

# STATE OF NEW YORK

4789

2023-2024 Regular Sessions

## IN ASSEMBLY

February 23, 2023

Introduced by M. of A. L. ROSENTHAL -- read once and referred to the  
Committee on Housing

AN ACT to amend the general business law and the business corporation  
law, in relation to enactment of a residential condominium and cooper-  
ative owner's bill of rights

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

1 Section 1. The general business law is amended by adding a new section  
2 352-eeeeee to read as follows:

3 § 352-eeeeee. Residential condominium owner's bill of rights. The  
4 organizational and operating documents of every residential condominium  
5 established or operating pursuant to the laws of the state shall guaran-  
6 tee the following to each unit owner:

7 1. That (a) all applications by unit owners in connection with matters  
8 which require approval of the board of managers and (b) all requests for  
9 determinations by the board of managers including but not limited to  
10 requests for the resolution of disputes between or among unit owners,  
11 disputes between unit owners and the condominium association such as  
12 disputes concerning responsibility for repairs shall be processed in a  
13 reasonably expeditious manner pursuant to uniform procedures and timeta-  
14 bles adopted in writing. The board's decision shall be in writing and  
15 shall set forth the reasons therefor, except that no reason shall be  
16 required when approval is granted.

17 2. That the final results of elections for the board of managers  
18 including a tally of the votes received by each candidate shall be post-  
19 ed within one business day following the availability of such informa-  
20 tion in a prominent place accessible to all unit owners in each building  
21 comprising the condominium.

22 3. That the board of managers shall call a meeting to fill any vacan-  
23 cies which occur on such board within sixty days of the occurrence of

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

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1 such vacancy if the vacancy occurs more than six months prior to the  
2 annual meeting of unit owners.

3 4. That any member of a board of managers who is elected while a unit  
4 owner in the condominium, who sells his or her apartment, and who,  
5 subsequent to such sale shall no longer be a unit owner in such condo-  
6 minium, shall resign from such board no later than the closing date of  
7 such sale.

8 5. That complete and accurate financial statements and any other  
9 statements ordinarily provided to unit owners be provided in a timely  
10 fashion pursuant to established timetables at least once annually. For  
11 the purposes of this subdivision "financial statements" shall include  
12 the balance sheets and statements of income and expense for each of the  
13 three most current fiscal years. Attached to said financial statements  
14 shall be a statement which discloses (a) any controlling interest or  
15 employee or agency relationship which any board member or officer of the  
16 condominium association or the spouse of such person has in or with any  
17 supplier of services or materials to said condominium and (b) any  
18 consideration the value of which exceeds one hundred dollars which any  
19 such board member or officer or the spouse of such person receives from  
20 such supplier.

21 6. That the following documents be made available for inspection or  
22 copying, by any reasonable electronic or physical means including camera  
23 or photocopier, by unit owners during regular business hours on no more  
24 than ten days written notice to the board of managers:

25 (a) approved minutes of board of managers meetings, provided that such  
26 board shall have thirty days from the dates of the meetings at which the  
27 minutes are approved to prepare such minutes and provided further that  
28 the board may exclude matters which it deems confidential or which were  
29 discussed in executive session;

30 (b) detailed, accurate records, in chronological order, of the  
31 receipts and expenditures arising from the operation of the property;

32 (c) bank account and financial investment statements;

33 (d) all proposals received in response to a request for bids to  
34 provide goods or services to the condominium the cost of which is  
35 reasonably expected to exceed five thousand dollars in any one year.  
36 Such documents shall be made available within ten days of receipt unless  
37 the board chooses to conduct closed competitive bidding in which case  
38 the documents shall be made available within ten days of the selection  
39 of the successful bid;

40 (e) reports of accountants, consultants and experts retained or hired  
41 to perform services for or on behalf of the association including finan-  
42 cial statements as defined in subdivision five of this section provided,  
43 however, that such reports may be withheld when a majority of the  
44 members of the board has voted to withhold such information. When the  
45 matter concerns alleged conflict of interest or malfeasance involving  
46 board members the report may be withheld only upon a vote of the majori-  
47 ty of disinterested board members. If all board members are interested  
48 parties the report may not be withheld;

49 (f) reports by municipal and/or county inspectors concerning compli-  
50 ance with health, building and housing codes and regulations; and

51 (g) the records of decisions by the board of managers to exclude or  
52 withdraw materials pursuant to paragraph (a) or (e) of this subdivision.  
53 Such records shall be prepared in every instance that materials are  
54 withheld or excluded. The record shall include the general nature of the  
55 materials and the reason for withholding or excluding same.

7. That in addition to any other notice required by the condominium association's organizational or operating documents, notice of all board and unit owner meetings shall be posted in a prominent place accessible to all unit owners in each building comprising the condominium.

8. The attorney general is authorized to enforce the provisions of this section and may, upon his or her own initiative, or in response to a complaint by one or more unit owners, investigate allegations of any failure to comply with the provisions hereof.

§ 2. The business corporation law is amended by adding a new section 708-a to read as follows:

§ 708-a. Residential cooperative owner's bill of rights.

(a) For the purposes of this section, the term "cooperative" shall mean a corporation owning or leasing residential premises and operating the same on a cooperative basis.

(b) (1) The organizational and operating documents of every residential cooperative established or operating pursuant to the laws of the state shall guarantee the following to each shareholder:

(2) That (i) all applications by shareholders in connection with matters which require approval of the board of directors and (ii) all requests for determinations by the board of directors including but not limited to requests for the resolution of disputes between or among shareholders, disputes between shareholders and the board such as disputes concerning responsibility for repairs shall be processed in a reasonably expeditious manner pursuant to uniform procedures and timetables adopted in writing. The board's decision shall be in writing and shall set forth the reasons therefor, except that no reason shall be required when approval is granted.

(3) That the final results of elections for the board of directors including a tally of the votes received by each candidate shall be posted within one business day following the availability of such information in a prominent place accessible to all shareholders in each building comprising the cooperative.

(4) That the board of directors shall call a meeting to fill any vacancies which occur on such board within sixty days of the occurrence of such vacancy if the vacancy occurs more than six months prior to the annual meeting of shareholders.

(5) That any member of a board of directors who is elected while a shareholder in the cooperative, who sells his or her apartment, and who, subsequent to such sale shall no longer be a shareholder in such cooperative, shall resign from such board no later than the closing date of such sale.

(6) That complete and accurate financial statements and any other statements ordinarily provided to shareholders be provided in a timely fashion pursuant to established timetables at least once annually. For the purposes of this paragraph "financial statements" shall include the balance sheets and statements of income and expense for each of the three most current fiscal years. Attached to said financial statements shall be a statement which discloses (i) any controlling interest or employee or agency relationship which any board member or officer of the cooperative board or the spouse of such person has in or with any supplier of services or materials to said cooperative and (ii) any consideration the value of which exceeds one hundred dollars which any such board member or officer or the spouse of such person receives from such supplier.

(7) That the following documents be made available for inspection or copying, by any reasonable electronic or physical means including camera

1 or photocopier, by shareholders during regular business hours on no more  
2 than ten days written notice to the board of directors:

3 (i) approved minutes of board of directors meetings, provided that  
4 such board shall have thirty days from the dates of the meetings at  
5 which the minutes are approved to prepare such minutes and provided  
6 further that the board may exclude matters which it deems confidential  
7 or which were discussed in executive session;

8 (ii) detailed, accurate records, in chronological order, of the  
9 receipts and expenditures arising from the operation of the property;

10 (iii) bank account and financial investment statements;

11 (iv) all proposals received in response to a request for bids to  
12 provide goods or services to the cooperative the cost of which is  
13 reasonably expected to exceed five thousand dollars in any one year.  
14 Such documents shall be made available within ten days of receipt unless  
15 the board chooses to conduct closed competitive bidding in which case  
16 the documents shall be made available within ten days of the selection  
17 of the successful bid;

18 (v) reports of accountants, consultants and experts retained or hired  
19 to perform services for or on behalf of the cooperative including finan-  
20 cial statements as defined in paragraph five of this subdivision  
21 provided, however, that such reports may be withheld when a majority of  
22 the members of the board has voted to withhold such information. When  
23 the matter concerns alleged conflict of interest or malfeasance involv-  
24 ing board members the report may be withheld only upon a vote of the  
25 majority of disinterested board members. If all board members are inter-  
26 ested parties the report may not be withheld;

27 (vi) reports by municipal and/or county inspectors concerning compli-  
28 ance with health, building and housing codes and regulations; and

29 (vii) the records of decisions by the board of directors to exclude or  
30 withdraw materials pursuant to subparagraph (i) or (v) of this para-  
31 graph. Such records shall be prepared in every instance that materials  
32 are withheld or excluded. The record shall include the general nature  
33 of the materials and the reason for withholding or excluding same.

34 (8) That in addition to any other notice required by the cooperative's  
35 organizational or operating documents, notice of all board and share-  
36 holder meetings shall be posted in a prominent place accessible to all  
37 shareholders in each building comprising the cooperative.

38 (9) The attorney general is authorized to enforce the provisions of  
39 this section and may, upon his or her own initiative, or in response to  
40 a complaint by one or more shareholders, investigate allegations of any  
41 failure to comply with the provisions hereof.

42 § 3. Within six months of the effective date of this act the attorney  
43 general shall promulgate a handbook summarizing the rights of unit  
44 owners vis-a-vis condominium associations and the procedures and proc-  
45 esses available to unit owners to enforce such rights.

46 § 4. This act shall take effect immediately; provided, however, that  
47 as to residential condominium associations existing and operating as  
48 such on the effective date of this act the boards of managers of such  
49 associations shall within one year of the effective date of this act  
50 take all steps necessary to amend the appropriate organizational and  
51 operating documents of such associations to implement the provisions of  
52 this act.