be paid for such shares.

2. Within one hundred eighty days of the effective date of this section, the commissioner and the supervising agency, as the case may be, shall each promulgate regulations authorizing a current tenant-cooperator, entitled to occupancy by reason of ownership of shares in such mutual company, to apply all or a portion of the value of his or her shares and equity in the mutual company toward any consideration required to be paid for shares which would entitle the tenant-cooperator to occupancy of another unit owned and operated by the mutual company, regardless of the sale of the tenant-cooperator's current shares in such

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

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mutual company, but subject to such other charges due and owing to the mutual company for which such tenant-cooperator may be liable. Any dispute thereof may be determined by a court of appropriate jurisdiction and any requirement to waive such right as a condition of ownership or transfer shall be void as against public policy.

§ 3. This act shall take effect immediately.