STATE OF NEW YORK

10768

IN ASSEMBLY

April 1, 2026

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

AN ACT to amend the private housing finance law, in relation to elections involving board members, by-law amendments, or dissolution, reconstitution or conversion of mutual housing companies

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

Section 1. Subdivisions 1 and 5 of section 13-c of the private housing finance law, as amended by chapter 167 of the laws of 2022, are amended and a new subdivision 6 is added to read as follows:

1. Any shareholder vote involving the election of board members, by-law amendments, or on dissolution or reconstitution or conversion of a mutual housing company including any votes for a special assessment pursuant to subdivisions one, two or three of section thirty-five-a of this article shall be conducted using secret ballots. Such ballots shall be cast **electronically to a neutral third party not running for or supporting a candidate running for a position on the board of directors or having an interest in dissolution, reconstitution or conversion of the mutual housing company, or** in-person by [~~tenants~~] **shareholders** entitled to vote in the project; unless such [~~tenant~~] **shareholder** casts such ballot using an absentee ballot issued pursuant to subdivision two of this section.

5. [~~No~~] **Unless otherwise provided in a by-law provision approved by the mutual housing company's shareholders and by the commissioner or supervising agency, no** otherwise-eligible person shall be prevented from being a candidate for, being elected to, or serving on a board of directors based solely on that person owing or having owed any amount of any form of arrears to the mutual housing company, unless, at the time of nomination, that person currently owes an amount of arrears greater than the equivalent of two months of that person's monthly maintenance. Nothing in this subdivision shall be construed to require or mandate any mutual housing company to adopt bylaws, rules, policies, or procedures restricting any person's eligibility to be nominated, elected, or serve on a board of directors. [~~No grounds other than the above arrearages in~~

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

LBD15340-01-6

~~excess of two months maintenance shall be a basis in itself to deny such eligibility to any person unless specifically incorporated in regulations promulgated by or procedures approved by the commissioner or supervising agency. Neither a mutual housing company nor the commissioner or the supervising agency may modify in any way the above limitation so as to restrict eligibility on the basis of fewer than two months of arrears.~~]

6. Notwithstanding any other provision of law, a quorum for purposes of an election of board members in any mutual housing company consisting of one thousand or more shareholders shall mean not less than twenty-five percent of the shareholders eligible to vote in such election.

§ 2. This act shall take effect immediately.