STATE OF NEW YORK

9572

IN SENATE

March 25, 2026

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

AN ACT to amend the business corporation law and the not-for-profit corporation law, in relation to requiring at least one director on a board of directors of a residential cooperative housing corporation be a primary resident of such residential cooperative housing corporation; and to amend the real property law, in relation to prohibiting the charging of payments, fees or charges by cooperative housing corporations without thirty days' notice

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

Section 1. Section 701 of the business corporation law, as amended by chapter 432 of the laws of 1977, is amended to read as follows:

§ 701. Board of directors.

Subject to any provision in the certificate of incorporation authorized by paragraph (b) of section 620 (Agreements as to voting; provision in certificate of incorporation as to control of directors) or by paragraph (b) of section 715 (Officers), the business of a corporation shall be managed under the direction of its board of directors, each of whom shall be at least eighteen years of age**, and for any board of directors of a residential cooperative housing corporation incorporated pursuant to this chapter, at least one director shall be a primary resident of such residential cooperative housing corporation**. The certificate of incorporation or the by-laws may prescribe other qualifications for directors**, and in the case of residential cooperative housing corporations, may require a greater number of directors be primary residents of such residential cooperative housing corporations**.

§ 2. Section 701 of the not-for-profit corporation law is amended by adding a new paragraph (c) to read as follows:

(c) For any board of directors of a residential cooperative housing corporation incorporated pursuant to this chapter, at least one director shall be a primary resident of such residential cooperative housing corporation. The certificate of incorporation or the by-laws of such

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

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residential cooperative housing corporations may prescribe other qualifications for directors including a requirement that a greater number of directors be primary residents of such residential cooperative housing corporations.

§ 3. Section 238-a of the real property law is amended by adding a new subdivision 4 to read as follows:

4. No payments, fees or charges may be charged by a cooperative housing corporation to a tenant that is a dwelling unit owner or shareholder of such cooperative housing corporation unless such payment is described and disclosed to all such cooperative housing corporation's shareholders in writing at least thirty days prior to implementation.

§ 4. This act shall take effect immediately.