Legislation Details (With Text)

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Title: A Local Law to amend the administrative code of the city of New York, in relation to sales of cooperative apartments

Sponsors: Public Advocate Jumaane Williams, Pierina Ana Sanchez, Lincoln Restler, Julie Won, Shekar Krishnan, Mercedes Narcisse, Diana I. Ayala, Shaun Abreu, Nantasha M. Williams, Alexa Avilés, Christopher Marte, Shahana K. Hanif, Tiffany L. Cabán, Oswald J. Feliz, Amanda C. Farías, Chi A. Ossé, Sandy Nurse, Crystal Hudson, Selvena N. Brooks-Powers, Jennifer Gutiérrez, Yusef Salaam, Althea V. Stevens, Rita C. Joseph, Carmen N. De La Rosa, Farah N. Louis, Kamillah Hanks, Chris Banks, Francisco P. Moya, Justin L. Brannan, (in conjunction with the Brooklyn Borough Presiden

Indexes:

Attachments: 1. Summary of Int. No. 407-A, 2. Summary of Int. No. 407, 3. Int. No. 407, 4. February 28, 2024 - Stated Meeting Agenda, 5. Hearing Transcript - Stated Meeting 2-28-24, 6. Minutes of the Stated Meeting - February 28, 2024, 7. Proposed Int. No. 407-A - 11/24/25, 8. Int. No. 407-A - Fiscal Impact Statement - City Council, 9. Int. No. 407-A - Fiscal Impact Statement - OMB, 10. Committee Report 12/2/25, 11. Hearing Testimony 12/2/25, 12. Hearing Transcript 12/2/25

Date	Ver.	Action By	Action	Result
2/28/2024	*	City Council	Introduced by Council	
2/28/2024	*	City Council	Referred to Comm by Council	
12/2/2025	*	Committee on Housing and Buildings	Hearing Held by Committee	
12/2/2025	*	Committee on Housing and Buildings	Amendment Proposed by Comm	
12/2/2025	*	Committee on Housing and Buildings	Laid Over by Committee	
12/31/2025	A	City Council	Filed (End of Session)	

Proposed Int. No. 407-A

By the Public Advocate (Mr. Williams) and Council Members Sanchez, Restler, Won, Krishnan, Narcisse, Ayala, Abreu, Williams, Avilés, Marte, Hanif, Cabán, Feliz, Farías, Ossé, Nurse, Hudson, Brooks-Powers, Gutiérrez, Salaam, Stevens, Joseph, De La Rosa, Louis, Hanks, Banks, Moya and Brannan (in conjunction with the Brooklyn Borough President)

A Local Law to amend the administrative code of the city of New York, in relation to sales of cooperative apartments

Be it enacted by the Council as follows:

Section 1. Title 8 of the administrative code of the city of New York is amended by adding a new

chapter 9 to read as follows:

CHAPTER 9

FAIR RESIDENTIAL COOPERATIVE DISCLOSURE LAW

§ 8-901 Definitions.
§ 8-902 Mandatory statement.
§ 8-903 Amended, supplemental and untimely statements.
§ 8-904 Liability for failure to provide statement.
§ 8-905 Procedure for asserting violation.
§ 8-906 Preclusive effect of statement.
§ 8-907 No estoppel or res judicata.
§ 8-908 Powers of the commission.
§ 8-909 Construction.

§ 8-901 Definitions. As used in this chapter, the following terms have the following meanings:

Application. The term "application" means both the request of a prospective seller or a prospective purchaser to a cooperative corporation for that cooperative corporation to provide its unconditional consent to a sale of certificates of stock, a proprietary lease or other evidence of an ownership interest in such cooperative corporation, and the information and documents acquired by the cooperative corporation in connection with its determination as to whether or not to grant unconditional consent to the sale of certificates of stock, a proprietary lease or other evidence of an ownership interest in such cooperative corporation.

Commission. The term "commission" means the New York city commission on human rights.

Cooperative corporation. The term "cooperative corporation" means any corporation that grants persons the right to reside in a cooperative apartment, that right existing by such person's ownership of certificates of stock, proprietary lease or other evidence of ownership of an interest in such entity, but shall not include a cooperative corporation containing less than 10 dwelling units.

Prospective purchaser. The term "prospective purchaser" means a person who has entered into a contract of sale to purchase the proprietary lease and the ownership interest in a cooperative corporation from a prospective seller.

Prospective seller. The term "prospective seller" means a person who has a proprietary lease and an

ownership interest in a cooperative corporation and who has entered into a contract of sale to sell the person's proprietary lease and ownership interest in a cooperative corporation to a prospective purchaser.

Sale. The term "sale" means the transfer of a person's ownership interest in a cooperative corporation and that person's proprietary lease to another person.

§ 8-902 Mandatory statement. a. If a prospective purchaser is disapproved, the cooperative corporation shall provide the prospective purchaser with a written statement of each and all of its reasons for withholding consent no later than five business days after it has made its decision to withhold consent.

b. The statement required by this section must set forth each reason for withholding consent with specificity. This requirement includes identifying each element of the prospective purchaser's application which was found by the cooperative corporation to be deficient; any specific ways that the application failed to meet any specific policies, standards or requirements of the cooperative corporation; and the source of any negative information relied upon by the cooperative corporation in connection with any of its reasons for withholding consent to the proposed purchase. The statement must convey sufficient information to enable a prospective purchaser to take specific steps to remedy any specific deficiencies in that application.

c. The statement required by this section must set forth the number of applications that have been received by the cooperative corporation in the period commencing three years prior to the date of the submission of the application that is the subject of the statement and continuing through and including the date of the statement. The statement must also set forth for the same period of time the number of applications for which the cooperative corporation withheld consent and the number of applications for which the cooperative corporation did not make a decision on such applications.

d. The statement required by this section shall include a certification by an officer of the cooperative corporation, sworn or affirmed under penalties of perjury, that the statement is a true, complete and specific recitation of each and all of the cooperative corporation's reasons for withholding consent; that each person who participated in the decision to withhold consent has stated to the certifying officer that such person had no

reasons for withholding consent other than those set forth in the statement; and that the statement is a true and complete recitation of total applications, applications for which consent was withheld and applications in which no decision was made, as required by this chapter.

§ 8-903 Amended, supplemental and untimely statements. a. Amendments or supplements to timely statements required by section 8-902 of this chapter shall also be considered timely if such amendments or supplements are provided to a prospective purchaser within 10 business days after the cooperative corporation has disapproved a prospective purchaser.

b. If a cooperative corporation seeks to provide a prospective purchaser with an untimely statement, amendment or supplement, the untimely statement, amendment or supplement must be accompanied by a statement of reasons for untimeliness. If no more than twenty days have elapsed since the cooperative corporation's decision to withhold consent and no proper party has initiated an action or proceeding pursuant to this chapter or pursuant to any other chapter of this title, the untimely statement, amendment or supplement shall be permitted to be considered in mitigation of the scope of non-compliance should an action or proceeding subsequently be commenced pursuant to this chapter, and shall be permitted to be considered in determining the scope of permissible evidence pursuant to section 8-907 of this chapter, provided that the cooperative corporation can demonstrate that the reasons provided for untimeliness were true and can demonstrate that those reasons establish good cause for the untimeliness. In the event that more than twenty days have elapsed since the cooperative corporation's decision to withhold consent, or a proper party has initiated an action or proceeding pursuant to this chapter or pursuant to any other chapter of this title, then such untimely statement or amendment or supplement shall not be permitted to be considered in mitigation of the scope of non-compliance in an action or proceeding commenced pursuant to this chapter, and shall not be permitted to be considered for determining the scope of permissible evidence pursuant to section 8-907 of this chapter.

§ 8-904 Liability for failure to provide statement. In addition to any other penalties or sanctions which may be imposed pursuant to this chapter or any other applicable provision of law, any cooperative corporation

that is determined to have failed to timely comply with any of the requirements of sections 8-902 of this chapter shall be liable for statutory damages to each prospective purchaser or prospective seller who commences or joins in an action alleging a failure to have timely complied with such requirements in an amount no less than $1,000 and no more than $25,000, in addition to liability as provided by section 8-905 of this chapter. In determining the appropriate statutory damages to be imposed pursuant to this section, a finder of fact shall take into account both the scope of non-compliance and the resources of the cooperative corporation.

§ 8-905 Procedure for asserting violation. Any prospective purchaser or prospective seller may commence an action in any court of competent jurisdiction alleging a failure to comply with the requirements of this chapter. Such action must be commenced within six months of the time when compliance was required. The prevailing party in such an action may be awarded costs and reasonable attorneys' fees. The court shall also order an appropriate equitable remedy, provided that such remedy shall not include a grant of property or an order directing the cooperative corporation to reconsider an application or to grant its consent to a sale. In the event that the finder of fact determines that non-compliance was willful, the finder of fact shall award punitive damages, but such damages shall not exceed twice the amount awarded under section 8-904 of this chapter.

§ 8-906 Preclusive effect of statement. a. In any action or proceeding commenced against a cooperative corporation pursuant to any chapter of this title, neither the cooperative corporation nor any of its directors, officers, employees, or agents shall be permitted to introduce any evidence concerning reasons for having withheld consent that were not set forth in a statement fully compliant with the requirements of this chapter.

b. A person commencing an action or proceeding as described in paragraph a of this section is under no obligation to commence an action under section 8-905 of this chapter in order for such person to gain preclusion of non-compliant statements. The court before which the allegation of an unlawful discriminatory practice is pending shall determine which statements, if any, fully complied with the requirements of section 8-902 of this chapter, unless such a judgment has already been rendered pursuant to an action commenced pursuant to section 8-905 of this chapter.

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§ 8-907 No estoppel or res judicata. No action commenced pursuant to this chapter shall determine or purport to determine either the genuineness of the reasons provided in the statement required by section 8-902 of this chapter or any question of whether any person has committed an unlawful discriminatory practice as defined by chapter 1 of this title. If a judgment rendered pursuant to an action commenced pursuant to this chapter purports to do so, a person shall nevertheless retain all rights to commence an action or proceeding alleging that an unlawful discriminatory act has been committed, and insofar as any judgment rendered pursuant to this chapter purports to make findings regarding either genuineness or whether an unlawful discriminatory practice has been committed, such purported findings shall not be given any force or effect in any other action or proceeding.

§ 8-908 Powers of the commission. The commission may initiate investigations in connection with a failure to have timely complied with the requirements of section 8-902 of this chapter. In the event that the commission determines that a violation occurred, it may award civil penalties in an amount no less than $1,000 and no more than $25,000.

§ 8-909 Construction. a. The provisions of this chapter shall be construed in a manner to make certain that a prospective purchaser has been provided with sufficient information to learn why a cooperative corporation has withheld consent to such purchase, and to deter attempts to evade or delay compliance with the provisions of this chapter.

b. No provision of this chapter shall be construed or interpreted to restrict or expand the reasons for which a cooperative corporation may lawfully withhold consent.

§ 2. This local law takes effect 120 days after it becomes law.

Session 13
JJ/WAE
LS #7796
11/21/25 12:11 p.m.

Session 12
JJ
LS #7796

09/08/2022 10:32 a.m.