

STATE OF NEW YORK

10467--A

IN ASSEMBLY

May 29, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Braunstein, L. Rosenthal) -- read once and referred to the Committee on Housing -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property law, in relation to ground lease contracts

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
2 233-c to read as follows:

3 § 233-c. Residential ground lease cooperative apartment buildings. 1.
4 Wherever used in this section:

5 (a) The term "residential ground lease cooperative apartment building"
6 means any and all buildings, improvements or other structures located in
7 the state of New York occupied, owned or leased in whole or in part by a
8 ground lease residential cooperative, or any subsidiary or affiliate
9 thereof, pursuant to a subject residential cooperative ground lease.

10 (b) The term "ground lease residential cooperative" means any New York
11 corporation organized or operating as a housing development fund corpo-
12 ration, New York cooperative corporation or cooperative housing corpo-
13 ration, including any entity meeting the definition thereof for federal
14 income tax purposes, or any person or entity that is a tenant in common,
15 co-tenant or joint owner with any such corporation, or which is, direct-
16 ly or indirectly through a subsidiary or affiliate thereof, a party to a
17 subject residential cooperative ground lease.

18 (c) The term "subject residential cooperative ground lease" means the
19 lease agreement, together with any amendments or other related agree-
20 ments including any forbearance, settlement, tenancy in common or other
21 similar agreements related thereto, pursuant to which a ground lease
22 residential cooperative leases, occupies or otherwise uses for residen-
23 tial, commercial, or other ancillary purposes the ground lease real
24 property from one or more subject ground lease owners.

25 (d) The term "ground lease real property" means all real property,
26 including improvements thereon, all or any portion of which is leased,

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

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1 rented, licensed or otherwise provided for use to a ground lease resi-
2 dential cooperative pursuant to a subject residential cooperative ground
3 lease, including any portion thereof that may be subleased or otherwise
4 used for ancillary retail, parking, or commercial purposes.

5 (e) The term "subject ground lease owners" means any and all persons
6 or entities, whether natural persons, estates, trusts, corporations,
7 partnerships or other entities, other than any excepted ground lease
8 owner, that holds title to or is the owner, whether by the entirety, as
9 tenants in common or otherwise, of ground lease real property or is
10 otherwise the landlord under any subject residential cooperative ground
11 lease.

12 (f) The term "excepted ground lease owner" means (i) the United States
13 federal government, the state of New York, the city of New York, and any
14 agency, municipality or political subdivision of any of the foregoing
15 thereof, any entity owned or controlled by any of the foregoing, includ-
16 ing but not limited to, the Battery Park city authority, the Roosevelt
17 Island Operating Corporation, the Queens West Development Corporation,
18 the Brooklyn Bridge Park Development Corporation, the New York City
19 Educational Construction Fund, and the New York City Housing Authority,
20 (ii) any charity approved under section 501(c) of the internal revenue
21 code which acquired its interest as the owner or landlord of a ground
22 lease real property prior to January first, two thousand twenty-four,
23 and (iii) any Indian nation, tribe or band as such lands are described
24 under and protected by the Indian law or title twenty-five of the United
25 States Code, but shall exclude any private foundation within the meaning
26 of section five hundred nine of the internal revenue code.

27 2. Notwithstanding any term of a subject residential cooperative
28 ground lease to the contrary, if a subject residential cooperative
29 ground lease authorizes the ground lease residential cooperative to
30 renew or extend its lease at the sole option of the ground lease resi-
31 dential cooperative, then the ground lease residential cooperative may
32 exercise such right to renew or extend at any time prior to the expira-
33 tion of the subject residential cooperative ground lease in accordance
34 with all other terms thereof.

35 § 2. This act shall take effect on the ninetieth day after it shall
36 have become a law, and shall apply to all contracts issued, renewed,
37 modified, altered or amended on or after such date.