

STATE OF NEW YORK

9576

IN SENATE

March 25, 2026

Introduced by Sen. BAILEY -- 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 private housing finance law, in relation to elections involving board members, by-law amendments, or dissolution, reconstitution or conversion of mutual housing companies

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

1 Section 1. Subdivisions 1 and 5 of section 13-c of the private housing
2 finance law, as amended by chapter 167 of the laws of 2022, are amended
3 and a new subdivision 6 is added to read as follows:

4 1. Any shareholder vote involving the election of board members,
5 by-law amendments, or on dissolution or reconstitution or conversion of
6 a mutual housing company including any votes for a special assessment
7 pursuant to subdivisions one, two or three of section thirty-five-a of
8 this article shall be conducted using secret ballots. Such ballots shall
9 be cast electronically to a neutral third party not running for or
10 supporting a candidate running for a position on the board of directors
11 or having an interest in dissolution, reconstitution or conversion of
12 the mutual housing company, or in-person by [~~tenants~~] shareholders enti-
13 tled to vote in the project; unless such [~~tenant~~] shareholder casts such
14 ballot using an absentee ballot issued pursuant to subdivision two of
15 this section.

16 5. [~~No~~] Unless otherwise provided in a by-law provision approved by
17 the mutual housing company's shareholders and by the commissioner or
18 supervising agency, no otherwise-eligible person shall be prevented from
19 being a candidate for, being elected to, or serving on a board of direc-
20 tors based solely on that person owing or having owed any amount of any
21 form of arrears to the mutual housing company, unless, at the time of
22 nomination, that person currently owes an amount of arrears greater than
23 the equivalent of two months of that person's monthly maintenance.
24 Nothing in this subdivision shall be construed to require or mandate any
25 mutual housing company to adopt bylaws, rules, policies, or procedures
26 restricting any person's eligibility to be nominated, elected, or serve

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

LBD15340-01-6

1 on a board of directors. [~~No grounds other than the above arrearages in~~
2 ~~excess of two months maintenance shall be a basis in itself to deny such~~
3 ~~eligibility to any person unless specifically incorporated in regu-~~
4 ~~lations promulgated by or procedures approved by the commissioner or~~
5 ~~supervising agency. Neither a mutual housing company nor the commission-~~
6 ~~er or the supervising agency may modify in any way the above limitation~~
7 ~~so as to restrict eligibility on the basis of fewer than two months of~~
8 ~~arrears.~~]

9 6. Notwithstanding any other provision of law, a quorum for purposes
10 of an election of board members in any mutual housing company consisting
11 of one thousand or more shareholders shall mean not less than twenty-
12 five percent of the shareholders eligible to vote in such election.

13 § 2. This act shall take effect immediately.