

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:

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

3 § 701. Board of directors.

4 Subject to any provision in the certificate of incorporation author-
5 ized by paragraph (b) of section 620 (Agreements as to voting; provision
6 in certificate of incorporation as to control of directors) or by para-
7 graph (b) of section 715 (Officers), the business of a corporation shall
8 be managed under the direction of its board of directors, each of whom
9 shall be at least eighteen years of age, and for any board of directors
10 of a residential cooperative housing corporation incorporated pursuant
11 to this chapter, at least one director shall be a primary resident of
12 such residential cooperative housing corporation. The certificate of
13 incorporation or the by-laws may prescribe other qualifications for
14 directors, and in the case of residential cooperative housing corpo-
15 rations, may require a greater number of directors be primary residents
16 of such residential cooperative housing corporations.

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

19 (c) For any board of directors of a residential cooperative housing
20 corporation incorporated pursuant to this chapter, at least one director
21 shall be a primary resident of such residential cooperative housing
22 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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1 residential cooperative housing corporations may prescribe other quali-
2 fications for directors including a requirement that a greater number of
3 directors be primary residents of such residential cooperative housing
4 corporations.

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

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

12 § 4. This act shall take effect immediately.