

STATE OF NEW YORK

71

2025-2026 Regular Sessions

IN SENATE

(Prefiled)

January 8, 2025

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

AN ACT to amend the real property law, in relation to providing certification and registration requirements for property managers of cooperatives and condominiums

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 article
2 12-D to read as follows:

ARTICLE 12-D

RESIDENTIAL REALTY MANAGEMENT

5 Section 448. Residential realty management.

6 § 448. Residential realty management. 1. As used in this article,
7 unless the context otherwise requires:

8 (a) "Certification" shall mean a designation by the secretary of state
9 that an individual has met the predetermined qualifications which are
10 deemed to constitute a level of proficiency adequate to perform the
11 day-to-day management and operation of real property used for residen-
12 tial purposes and owned as a cooperative or condominium.

13 (b) "Property manager" shall mean any person who, in return for remun-
14 eration or compensation of any kind, performs residential realty manage-
15 ment for real property owned as a condominium or cooperative. Property
16 manager shall not mean or include:

17 (1) a shareholder or owner of the cooperative or condominium acting as
18 a property manager without remuneration or compensation of any kind; or

19 (2) any developer or sponsor of a cooperative or condominium during
20 the period that the developer or sponsor retains control of the cooper-
21 ative or condominium; provided that the developer or sponsor has in its
22 employ or has retained a property manager certified under this article.

23 (c) "Residential realty management" shall mean either:

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

LBD00299-01-5

1 (1) the performance of principal managerial responsibilities for a
2 cooperative or condominium; and the authority for policy or financial
3 decision making for any one of the following services: maintenance,
4 security, energy conservation, code compliance, labor relations, fiscal
5 budgetary responsibilities, tenant relations, governmental relations,
6 janitorial services or any other provided service; or

7 (2) the responsibility for the collection and expenditure of monies
8 for and on behalf of such cooperative or condominium, its owners and/or
9 managing board, under whatever name known.

10 2. No person shall perform residential realty management unless such
11 person shall have filed a property manager registration statement with
12 the secretary of state as required by this section and has been issued
13 by the secretary of state a certificate demonstrating that such regis-
14 trant has satisfied all the requirements for certification as a property
15 manager as set forth by this article.

16 No cooperative or condominium board shall employ any person for the
17 purpose of performing residential realty management unless such person
18 has been certified by the office of the secretary of state. Nor shall
19 the cooperative or condominium board employ any firm, partnership,
20 corporation or other entity unless its property managers are certified
21 by the office of the secretary of state.

22 3. The secretary of state shall promulgate the form of the registra-
23 tion statement to be known as the "property manager registration state-
24 ment." The property manager registration statement form shall require,
25 but need not be limited to, the following information:

26 (a) the name and address of the person filing the registration to
27 obtain certification pursuant to this article;

28 (b) the name and address of the corporation, firm, association, part-
29 nership or other entity that currently employs the applicant;

30 (c) the name and address of all partners, officers, directors and
31 principals of such corporation, firm, association, partnership or other
32 entity that currently employs the applicant;

33 (d) a statement indicating whether the applicant has:

34 (1) been convicted of any crime involving fraud or dishonesty or had
35 any civil judgments relating to work as a real property manager;

36 (2) ever had a real estate broker's license, and if so, whether such
37 license was ever revoked or suspended;

38 (3) at any time in the past been issued a certification pursuant to
39 this section, and if so, whether such certification was ever revoked or
40 suspended;

41 (e) the length of time that the applicant has been engaged in residen-
42 tial realty management where applicable and a list of each building for
43 which the registrant has performed residential realty management and the
44 dates and addresses thereof;

45 (f) the name and address of the approved property manager training
46 program that the applicant has satisfactorily completed and the date of
47 such completion, if required; and

48 (g) a sworn statement by the property manager that the information set
49 forth in the statement is current and accurate.

50 4. Every certification issued pursuant to this section shall be
51 renewed as set forth by the secretary of state but in no event shall the
52 term of such certification exceed two years. The secretary of state
53 shall collect a fee of fifty dollars for each certification and each
54 renewal pursuant to this section.

55 5. A certified property manager shall give the secretary of state
56 written notification within forty-five days of any material change of

1 circumstances which varies from the information contained in such certi-
2 fied property manager's sworn property manager registration statement
3 previously provided to the secretary of state including, but not limited
4 to, changes in employment, retirement, resignation or termination.

5 6. The secretary of state, upon the receipt and review of a satisfac-
6 torily completed property manager registration statement, may issue a
7 certification to any applicant who has:

8 (a) (1) successfully completed a property manager training program
9 approved by the secretary of state which provides the applicant with the
10 requisite skills, knowledge and training necessary to perform residen-
11 tial realty management as defined by paragraph (c) of subdivision one of
12 this section, or (2) been gainfully employed as a property manager as
13 defined in paragraph (b) of subdivision one of this section for the five
14 years immediately preceding enactment of this section; and

15 (b) met any other criteria established by the secretary of state in
16 order to be eligible to receive certification as a property manager; or

17 (c) demonstrated, in the case of a certified property manager applying
18 for recertification, the competency and integrity to continue to perform
19 the duties of a property manager and has not had such certification
20 revoked.

21 The secretary of state may refuse to issue a certificate to any
22 person who such secretary of state finds, after notice and hearing, has
23 been convicted of any crime involving fraud or dishonesty, or where
24 refusal will in such secretary of state's judgment, best promote the
25 interests of the people of this state.

26 7. The secretary of state shall establish procedures and criteria, and
27 shall promulgate regulations, for: (a) approving or disapproving appli-
28 cations for certifications to act as a property manager; and (b) the
29 approval of and the periodic review of certification training programs.
30 Any complaint in connection with an action taken or inaction by the
31 secretary of state pursuant to this article shall be within the purview
32 of the secretary of state. In establishing the procedures required by
33 this subdivision, the secretary of state may provide that any organiza-
34 tion which has been designated by the federal department of housing and
35 urban development as an approved certification training program may act
36 as such pursuant to this article.

37 8. The secretary of state may refuse to renew, or may revoke or
38 suspend the certification of any property manager, if, after notice and
39 hearing, such secretary of state finds that such property manager has
40 failed to comply with any of the requirements imposed by the provisions
41 herein and if in such secretary of state's judgment such suspension or
42 revocation is reasonably necessary to protect the interests of the
43 people of this state. The secretary of state may in such secretary of
44 state's discretion reinstate such certification where such grounds for
45 suspension or revocation no longer exists.

46 9. The provisions of this section shall not apply to any property
47 manager or any firm, association, partnership, entity and any affiliate
48 of such firm, association, partnership or entity employing a property
49 manager, contracting with a property manager or contracting to provide a
50 property manager, if all the condominiums or cooperatives for which such
51 property manager, firm, association, partnership, entity and any affil-
52 iate of such firm, association, partnership or entity performs services
53 comprises less than twenty-five residential units.

54 10. Any property manager or any firm, association, partnership, corpo-
55 ration or other entity, other than a cooperative or condominium board,
56 employing a property manager, contracting with a property manager or

1 contracting to provide a property manager that fails to comply with the
2 requirements of this article shall be subject to a civil penalty not to
3 exceed one thousand dollars for a first violation, two thousand five
4 hundred dollars for a second violation, and five thousand dollars for a
5 third or subsequent violation.

6 Any cooperative or condominium board which knowingly hires an unregis-
7 tered property manager may be liable for a civil penalty not to exceed
8 one thousand dollars.

9 11. All monies collected while performing residential realty manage-
10 ment shall be segregated and separate accounts shall be maintained for
11 each condominium or cooperative being managed. Any violation of this
12 provision shall constitute a misdemeanor punishable by a fine not to
13 exceed five thousand dollars.

14 12. When a property manager ceases to perform residential realty
15 management services for a cooperative or condominium, the property
16 manager within ten business days shall be required to turn over all
17 building records and all funds, which have been placed into such proper-
18 ty manager's care or are in such property manager's possession, to the
19 board of directors of the cooperative or board of managers of the condo-
20 minium or their designee. Nevertheless, such funds and/or records
21 requiring bank reconciliation shall be turned over within forty-five
22 days of termination.

23 13. The attorney general shall have the power to enforce the
24 provisions of this article.

25 § 2. This act shall take effect on the ninetieth day after it shall
26 have become a law; provided, however, that subdivision 2 of section 448
27 of the real property law, as added by section one of this act, shall
28 take effect on the first of January next succeeding the date upon which
29 it shall have become a law. Effective immediately the addition, amend-
30 ment and/or repeal of any rule or regulation necessary for the implemen-
31 tation of this act on its effective date are authorized to be made and
32 completed on or before such effective date.