STATE OF NEW YORK

11252

IN ASSEMBLY

May 4, 2026

Introduced by M. of A. RAGA -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property actions and proceedings law, in relation to establishing the commercial tenant opportunity to purchase act

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

Section 1. Short title. This act shall be known and may be cited as the "commercial tenant opportunity to purchase act".

§ 2. The real property actions and proceedings law is amended by adding a new article 7-E to read as follows:

ARTICLE 7-E

COMMERCIAL TENANT OPPORTUNITY TO PURCHASE ACT

Section 799. Definitions.
799-a. Authority.
799-b. Applicability.
799-c. Exemptions.
799-d. Right of first refusal.
799-e. Tenant decision-making.
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799-q. Enforcement.
799-r. Statutory construction.
799-s. Administration and reports.

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

LBD13709-01-5

§ 799. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "AMI" or "area median income" means area median income established by the U.S. department of housing and urban development (HUD), pursuant to 42 U.S.C. § 1427 et seq., to establish local income classification levels.

2. "Appraised value" means the value of the commercial rental property as of the date of the appraisal, based on an objective, independent property valuation, performed according to professional appraisal industry standards.

3. "Bona fide offer of sale" means an offer of sale for a commercial rental property that is either:

(a) For a price and other material terms at least as favorable to a commercial tenant and qualified purchaser as those that the owner has offered, accepted, or is considering offering or accepting, from a purchaser in an arm's length third-party purchase contract; or

(b) In the absence of an arm's length third-party purchase contract, an offer of sale containing a sales price less than or equal to a price and other material terms comparable to that at which a willing seller and a willing buyer would sell and purchase the commercial rental property, or an appraised value.

4. "Commercial rental property" means a property which contains units which are rented to commercial entities for the purposes of operating a business.

5. "CPI" or "consumer price index" means the consumer price index published by the United States department of labor, bureau of labor statistics for the northeast census region. If publication of the consumer price index ceases, or if it is otherwise unavailable or is altered in a way as to be unusable, ESD shall determine the use of an appropriate substitute index published by the United States department of labor, bureau of labor statistics or any successor agency.

6. "CTOPA buyer" means a commercial tenant or qualified purchaser that is purchasing or has purchased a commercial rental property from an owner under this article.

7. "Days" shall mean calendar days unless otherwise indicated.

8. "ESD" means the empire state development corporation.

9. "Highest and best use" means the reasonably probable legal use of a property that is physically possible, appropriately supported, and financially feasible and that results in the highest value of the property.

10. "Matter-of-right" means a land use, development density, or structural dimension to which a property owner is entitled by current zoning regulations or law.

11. "Owner" means one or more persons, corporation, partnership, limited liability company, trustee, or any other entity, who is the owner of record of commercial rental property at the time of giving notice of intention to sell, and each person, corporation, partnership, limited liability company, trustee, or any other entity, who, directly or indirectly, owns fifty percent or more of the equity interests in such commercial rental property at the time of giving notice of intention to sell. For purposes of complying with the notice requirements described in this article, "owner" may refer to any person acting as an authorized agent of the owner.

12. "Permanent affordability" means that future commercial rents and future sales prices of a commercial rental property, or separate owner-

ship interests in commercial rental property, shall be made affordable to small businesses.

13. "Purchase contract" means a binding written agreement whereby an owner agrees to sell property including, without limitation, a purchase and sale agreement, contract of sale, purchase option or other similar instrument.

14. "Qualified purchaser" means a qualified purchaser certified under section seven hundred ninety-nine-f of this article.

15. "Rent" means the monthly or weekly amount charged in consideration for the use and occupation of a unit of a property pursuant to a written or oral rental agreement.

16. "Rental agreement" means an agreement, oral, written or implied, between an owner and a commercial tenant for use or occupancy of a unit of a property for the purposes of operating a small business.

17. "Rental unit" or "unit" means any unit in any real property, including the land appurtenant thereto, that is available for rent for commercial use, located in New York state.

18. "Sale" or "sell" means the transfer, in exchange for money or any other thing of economic value, of a present interest in the commercial rental property, including beneficial use, where the value of the present interest is the fee interest in the commercial rental property, or substantially equal to the value of that fee interest. For purposes of this definition, a "transfer" may include those completed in one transaction or a series of transactions over a period of time.

19. "Small business" means a business which is resident in this state, independently owned and operated, not dominant in its field and employs one hundred or less persons.

20. "Supportive partner" means a "supportive partner" meeting the criteria set forth in section seven hundred ninety-nine-g of this article.

21. "Tenant" or "commercial tenant" means one or more commercial renter, tenant, subtenant, lessee, sublessee, or other person entitled to the possession, occupancy, or benefits of a rental unit within a commercial rental property.

22. "Third-party purchaser" means any person or entity other than a commercial tenant or qualified purchaser, engaged or seeking to engage, in purchasing a commercial rental property from an owner under this article.

23. "Under threat of eminent domain" refers to the commencement of the process of eminent domain, including but not limited to, any formal or informal contact with the owner by the government or government agents regarding the potential or ongoing assertion of eminent domain, and any hearings or court proceedings regarding the same.

§ 799-a. Authority. ESD and their designees shall be authorized to enforce the provisions of this article, and for such purposes, shall have the powers of a law enforcement officer. ESD shall be authorized to establish standards, policies, and procedures for the implementation of the provisions of this article to further the purpose set forth in this article.

§ 799-b. Applicability. 1. This article shall only apply to commercial rental properties, other than those exempt under this article, which:

(a) are in whole or in part on the national register of historic places, the list of national historic landmarks, the New York state register of historic places, or any other list, register, or other collection of places of historical significance approved by ESD in consultation with the office of parks, recreation and historic preservation;

(b) have a commercial tenant which is on the national register of historic places, the list of national historic landmarks, the New York state register of historic places, or any other list, register, or other collection of places of historical significance approved by ESD in consultation with the office of parks, recreation and historic preservation; or

(c) are located in whole or in part within a historic district created by the state or by a local law passed pursuant to section ninety-six-a or one hundred nineteen-dd of the general municipal law.

2. This article shall only apply to tenants who are small businesses.

§ 799-c. Exemptions. 1. Exempted properties. This article shall not apply to the following commercial rental properties:

(a) Properties owned by municipal, state, federal, or foreign governments.

(b) Properties owned by and operated as a hospital, convent, monastery, extended care facility, convalescent home, assisted living residence, facilities providing housing to runaway and homeless youth or young adults, college or school dormitory or any institution operated for charitable, hospital or educational purposes.

(c) Properties properly licensed as a hotel or motel.

(d) Properties undergoing refinancing, a loan modification, short sale, deed in lieu of foreclosure or any other loss-mitigation option in order to maintain ownership of such properties.

(e) Property held in cooperative or condominium forms of ownership.

2. Exempted transfers. The following transfers shall be exempted for the purposes of this article:

(a) An inter-vivos transfer, even when transferred in exchange for consideration, between spouses, domestic partners, parent and child, siblings, grandparent and grandchild.

(b) A transfer for consideration, by a decedent's estate to members of the decedent's family if the consideration arising from the transfer will pass from the decedent's estate to, or solely for the benefit of, charity. For the purposes of this paragraph, the term "members of the decedent's family" shall include:

(i) A spouse, domestic partner, parent, child, sibling, grandparent, or grandchild; and

(ii) A trust for the primary benefit of a spouse, domestic partner, parent, child, sibling, grandparent, or grandchild.

(c) A transfer of bare legal title into a revocable trust, without actual consideration for the transfer, where the transferor is the current beneficiary of the trust.

(d) A transfer to a named beneficiary of a revocable trust by reason of the death of the grantor of the revocable trust.

(e) A transfer pursuant to court order or court-approved settlement.

(f) A transfer by eminent domain or under threat of eminent domain.

(g) A transfer of a commercial rental building to a tenant or qualified purchaser pursuant to a transfer agreement in effect on the effective date of this article, except that any renewal, modification, or amendment of such agreement occurring on or after the effective date of this article shall be subject to the provisions of this article.

(h) A transfer of legal title or an interest in an entity holding legal title to a housing accommodation pursuant to a bona fide deed of trust or mortgage, and thereafter any transfer by foreclosure sale or deed in lieu of foreclosure pursuant to a bona fide deed of trust or mortgage.

(i) A tax sale or transfer pursuant to tax foreclosure.

(j) A bankruptcy sale.

3. Exemption procedures. The owner of a commercial rental property, or an individual, group of individuals, organization or facility which believe that they are exempt under this article shall comply with procedures that ESD shall create for claiming such an exemption.

4. Voluntary election to participate. An owner whose property or planned transaction is exempt from this article may elect to subject their property to this article by complying with procedures that ESD shall promulgate through regulations, provided that the owner who voluntarily subjects their property to this article shall comply with this article in its entirety. Each commercial tenant operating in such property shall be granted all of the rights described in this article, including the opportunity to decide whether to exercise their right of first refusal under section seven hundred ninety-nine-d of this article. No owner shall be eligible for incentives described in section seven hundred ninety-nine-p of this article without complying with this article in its entirety.

§ 799-d. Right of first refusal. 1. General construction. This section shall be construed to confer a right of first refusal only upon each commercial tenant and qualified purchaser.

2. Offer of sale to commercial tenants and qualified purchasers. Before an owner of a commercial rental property may sell or accept an offer to sell a commercial rental property, the owner shall give each commercial tenant or qualified purchaser an opportunity to purchase such commercial rental property at a price and terms that represent a bona fide offer of sale.

(a) The owner's offer of sale shall include, but not be limited to:

(i) The asking price and terms of the sale. The terms and conditions shall be consistent with the applicable timeframes described in subdivisions three and four of this section;

(ii) A statement as to whether a purchase contract with a third-party purchaser exists for the sale of the commercial real property, and if so, a copy of such purchase contract; and

(iii) A statement in English and at least one other language, including but not limited to the most popular language spoken other than English based on the latest United States Census within the property's census tract, stating that if the tenant requires the offer of sale in a language other than English, they may contact ESD and request the offer of sale in their requested language and/or the assistance of an interpreter.

(b) If a tenant is receiving the offer of sale, the owner shall deliver a written copy of the offer of sale to each tenant by certified mail or e-mail.

(c) If a qualified purchaser is receiving the offer of sale, the owner shall deliver the offer of sale to each qualified purchaser that previously made an offer to purchase the commercial rental property, and to each tenant, by certified mail or e-mail. The owner shall submit an offer of sale to each such qualified purchaser on the same day, and to the extent possible, at the same time.

(d) If the owner has a purchase contract with a third-party purchaser for the sale of the commercial rental property, the owner shall deliver the offer of sale to each tenant or qualified purchaser within two days of entering into a purchase contract with the third-party purchaser.

(e) The owner shall also provide ESD with a written copy of the offer of sale and a statement certifying that the items described by paragraph

(a) of this subdivision were delivered to each tenant or qualified purchaser in accordance with this subdivision.

(f) Any number of tenants and/or a qualified purchaser may come to an agreement to jointly purchase the commercial rental property.

3. Time to accept offer. (a) The following procedures shall apply:

(i) Upon receipt of the offer of sale from the owner, a tenant shall have forty-five days to accept the offer of sale.

(ii) Upon receipt of the offer of sale from the owner, a qualified purchaser shall have thirty days to accept the offer of sale.

(iii) The deadline to accept any offer of sale shall be extended as necessary to allow the tenant or qualified purchaser to exercise their right to an appraisal pursuant to section seven hundred ninety-nine-l of this article, if they believe that the offer of sale is not a bona fide offer of sale.

(b) (i) If, during these time periods, any tenant or qualified purchaser that has received such offer of sale decides to accept the owner's offer of sale, such tenant or qualified purchaser shall notify the owner and every other tenant and qualified purchaser of such decision by e-mail or certified mail. The tenant or qualified purchaser may include in such notice that the tenant or qualified purchaser is willing to partner with a tenant or qualified purchaser.

(ii) After a tenant or qualified purchaser notifies the owner of its decision to accept the owner's offer of sale, meaning before any other tenant or qualified purchaser so notified the owner, such tenant or qualified purchaser shall be deemed to have accepted the offer of sale, and no other tenant or qualified purchaser shall accept the owner's offer of sale, whether or not the time periods in this subdivision have elapsed. Any other tenant or qualified purchaser may contact the notifying tenant or qualified purchaser.

4. Time to partner with a tenant or qualified purchaser. If a qualified purchaser accepts an owner's offer of sale in accordance with this article, the owner shall afford such qualified purchaser time to partner with a tenant of the commercial rental property to complete the purchase. If a tenant accepts an owner's offer of sale in accordance with this article, the owner shall afford such tenant time to partner with other tenants or a qualified purchaser of the commercial rental property to complete the purchase. Such time afforded to a tenant or qualified purchaser shall be up to sixty days after the receipt of the offer of sale from the owner.

5. Time to secure financing and close. If a tenant or qualified purchaser accepts an owner's offer of sale in accordance with this article, the owner shall afford such tenant or qualified purchaser time to secure financing and close, consistent with this article.

6. Rejection of offer. If each tenant and qualified purchaser that received an offer of sale consistent with this article, rejects such offer of sale or fails to respond within the timelines described in this section, the owner may immediately proceed with the sale of the commercial rental property to a third-party purchaser consistent with the price and material terms of that offer of sale.

§ 799-e. Tenant decision-making. Any action required of tenants under this article shall be approved by at least one tenant of a commercial rental unit. Tenants of multiple units may collectively perform any action required of tenants under this article.

§ 799-f. Qualified purchasers. 1. Qualified purchaser criteria. ESD shall establish an administrative process for certifying qualified

purchasers that shall include, but not be limited to, the following minimum criteria:

(a) The purchaser is a bona fide nonprofit, as evidenced by the fact that it is exempt from federal income tax under 26 U.S.C. § 501(c)(3) or is a small business;

(b) The purchaser has demonstrated a commitment to small businesses;

(c) The purchaser has agreed to transfer ownership of the commercial rental property to the tenants when feasible if its tenants request such transfer of ownership;

(d) The purchaser has demonstrated a commitment to the provision of affordable commercial rental units for small businesses, and to prevent the displacement of such businesses;

(e) The purchaser has agreed to obligate itself and any successors in interest to maintain the affordability of the commercial rental property;

(f) The purchaser has demonstrated the capacity, including, but not limited to, the legal and financial capacity, to effectively acquire and manage commercial real property in New York state; and

(g) The purchaser has agreed to attend mandatory training to be determined, from time to time, by ESD.

2. Certification, term, and renewal. Purchasers that ESD certifies as having met the criteria in subdivision one of this section shall be known as "qualified purchasers". A purchaser's certification as a qualified purchaser shall be valid for four years. ESD shall solicit new applications for qualified purchaser status at least once each calendar year, at which time existing qualified purchasers shall be eligible to apply for renewed certification as qualified purchasers.

3. Existence and publication of qualified purchasers list. ESD shall publish on its website, and make available upon request, a list of qualified purchasers. In addition to such other information as ESD may include, such list shall include contact information for each qualified purchaser. Such contact information shall include, but need not be limited to, a mailing address, an e-mail address that the qualified purchaser monitors regularly, and a telephone number.

4. Disqualification of qualified purchaser and conflicts of interest. ESD shall promptly investigate any complaint alleging that a qualified purchaser has failed to comply with this section. Subject to regulations promulgated by ESD, if, after providing the qualified purchaser with notice and opportunity to be heard, ESD determines that a purchaser listed as a qualified purchaser has failed to comply with this section, ESD may suspend or revoke that purchaser's certification as a qualified purchaser. ESD shall establish a process for addressing potential and actual conflicts of interests that may arise among supportive partners, qualified purchasers, and tenants through promulgation of regulations.

5. Tenant partner required. No qualified purchaser shall be permitted to purchase a commercial rental property under this article unless partnered with a small business which is a tenant of the commercial rental property. A qualified purchaser may partner with any number of tenants.

§ 799-g. Supportive partners. 1. Supportive partner criteria. ESD shall establish an administrative process for certifying individuals or organizations that meet the following minimum criteria:

(a) The individual or organization has demonstrated ability and capacity to guide and support small businesses in purchasing commercial properties;

(b) The individual or organization has demonstrated ability and capacity to assist tenants in understanding and exercising their rights under this article;

(c) The individual or organization has demonstrated expertise, or existing partnerships with other organizations with demonstrated expertise, to counsel tenants on owning and managing commercial properties;

(d) The individual or organization has a demonstrated commitment to helping small businesses; and

(e) The individual or organization has agreed to attend mandatory trainings, to be determined, from time to time, by ESD.

2. Certification, term, and renewal. Individuals and organizations that ESD certifies as having met the criteria in subdivision one of this section shall be known as "supportive partners". An individual or organization's certification as a supportive partner shall be valid for four years. ESD shall solicit new applications for supportive partner status at least once each calendar year, at which time existing supportive partners shall be eligible to apply for renewed certification as supportive partners.

3. Purpose of supportive partner. A supportive partner shall function in a supportive role to assist tenants in exercising their rights under this article. This article shall not confer any rights to a supportive partner. A supportive partner shall be distinct from a qualified purchaser that is conferred subordinated rights under this article as described in section seven hundred ninety-nine-g of this article. ESD may determine that a qualified purchaser described in section seven hundred ninety-nine-f of this article that meets the criteria in subdivision one of this section shall also be eligible to serve as a supportive partner. ESD may also serve as a supportive partner.

4. Existence and publication of supportive partners list. ESD shall publish on its website, and make available upon request, a list of supportive partners. In addition to such other information as ESD may include, this list shall include contact information for each supportive partner. Such contact information shall include, but need not be limited to, a mailing address, an e-mail address that the supportive partner monitors regularly, and a telephone number.

5. Disqualification of supportive partner and conflicts of interest. ESD shall promptly investigate any complaint alleging that a supportive partner has failed to comply with this section. Subject to regulations promulgated by ESD, if, after providing the supportive partner with notice and opportunity to be heard, ESD determines that an individual or organization listed as a supportive partner has failed to comply with this section, ESD may suspend or revoke such individual or organization's certification as a supportive partner. ESD shall establish a process for addressing potential and actual conflicts of interests that may arise among supportive partners, qualified purchasers, and tenants through promulgation of regulations.

§ 799-h. Assignment of rights. 1. A tenant may assign rights under this section in compliance with sections seven hundred ninety-nine-d and seven hundred ninety-nine-e of this article to a qualified purchaser of their choice.

2. Subject to regulations promulgated by ESD, the assignment of rights described in this section shall occur prior to the tenant waiving their rights pursuant to section seven hundred ninety-nine-i of this article, and only during the process provided in section seven hundred ninety-nine-d of this article. Except as provided in section seven hundred ninety-nine-i of this article, the waiver and assignment of rights shall

be made in a written agreement executed by the tenant and the qualified purchaser.

3. Qualified purchasers shall not accept any payment, consideration, or reward in exchange for the assignment of rights under this section.

§ 799-i. Waiver of rights. 1. Tenants may affirmatively waive their rights before the time periods specified in section seven hundred ninety-nine-d of this article elapse, by notifying the owner in writing, signed by the tenants and in compliance with section seven hundred ninety-nine-e of this article.

2. Tenants' failure to complete actions required under section seven hundred ninety-nine-d of this article within the allotted time periods, and any extensions thereof, shall be deemed an implied waiver of such tenants' rights.

§ 799-j. Notice requirements. Any notices required or permitted by this article shall also comply with regulations promulgated by ESD. ESD shall develop model notices which owners may choose to use to comply with the requirements of this section and shall make such notices accessible to owners, including but not limited to, posting such notices on ESD's website. Such model notice shall include a list of certified qualified purchasers.

§ 799-k. Third-party purchaser rights. The right of a third-party to purchase a commercial rental property shall be conditional upon the exercise of tenant and qualified purchaser rights under this article. The time periods for submitting and accepting an offer, partnering with a tenant, securing financing, and closing under this article shall be minimum periods, and the owner may afford any tenant and qualified purchaser a reasonable extension of such period, without liability under a third-party purchase contract. Owners shall be responsible for alerting any third-party purchasers regarding the applicability of the tenant's right to purchase the property. Third-party purchasers shall be presumed to act with full knowledge of the rights of tenants and qualified purchasers and public policy under this article.

§ 799-l. Right to appraisal. 1. Right to appraisal. This section shall apply whenever an offer of sale is made to a tenant or qualified purchasers as required by this article and the offer is made in the absence of an arm's-length third-party purchase contract.

2. Request for appraisal. The tenant or qualified purchaser that receives an owner's offer of sale may challenge such offer of sale as not being a bona fide offer of sale, and request an appraisal to determine the fair market value of the commercial rental property. The party requesting the appraisal shall be deemed the "petitioner" for purposes of this section. The petitioner shall deliver the written request for an appraisal to ESD and the owner by hand or by certified mail within five days of receiving the offer of sale.

3. Time for appraisal. Beginning with the date of receipt of a written request for an appraisal, and for each day thereafter until the petitioner receives the appraisal, the time periods described in subdivision three of section seven hundred ninety-nine-d of this article shall be extended by an additional time of up to ten business days.

4. Selection of appraiser. The petitioner shall select an appraiser from a list of independent, qualified appraisers, that ESD shall maintain. ESD-approved appraisers shall hold an active appraiser license issued by the New York state board of real estate appraisal and shall be able to conduct an objective, independent property valuation, performed according to professional industry standards. All appraisers shall

undergo training organized by ESD before they are approved and added to the ESD's list.

5. Cost of appraisal. The petitioner shall be responsible for two-thirds and the owner shall be responsible for one-third of the total cost of the appraisal.

6. Appraisal procedures and standards. The owner shall give the appraiser full, unfettered access to the property. The owner shall respond within five days to any request for information from the appraiser. The petitioner may give the appraiser information relevant to the valuation of the property. The appraisal shall be completed expeditiously according to standard industry timeframes. An appraised value shall only be based on rights an owner has as a matter-of-right as of the date of the alleged bona fide offer of sale, including any existing right an owner may have to convert the property to another use. Within the restrictions in this subdivision, an appraised value may take into consideration the highest and best use of the property.

7. Validity of appraisal. The determination of the appraised value of the commercial rental property, in accordance with this section, shall become the sales price of the commercial rental property in the bona fide offer of sale, unless:

(a) The owner and the petitioner agree upon a different sales price of the commercial rental property; or

(b) The owner elects to withdraw the offer of sale altogether within fourteen days of receipt of the appraisal, in which case:

(i) the owner shall withdraw the offer of sale by delivering a written notice by hand or by certified mail to ESD and to the petitioner;

(ii) upon withdrawal, the owner shall reimburse the petitioner and ESD for their share of the cost of the appraisal within fourteen days of delivery of written notice of withdrawal; and

(iii) an owner who withdraws an offer of sale in accordance with this paragraph shall be precluded from proceeding to sell the commercial rental property to a third-party purchaser without complying with this section by honoring the right of first refusal of tenants and qualified purchasers; or

(c) The petitioner elects to withdraw the offer of sale altogether within fourteen days of receipt of the appraisal, in which case:

(i) the petitioner shall withdraw the offer of sale by delivering a written notice by hand or by certified mail to ESD and to the owner; and

(ii) upon withdrawal, the petitioner shall reimburse the owner and ESD for their share of the cost of the appraisal within fourteen days of delivery of written notice of withdrawal.

§ 799-m. Purchase contract negotiation. 1. Bargaining in good faith. The owner and any tenant and/or qualified purchaser shall bargain in good faith regarding the terms of any offer for sale. Any one of the following shall constitute prima facie evidence of bargaining without good faith:

(a) The failure of an owner to offer a tenant or qualified purchaser a price and other material terms at least as favorable as that offered to a third-party purchaser;

(b) Any requirement by an owner that a tenant or qualified purchaser waive any right under this article; or

(c) The intentional failure of an owner or qualified purchaser to comply with the provisions of this article.

2. Reduced price. If the owner sells or contracts to sell the commercial rental property to a third-party purchaser for a price less than the price offered to the tenant or qualified purchaser in the offer of

sale, or for other terms, which would constitute bargaining without good faith, the owner shall comply anew with all requirements of this article, as applicable.

3. Termination of rights. The intentional failure of any tenant or qualified purchaser to comply with the provisions of this article shall result in the termination of their rights under this article.

§ 799-n. No selling of rights. 1. A tenant or qualified purchaser shall not sell or otherwise convey any rights under this article.

2. An owner shall not coerce a tenant to waive their rights under this article.

§ 799-o. Tenant protections. 1. No tenant in the commercial rental property, including tenants who do not exercise rights to purchase under this article, shall be evicted by the CTOPA buyer, for a failure to purchase or for any other reason applicable to expiration of tenancy, except for good cause; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of their obligations to the purchaser.

2. Should there by an expiration of the maximum allowable rent provision of the state's emergency tenant protection regulations, and the state's rent stabilization code, promulgated by the ESD, CTOPA buyers shall adjust the rent annually to allow an increase of no more than the increase in the CPI.

§ 799-p. Incentives. 1. Access to buyers. ESD shall endeavor to maintain and publicize the list of qualified purchasers in a manner that, to the maximum extent feasible, promotes the existence of the qualified purchasers as a readily accessible pool of potential buyers for covered properties. ESD shall, to the maximum extent permitted by law and otherwise feasible, publicize the existence of this list in a manner intended to facilitate voluntary sales to qualified purchasers in a manner that avoids or minimizes the need for a broker, other search costs, or other transactions.

2. Partial transfer tax exemption. The tax rate shall be reduced in accordance with section fourteen hundred two of the tax law with respect to any deed, instrument, or writing that affects a transfer under this article.

3. Potential federal tax benefits. Any qualified purchaser that purchases a commercial rental property under the right of first refusal set forth in section seven hundred ninety-nine-d of this article shall, to the maximum extent permitted by law and otherwise feasible, be obliged to work with the owner in good faith to facilitate an exchange of real property of the kind described in 26 U.S.C. § 1031, for the purpose of facilitating the owner's realization of any federal tax benefits available under that section of the internal revenue code.

4. Information to owners. ESD shall produce an information sheet describing the benefits of an owner's decision to accept a tenant's or qualified purchaser's offer of purchase made in connection with the right of first refusal established in this article. ESD shall make this information sheet accessible to owners and buyers by publication on ESD's website.

§ 799-q. Enforcement. 1. Powers and duties of ESD. ESD shall be authorized to take all appropriate action, including but not limited to the actions specified in section seven hundred ninety-nine-a of this article, to implement and enforce this article.

2. Implementation. (a) ESD shall promulgate rules and regulations consistent with this article.

(b) ESD shall adopt regulations to implement a petition and hearing procedure for administering the enforcement of this article.

(c) ESD shall establish and make available standard documents to assist owners, tenants and qualified purchasers in complying with the requirements of this article through an online portal, provided that use of such documents does not necessarily establish compliance.

(d) Owner certification and disclosures. Every owner of a commercial rental property in the state shall, within fifteen days of the sale of such commercial rental property, submit to ESD a signed declaration, under penalty of perjury, affirming that the sale of such commercial rental property complied with the requirements of this article. Such declaration shall include the address of the relevant commercial rental property and the name of each new owner of the commercial rental property. ESD shall publish all such addresses on its website. Failure to file a declaration required by this paragraph shall result in the penalty described in subparagraph (i) of paragraph (b) of subdivision three of this section.

3. Enforcement. (a) Civil action. Any party may seek enforcement of any right or provision under this article through a civil action filed with a court of competent jurisdiction and, upon prevailing, shall be entitled to remedies, including those described in paragraph (b) of this subdivision.

(b) Penalties and remedies.

(i) Civil penalties. An owner who willfully or knowingly violates any provision of this article shall be subject to a cumulative civil penalty imposed by ESD in the amount of up to one thousand dollars per day, per tenant-occupied unit in a commercial rental property, for each day from the date the violation began until the requirements of this article are satisfied.

(ii) Legal remedies. Remedies in civil action brought under this section shall include the following, which may be imposed cumulatively:

(A) Damages in an amount sufficient to remedy the harm to the plaintiff;

(B) In the event that an owner sells a commercial rental property without complying with the requirements of this article, and if the owner's violation of this article was knowing or willful, mandatory civil penalties in an amount proportional to the culpability of the owner and the value of the commercial rental property. There shall be a rebuttable presumption that this amount is equal to ten percent of the sale price of the commercial rental property for a willful or knowing violation of this article, twenty percent of the sale price for a second willful or knowing violation, and thirty percent of the sale price for each subsequent willful or knowing violation; and

(C) Reasonable attorneys' fees.

(iii) Equitable remedies. In addition to any other remedy or enforcement measure that a tenant or qualified purchaser, or ESD may seek under this section, any court of competent jurisdiction may enjoin any sale or other action of an owner that would be made in violation of this article.

§ 799-r. Statutory construction. The purpose of this article shall be to prevent the displacement of small business tenants in New York and to preserve affordable commercial rental units by providing an opportunity for tenants to own or remain renters in the properties in which tenants do business as provided in this article. If a court finds ambiguity and there is any reasonable interpretation of this article that favors the rights of the tenant, then the court shall resolve ambiguity toward the

end of strengthening the legal rights of the tenant to the maximum extent permissible under law.

§ 799-s. Administration and reports. 1. ESD shall report annually on the status of the tenant opportunity to purchase act program to the legislature or to such legislative committee as the legislature may designate. Such reports shall include, but shall not be limited to the following:

(a) Statistics on the number and types of sales of tenant occupied properties;

(b) Statistics on the number of tenants and qualified purchasers that invoke action under this article;

(c) Number and types of units covered by this article; and

(d) Any other information the legislature or legislative committee may request.

2. ESD shall make available translation services in languages other than English, where requested in advance by a tenant qualified purchaser, owner, or member of the public as it relates to CTOPA, to interpret and translate documents and procedures as needed.

§ 3. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 4. This act shall take effect on the one hundred eightieth day after it shall have become a law and shall apply to any offers to purchase a commercial real property accepted on and after such date. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.