

STATE OF NEW YORK

7745

2025-2026 Regular Sessions

IN SENATE

May 2, 2025

Introduced by Sen. MAYER -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the public housing law and the real property law, in relation to creating the cooperative and condominium ombudsperson program; to amend the tax law, in relation to authorizing the residential unit fee; and to amend the state finance law, in relation to establishing the cooperative and condominium ombudsperson program fund

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

Section 1. Subdivision 1 of section 14 of the public housing law is amended by adding a new paragraph (y) to read as follows:

(y) administer the cooperative and condominium ombudsperson program pursuant to article eleven of the real property law.

§ 2. The real property law is amended by adding a new article 11 to read as follows:

ARTICLE 11

COOPERATIVE AND CONDOMINIUM OMBUDSPERSON PROGRAM

Section 360. Short title.

360-a. Legislative declaration.

360-b. Definitions.

360-c. Cooperative and condominium ombudsperson program.

360-d. Services under the program.

360-e. Registration of cooperatives and condominiums with the ombudsperson program.

360-f. Assistance of other state agencies.

360-g. Reports to the governor and the legislature.

360-h. Contract authority.

360-i. Separability.

§ 360. Short title. This article shall be known and may be cited as the "cooperative and condominium ombudsperson act".

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

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1 § 360-a. Legislative declaration. The legislature finds and determines
2 as follows:

3 Cooperative and condominium housing constitutes a significant portion
4 of New York state's residential housing stock. It is and has been the
5 public policy of this state to encourage such forms of home ownership. A
6 wide variety of laws have been enacted to provide fairness in the
7 conversion of rental properties to cooperative and condominium ownership
8 and in the regulation and taxation of cooperatives and condominiums.
9 State and local laws and regulations are also designed to ensure that
10 the residents of such housing are provided with safe and habitable
11 accommodations.

12 Unfortunately, disputes have not infrequently arisen among cooperative
13 and condominium sponsors and developers, cooperative shareholders and
14 condominium unit owners, prospective shareholders and unit owners,
15 boards of directors and boards of managers. Such disputes may result in
16 lengthy and costly litigation and uncertainty as to the rights of the
17 parties pending the outcome of litigation. Such litigation diverts
18 resources that could be better utilized to provide affordable and well-
19 maintained buildings and grounds for the common good of the owners.

20 This article is necessary to provide a neutral, informative and acces-
21 sible resource available to all parties involved in residential cooper-
22 ative and condominium ownership and governance. The ombudsperson program
23 created pursuant to this article will conduct outreach programs to
24 educate unit owners and board members as to their legal rights and
25 responsibilities. The ombudsperson program will encourage alternative
26 dispute resolution when disputes do arise. The ombudsperson will be
27 available to provide dispute resolution services on consent of the
28 parties. The ombudsperson will also provide monitoring and supervision
29 of cooperative and condominium elections.

30 § 360-b. Definitions. 1. "Cooperative" means a corporation organized
31 and operating pursuant to the general business law or the cooperative
32 corporations law for the primary purpose of providing residential hous-
33 ing to its shareholders.

34 2. "Condominium" means a homeowners association or any association
35 organized and operating pursuant to article nine-B of this chapter for
36 the primary purpose of providing residential housing to its unit owners.

37 3. "Program" means the cooperative and condominium ombudsperson
38 program created by this article.

39 4. "Ombudsperson" means the not-for-profit organization selected to
40 run the cooperative and condominium ombudsperson program.

41 5. "State agency" means any department, board, bureau, commission,
42 division, office, council or agency of the state, or a public benefit
43 corporation or authority authorized by the laws of the state.

44 6. "Local agency" means any department, board, bureau, commission,
45 division, office, council, officer or agency of a city, town or village.

46 § 360-c. Cooperative and condominium ombudsperson program. 1. There
47 shall be established within the division of housing and community
48 renewal a cooperative and condominium ombudsperson program. The commis-
49 sioner of the division of housing and community renewal shall be respon-
50 sible for oversight of the program.

51 2. Within one year of the effective date of this article, the division
52 of housing and community renewal shall establish the cooperative and
53 condominium ombudsperson program, and shall have the power to implement
54 the program by appropriate regulations.

55 3. The division of housing and community renewal shall distribute
56 monies from the cooperative and condominium ombudsperson program fund

1 established pursuant to section eighty-one-a of the state finance law to
2 one eligible not-for-profit entity, to be selected by a competitive
3 bidding process, to act as the cooperative and condominium ombudsperson
4 and to oversee the cooperative and condominium ombudsperson program
5 statewide. The ombudsperson shall develop a statewide infrastructure to
6 deliver services on a local or regional level and may subcontract with
7 one or more eligible not-for-profit entities to provide services under
8 the program.

9 4. The not-for-profit organization and any subcontracted organizations
10 providing services under the program shall employ at least one attorney
11 or other professional with extensive experience in real estate, cooper-
12 ative and condominium law and in conflict and alternative dispute resol-
13 ution to oversee the ombudsperson program services provided by such
14 organization.

15 5. Ombudsperson program staff shall adhere to a code of ethics in
16 order to inspire public confidence and trust in the fairness and impar-
17 tiality of the program. The division of housing and community renewal
18 shall prescribe such code of ethics. Such code shall require that the
19 ombudsperson program staff respect and comply with the law; that they
20 not use or attempt to use their positions to secure privileges or
21 exemptions for themselves or others; that they not solicit, accept or
22 agree to accept any gifts or gratuities from persons having or likely to
23 have any transaction with the office; that they not request or accept
24 any payment in addition to their regular compensation for assistance
25 given as part of their official duties; and that they shall not perform
26 any function in a manner that improperly favors any person or party.

27 6. Ombudsperson program staff shall not serve as officers or employees
28 of a political party or a club or organization related to a political
29 party, receive remuneration for activities on behalf of any candidate
30 for public office or party position or engage in soliciting votes or
31 other activities on behalf of a candidate for public office or party
32 position.

33 7. The secretary to the governor shall assure that all state agencies
34 provide the ombudsperson with assistance in advancing the purposes of
35 the office and to assure that the activities of the office are fully
36 coordinated with the activities of state agencies providing related
37 services.

38 § 360-d. Services under the program. Services provided under the
39 program shall include:

40 1. Educating and informing shareholders of cooperatives and unit
41 owners of condominiums, their boards of directors and boards of manag-
42 ers, property managers, professionals working with and for such boards
43 and other interested parties of their legal rights and responsibilities
44 under the federal, state and local laws and regulations applicable to
45 cooperative and condominium housing in the state of New York and under
46 the cooperative and condominium documents governing the respective prop-
47 erties.

48 2. Coordinating and assisting in the preparation and publication of
49 educational and reference materials about residential cooperatives and
50 condominiums, to make such resources known and available to the widest
51 possible audience.

52 3. Organizing and conducting meetings, workshops, conferences, and
53 forums and utilizing all forms of communications media to disseminate
54 accurate and timely information of interest to persons residing in,
55 owning and managing cooperative and condominium housing.

1 4. Providing mediation, arbitration and other forms of alternative
2 dispute resolution services to cooperative and condominium sponsors and
3 developers, cooperative shareholders, condominium owners, their boards
4 of directors and managers, prospective shareholders and unit owners and
5 other parties so as to avoid costly and lengthy litigation and reduce
6 expenses for those involved in disputes.

7 5. Referring parties for a hearing before the division of housing and
8 community renewal.

9 (a) Should mediation, arbitration, or other form of alternative
10 dispute resolution provided by or through the ombudsperson fail to
11 resolve a dispute between the parties, the ombudsperson, may, upon
12 request by either party, refer the dispute for a hearing to be held by
13 the division of housing and community renewal in accord with article
14 three of the state administrative procedure act.

15 (b) Referrals for hearing before the division of housing and community
16 renewal shall be limited to disputes regarding acts that may be contrary
17 to law or an association's governing rules; unreasonable, unfair,
18 oppressive, retaliatory, or discriminatory; based on a mistake of fact;
19 based on improper or irrelevant grounds; or otherwise erroneous.

20 (c) Upon receipt of a referral from the ombudsperson's office, if the
21 division finds that the dispute meets the criteria of paragraph (b) of
22 this subdivision, the division shall schedule a hearing and issue notice
23 to the parties of the time and place of the hearing.

24 (d) Such hearings shall be held before an administrative law judge who
25 shall receive evidence, documents, and testimony and provide the parties
26 with an opportunity to be heard.

27 (e) The administrative law judge shall have the power to subpoena and
28 enforce the attendance of witnesses, administer oaths or affirmations
29 and examine witnesses under oath, and require the production of any
30 books and papers deemed relevant or material to the resolution of any
31 dispute pending before the division.

32 (f) After conclusion of the hearing, the division shall issue a writ-
33 ten determination of its decision to both parties. In the written deter-
34 mination, the division may order any party to abide by the statutes,
35 regulations, or governing rules at issue.

36 (g) Either party may seek judicial review of such determination pursu-
37 ant to article seventy-eight of the civil practice law and rules
38 provided that such review shall be maintained against the same parties.

39 6. Engaging with housing courts, other trial courts, state and local
40 agencies and with alternative dispute resolution programs maintained by
41 the office of court administration in order to provide specialized
42 expertise in the resolution of cooperative and condominium disputes as
43 an alternative to litigation.

44 7. Offering procedures, monitors and vote counting services to assure
45 fair elections for members of cooperative boards of directors and condo-
46 minium boards of managers. Fifteen percent of the total voting inter-
47 ests in a cooperative or condominium or shareholders or owners of six
48 residential units, whichever is greater, may petition the ombudsperson
49 to attend and conduct an election of directors or managers. All costs
50 associated with the election monitoring process shall be paid by the
51 cooperative or condominium.

52 8. Referring any complaints received to the appropriate law enforce-
53 ment agency for prosecution, if deemed appropriate by the ombudsperson.

54 9. Performing any other functions that are necessary or appropriate to
55 fulfill the duties and responsibilities of the program.

1 § 360-e. Registration of cooperatives and condominiums with the ombud-
2 sperson program. The cooperative and condominium ombudsperson program
3 shall compile and maintain a register of cooperatives and condominiums
4 within the state which shall be updated annually, upon payment of the
5 residential unit fee pursuant to section one hundred eighty-six-h of the
6 tax law, and shall include the following information:

- 7 1. the name, address and telephone number of the association;
- 8 2. the name of the management company or managing agent, and the name
9 of any other person who is authorized to manage the property at the site
10 of the cooperative or condominium;
- 11 3. the names, mailing addresses and telephone numbers of the members
12 of the executive board of the cooperative or condominium;
- 13 4. the name of the declarant;
- 14 5. the number of units in the cooperative or condominium association;
- 15 6. the total annual assessment made by the association;
- 16 7. the number of foreclosures which were completed on units within the
17 cooperative or condominium, and which were based on liens for the fail-
18 ure of the shareholder or unit's owner to pay any assessments levied
19 against the shares or unit or any fines imposed against the shareholder
20 or unit's owner; and
- 21 8. whether a study of the reserves of the association has been
22 conducted.

23 § 360-f. Assistance of other state agencies. To effectuate the
24 purposes of this article, the division of housing and community renewal
25 may request and shall be entitled to receive from any state agency, and
26 the same are authorized to provide, such assistance, services, facili-
27 ties, and data as will enable the division to carry out the purposes of
28 the ombudsperson program.

29 § 360-g. Reports to the governor and the legislature. The division of
30 housing and community renewal shall make an annual report, to be
31 received on or before January first, to the governor and the legislature
32 concerning the activities undertaken by the ombudsperson program, recom-
33 mendations for legislative proposals, data concerning program activities
34 and other pertinent information as may be required.

35 § 360-h. Contract authority. The division of housing and community
36 renewal is hereby empowered to enter into any agreement or contract with
37 any state or local agency necessary or convenient to carry out the
38 provisions of this article.

39 § 360-i. Separability. If any clause, sentence, paragraph, section or
40 part of this article shall be adjudged by any court of competent juris-
41 isdiction to be invalid, such judgment shall not affect, impair or invali-
42 date the remainder thereof, but shall be confined in its operation to
43 the clause, sentence, paragraph, section or part thereof directly
44 involved in the controversy in which such judgment shall have been
45 rendered.

46 § 3. The tax law is amended by adding a new section 186-h to read as
47 follows:

48 § 186-h. Residential unit fee. A cooperative housing corporation or a
49 homeowners association, as such terms are defined in section two hundred
50 ten of this chapter, shall pay an annual fee of six dollars per year for
51 each residential unit located in a building or buildings owned or oper-
52 ated by such corporation or association. Such fee shall be payable to
53 the department. All revenue from the fee imposed pursuant to this
54 section shall be paid by the department to the state comptroller to be
55 deposited to and credited to the cooperative and condominium ombudsper-

1 son program fund, established pursuant to section eighty-one-a of the
2 state finance law.

3 § 4. The state finance law is amended by adding a new section 81-a to
4 read as follows:

5 § 81-a. Cooperative and condominium ombudsperson program fund. 1.
6 There is hereby established in the custody of the state comptroller a
7 special fund to be known as the "cooperative and condominium ombudsper-
8 son program fund".

9 2. The cooperative and condominium ombudsperson program fund shall
10 consist of monies appropriated thereto, funds transferred from any other
11 fund or sources, and monies deposited therein pursuant to section one
12 hundred eighty-six-h of the tax law.

13 3. The monies in the cooperative and condominium ombudsperson program
14 fund shall be kept separate from and shall not be commingled with any
15 other monies in the custody of the state comptroller. Such monies shall
16 be allocated to and expended by the division of housing and community
17 renewal solely for the staffing and administration of the cooperative
18 and condominium ombudsperson program.

19 § 5. This act shall take effect on the one hundred eightieth day after
20 it shall have become a law.