

STATE OF NEW YORK

10727

IN SENATE

October 28, 2026

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the real property law, in relation to prohibiting retaliation by cooperative housing programs against shareholders

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

Section 1. The real property law is amended by adding a new section 235-k to read as follows:

§ 235-k. Retaliation by cooperative housing corporations prohibited.
1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Cooperative housing corporation" shall mean the board or managing agent of any corporation, entity, or organization formed pursuant to article four of the business corporation law or article eleven of the private housing finance law that operates residential housing on a cooperative basis through proprietary leases, occupancy agreements, or similar arrangements.

(b) "Shareholder" shall mean any owner of shares allocated to a residential unit within a cooperative housing corporation and any lawful occupant residing pursuant to such shareholder's proprietary lease or occupancy agreement.

(c) "Adverse action" shall include, but not be limited to:

(i) commencement of litigation against a shareholder;

(ii) termination or attempted termination of a proprietary lease;

(iii) commencement of proceedings alleging objectionable conduct;

(iv) selective enforcement of house rules, bylaws, or proprietary lease provisions;

(v) imposition of fines, fees, assessments, or penalties not imposed in a substantially similar manner upon other shareholders;

(vi) denial of approvals, permissions, or applications otherwise customarily granted under similar circumstances; or

(vii) any action that would reasonably deter a shareholder from exercising rights protected by this section.

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

LBD16513-01-6

1 2. No cooperative housing corporation shall take adverse action
2 against a shareholder because such shareholder, or someone acting on
3 such shareholder's behalf, in good faith:

4 (a) made a complaint to the cooperative housing corporation or any
5 governmental authority alleging violation of any health or safety law,
6 regulation, code, or ordinance or the warranty of habitability under
7 section two hundred thirty-five-b of this article;

8 (b) requested inspection or enforcement by a governmental authority;

9 (c) exercised rights under the business corporation law, proprietary
10 lease, bylaws, certificate of incorporation, or house rules;

11 (d) requested access to corporate books and records as authorized by
12 law;

13 (e) communicated with other shareholders regarding governance,
14 elections, finances, or building operations;

15 (f) organized, participated in, or supported shareholder associations
16 or groups;

17 (g) sought legal advice or representation;

18 (h) commenced, participated in, or testified in any judicial, adminis-
19 trative, or arbitration proceeding involving the cooperative housing
20 corporation; or

21 (i) otherwise exercised rights protected by federal, state, or local
22 law.

23 3. An adverse action occurring within one year after a shareholder
24 engages in protected activity shall create a rebuttable presumption that
25 such action was retaliatory. The effect of the presumption shall be to
26 require the cooperative housing corporation to establish a non-retalia-
27 tory motive for its acts by a preponderance of the evidence.

28 4. In any action seeking termination of a proprietary lease or
29 eviction of a shareholder pursuant to an objectionable conduct
30 provision, evidence of retaliation shall be admissible notwithstanding
31 any application of the business judgment rule. Judgement shall be
32 entered for the shareholder if the court finds that the cooperative
33 housing corporation is acting in retaliation for any action set forth in
34 subdivision two of this section.

35 5. A cooperative housing corporation's board or its agent shall be
36 subject to a civil action for damages, attorney's fees and costs and
37 other appropriate relief, including injunctive and other equitable reme-
38 dies, as may be determined by a court of competent jurisdiction in any
39 case in which the cooperative housing corporation has violated the
40 provisions of this section.

41 6. Any provision of a proprietary lease, occupancy agreement, bylaw,
42 rule, policy, or contract purporting to waive or limit rights provided
43 under this section shall be void as contrary to public policy.

44 7. This section shall not be given effect in any case in which it is
45 established that the condition from which the complaint or action arose
46 was caused by the shareholder, a member of the shareholder's household,
47 or a guest of the shareholder.

48 8. Nothing in this section shall be construed to classify a cooper-
49 ative housing corporation as a landlord or a shareholder as a tenant for
50 purposes other than this section.

51 § 2. This act shall take effect immediately.