



KeyCite Yellow Flag - Negative Treatment

Proposed Legislation

McKinney's Consolidated Laws of New York Annotated  
Private Housing Finance Law (Refs & Annos)  
Chapter 44B. Of the Consolidated Laws (Refs & Annos)  
Article V. Redevelopment Companies (Refs & Annos)

McKinney's Private Housing Finance Law § 123

§ 123. Dissolution

Effective: October 3, 2011

[Currentness](#)

1. After termination of any tax exemption granted pursuant to [section one hundred twenty-five](#) of this article, whether by expiration or by any other cause, or in the event that prior thereto the redevelopment company elects to pay to the municipality the total of all accrued taxes for which such exemption was granted and received, together with interest at the rate of five per centum per annum, a redevelopment company which is a corporation or partnership or limited liability company may voluntarily dissolve or, in the case of a redevelopment company which is a trust, may terminate, and title to the project may be conveyed in fee to the owner or owners of its capital or to any corporation, partnership, limited liability company or trust designated by it or them for the purpose, or the redevelopment company may be dissolved or terminated and reconstituted pursuant to appropriate laws relating to the formation and conduct of corporations, partnerships, limited liability companies or trusts, after providing, in any case, for the payment of all current operating expenses, taxes, indebtedness and all accrued interest thereon, and the par value or amount of the capital of the redevelopment company and accrued distributions in respect thereof. If, after making such provision and after the conveyance of the project, a cash surplus remains in the treasury of the redevelopment company, such cash surplus shall, upon dissolution or termination, be paid into the general fund of the municipality. After such dissolution or termination and conveyance or such reconstitution, the provisions of this article shall become and be inapplicable to any such project and its owner or owners, and any tax exemption granted to such redevelopment company pursuant to [section one hundred twenty-five](#) of this article shall cease and terminate.

2. If prior to the termination of any tax exemption the project is sold for any reason, the redevelopment company shall dissolve or terminate, and any tax exemption granted to such redevelopment company pursuant to [section one hundred twenty-five](#) of this article shall cease and terminate, except as otherwise provided in [section one hundred twenty-two](#) of this article. In such case the shareholders, partners, members or beneficiaries, as the case may be, and income debenture certificate holders shall in no event receive more than the par value of their shares or amount of their capital and the face value of their income debenture certificates with accrued and unpaid distributions or interest in respect of such capital and income debenture certificates, and any remaining surplus shall be paid into the general fund of the municipality.

3. In no event shall a redevelopment company be voluntarily dissolved or terminated unless provision is made for the payment in full of the remaining balance of principal and interest due or unpaid upon any mortgage on its property or any part thereof, but any project may, with the consent of the local legislative body of the municipality, be conveyed and transferred to the municipality subject to such mortgage and accrued interest.

4. Unless the local legislative body of the municipality shall consent to the voluntary dissolution or termination of a redevelopment company, such a company shall not dissolve or terminate except in accordance with subdivisions one and two of this section or upon the expiration of its term as stated in the certificate creating the redevelopment company.

5. With the consent of the local legislative body and the superintendent of financial services, a redevelopment company heretofore or hereafter organized may voluntarily dissolve or terminate prior to the termination of any tax exemption granted pursuant to [section one hundred twenty-five](#) of this article and title to the project may be conveyed, and all other assets of such redevelopment company may be transferred, to an insurance company, whether or not such project shall have been theretofore completed. After such dissolution or termination and conveyance such tax exemption shall continue for the period of years originally provided for in the contract, or for the unexpired portion thereof if such period shall have theretofore commenced, subject to prior termination pursuant to [section one hundred twenty-four](#) or [section one hundred twenty-five](#) of this article, and the provisions of this article shall thereafter be applicable to such project and to such insurance company to the same extent and with the same force and effect as though such project had been initially undertaken by such insurance company pursuant to [section one hundred twenty-four](#) of this article; provided, however, that nothing herein contained shall be deemed to require the resubmission of the plan of the project and the contract relating thereto for approval pursuant to [section one hundred fourteen](#) of this article.

6. The contract with the municipality may contain such other provisions for the dissolution or termination of the redevelopment company as may be deemed advisable, not inconsistent with the provisions of this article. In case of a dissolution or termination and conveyance in accordance with subdivision five of this section, the contract may be modified consistently with the provisions of said subdivision five and [section one hundred twenty-four](#) of this article, any such modifications to be approved by the superintendent of financial services and the local legislative body.

7. Upon dissolution or termination as provided in this section, this article shall become and be inapplicable to the project and its owner or owners except as otherwise contemplated by subdivision five of this section.

#### Credits

(L.1961, c. 803. Amended L.1968, c. 516, § 15; L.1996, c. 723, § 8; L.2011, c. 62, pt. A, § 104, eff. Oct. 3, 2011.)

McKinney's Private Housing Finance Law § 123, NY PRIV HOUS FIN § 123

Current through L.2015, chapters 1 to 13, 50 to 54, 61.