

NEW YORK STATE SENATE
INTRODUCER'S MEMORANDUM IN SUPPORT
submitted in accordance with Senate Rule VI, Sec. 1

Memo on original bill
Memo on amended bill

SENATE BILL #: S510 ASSEMBLY BILL #:

SENATE SPONSOR(S): Diaz

ASSEMBLY SPONSOR(S): Sepulveda

TITLE: Condo Owners Bill of Rights

PURPOSE: To amend provisions in the not-for-profit corporation law, general business law, and real property law in relation to the enactment of a residential condominium owner's bill of rights

SUMMARY OF PROVISIONS:

This bill will also enact Enacts a bill of rights for owners of residential condominium units to provide fair and equitable treatment of all unit owners.

This bill will provide condo-owners both privately owned and not-for-profit condominium associations the right to transparency which includes the right for condo unit owners to review a complete accounting for all expenditures, capital improvement and or anything in excess of the contingency fund including the budget, a comparison of any and all bidding processes for work to be done in the condominium including work that was conducted and the amounts of contributions of each owner whether individual or group sponsor, billings estimates overages and proof of the expenditures that comprise the total of the surcharge and minutes of each meeting where the planning and voting on the proposal was discussed with all owners and for any and all expenditures not made in the ordinary course of business.

This bill will also require for the Condominium Board of any not-for-profit condominium board to make available for inspection and review to all condo unit owners the IRS Form 990 when they are filed annually.

This bill would require that all applications and requests by condominium owners that require approval by the board of managers regarding disputes between owners and the condominium association be processed in a reasonably expeditious manner pursuant to uniform procedures and timetables adopted in writing.

The final results of elections for the board of managers would be required to be posted in a prominent location within one business day following the availability of such information.

The board of managers would be required to call a meeting within sixty days of a vacancy to fill a vacancy if it occurs more than six months prior to the annual unit owners meeting.

The bill would require any board member, who sells his or her apartment and is no longer a unit holder in the condominium, to resign from the board no later than the closing date of such sale.

Furthermore, the bill would ensure that accurate financial statements and other statements normally provided to unit owners of privately owned and not-for-profit condominiums would need to be provided in a timely fashion.

The bill would require that proper documentation be made available for inspection or copying by unit owners, including approved minutes of board of managers meetings; accurate records of the receipts and expenditures arising from the operation of the property; bank account and financial investment statements; proposals received for bids on goods and services for the condominium; reports of hired accountants and consultants on behalf of the association and reports by municipal or county inspectors concerning health, building, and safety codes and regulations.

The bill would require that a notice of all condominium board meetings be posted in a prominent location.

The bill would direct the board members to propose expense limits every five years. The board would be prohibited from, by vote, entering into contracts for extraordinary expenses without approval of the unit owners, unless it is deemed to be an emergency or doing so is required for refinancing the mortgage.

Finally, the bill directs the attorney general to update the handbook summary of the rights of condominium unit owners vis-a-vis condominium associations and the procedures and processes available to unit owners to enforce such rights.

The Attorney General would be authorized to enforce the provisions of this section

EXISTING LAW:

The current law in the State does not sufficiently protect the condo owners/residents of both privately owned and not for profit condo boards.

JUSTIFICATION:

Too many condo boards do not provide sufficient transparency and disclosure of their records, fostering ill-will among condo owners. This bill is an incentive for condominium management and their boards to be fully accountable so that condominium ownership will be profitable, manageable and stable.

LEGISLATIVE HISTORY:

N/A

FISCAL IMPLICATIONS:

None

LOCAL FISCAL IMPLICATIONS:
None

EFFECTIVE DATE:
This act shall take effect immediately.