



**Office of the New York State
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Religious corporations: Sales, mortgages, leases, and other dispositions of real property



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Religious corporations: Sales, mortgages, leases, and other dispositions of real property, pursuant to Religious Corporations Law (RCL) § 12 and Not-for-Profit Corporation Law (NPCL) §§ 510, 511, and 511-a

Getting started: Checklist for petitions

The Charities Bureau of the Office of the New York State Attorney General (OAG) has prepared the following checklists to help petitioners prepare their documents for submission to the Attorney General or to the supreme court in the appropriate county on notice to the Attorney General.

Verified petition to the Attorney General or to the appropriate supreme court

- Petition
- Verification of petition

Attachments to verified petition

- Copy of the corporation's Certificate of Incorporation and any amendments as filed
- Copy of the corporation's current bylaws or constitution certified by the corporation's secretary
- Copy of the deed to any real property that is the subject of the transaction
- Copy of the contract of sale, lease, or mortgage commitment
- If the contract or lease has been or will be assigned, a copy of the assignment agreement
- If the corporation seeks to use the proceeds to purchase or lease new premises, a copy of that contract or lease
- If the corporation intends to use any of the proceeds to pay existing commitments or debts, as well as closing costs, copies of the evidence of the commitments or debts (invoices, executed notes, etc.), and closing costs (proposed pre-closing settlement statement, invoices for broker fees, legal fees, etc.) (see section on "Verified petition to the Attorney General or to the court")
- Copy of the appraisal, which must comply with the Attorney General's appraisal guidance (see section on "Fair and reasonable consideration: appraisals")

- Copy of the corporation's annual financial report or audited financial statements for its most recently completed fiscal year and interim financial report for the year to date. If not reflected in the financial statements, a schedule of existing debts and liabilities (amount, owed to whom, overdue status, secured status). A corporation that does not prepare annual financial reports must submit, at a minimum, a statement of the corporation's assets and liabilities for its most recently completed fiscal year (a "balance sheet") and a statement of its income and expenses for its most recently completed fiscal year, both certified by the corporation's treasurer (see section on "Verified petition to the Attorney General or to the court").
- Copy of the resolution of the board, certified by the corporation's secretary, authorizing or approving (or, if the corporation has voting members, recommending to the members) the key terms and conditions of the proposed transaction and the specific use or uses of the proceeds, and stating that the transaction was approved by the board at a duly called and held meeting of the board at which a quorum was present; the date of such meeting; the total number of directors on such date; the number of directors present at the meeting; the number of votes for and against the resolution and any abstentions; and the number of board members constituting a quorum (see section on "Approval of the transaction by the board and approval of the transaction by members")
- Copy of the resolution of the members of the corporation, certified by the corporation's secretary, approving the key terms and conditions of the transaction and the specific use or uses of the proceeds and stating that the transaction was approved by the members at a duly called and held meeting of members at which a quorum was present; the date of such meeting; the total number of members entitled to vote on such date; the number of voting members present at the meeting; the number of votes for and against the resolution and any abstention and the number of members constituting a quorum, see "Approval of the transaction by members")
- Copy of approval of any denominational or other governing authority if required for the proposed transaction
- Copy of approval of any government agency required for the proposed transaction

Approval of the Attorney General or order of the court

- If the court's approval is sought, a proposed order (see Appendix D)
- If the Attorney General's approval is sought, a proposed Attorney General approval (see Appendix E)

Introduction

This guidance is not a substitute for legal advice from a corporation's attorney. The Charities Bureau of OAG has prepared this guidance to assist religious corporations and the lawyers who represent them when seeking approval of the Attorney General or the Court for sales, mortgages, and leases of their real property pursuant to Religious Corporations Law (RCL) § 12 and Not-for-Profit Corporation Law (N-PCL) §§ 510, 511, and 511-a.

N-PCL §§ 510, 511, and 511-a, set forth procedures for transferring the assets of not-for-profit corporations ("corporations") and provide certain protections against the inappropriate transfer of assets of these corporations. These procedures include internal procedural rules for authorizing transfers. Because these corporations hold an important and unique role and responsibility in the lives of our citizens and communities, and because they hold legal responsibility to safeguard their assets and provide for the interests of their members and beneficiaries, the law also requires the court's or the Attorney General's approval of certain transactions by these corporations.

NOTE: The following denominations are **exempt** from submitting their petitions to the Attorney General. **However, they are required to seek supreme court approval for such transactions in the appropriate county** (RCL §2-b(d-1)):

Protestant Episcopal Church

Roman Catholic Church

Ruthenian Catholic Church of the Greek Rite

African Methodist Episcopal Zion Church

**Presbyterian Church of the General
Assembly of the Presbyterian Church USA**

United Methodist Church

**Reformed Church of the General Synods of
the Reformed Church in America**

A religious corporation generally may not sell or mortgage any of its real property or lease any of its real property for a term exceeding five years without applying to and obtaining leave of the court or the Attorney General pursuant to N-PCL §§ 511 or 511-a (RCL § 12(1)).¹ As more fully described in later sections, in an application solely to the Attorney General, the Attorney General may determine that court review of a particular application is appropriate. In such cases, the verified petition must be submitted to the court and on notice to the Attorney General by the petitioner, even though court approval is sought. The Attorney General may issue a "no objection" endorsement in such circumstances or may file objections to the transaction if all matters of concern to the Attorney General have not been resolved.

The information in this guidance is general in nature. **Each transaction is governed by its own facts, and the Attorney General’s Charities Bureau reviews each one on a case-by-case basis.** We encourage you to discuss any proposed transaction in advance with OAG’s Charities Bureau in New York City or Albany, or with an Assistant Attorney General in the OAG Regional Office to which you will submit your application. A list of the offices of the Attorney General, their contact information, and the New York counties they serve is in Appendix E. Email your questions to questions.transactions@ag.ny.gov.

NOTE: This guidance addresses transactions involving real property. If a religious corporation intends to sell or otherwise dispose of all or substantially all of its assets, regardless of their form, including intangible property such as bonds, stocks or certificates of deposit, consult RCL Article 2-b.

Quick statutory reference guide

Sale, mortgage, and lease of real property of religious corporations	RCL § 12
Disposition of all or substantially all assets	N-PCL § 510
Petition for court approval	N-PCL § 511
Petition for Attorney General approval	N-PCL § 511-a
Application of N-PCL	N-PCL § 103; RCL §2-b

How to submit a transaction to OAG

If the petitioner’s principal office or place of business is located in the following counties, submit the petition for approval to transfer to the Charities Bureau at filing.transactions@ag.ny.gov. If you require a hard copy of the petition, your counsel will be advised by the assigned assistant attorney general:

Albany	Fulton	Kings	Queens	Saratoga	Warren
Bronx	Greene	Montgomery	Rensselaer	Schenectady	Washington
Columbia	Hamilton	New York	Richmond	Schoharie	

If you are submitting a petition to an OAG Regional Office, submit it directly to the Regional Office that serves the relevant county. For a listing of those offices, their contact information, and the counties they serve, see ag.ny.gov/regional-office-contact-information or Appendix E.

What transactions by religious corporations are covered by RCL § 12?

A lease for more than five years, or a sale, mortgage, exchange, or other disposition of the real property of a religious corporation requires approval of the Attorney General or the court pursuant to the procedures in RCL § 12 and N-PCL §§ 510, 511, and 511-a.

Transactions by foreign corporations that do business in New York are also covered in N-PCL § 103.

What transactions are not covered?

Purchase money mortgages (acquisition mortgages taken out at the time of purchase and secured by the new property, as distinguished from mortgages on currently owned property) are not subject to review by the Attorney General (or the court) unless the mortgage encumbers other property already owned by the petitioner. Other transactions that do not require Attorney General or court review include purchase money security agreements and real property acquired as a result of a mortgage foreclosure proceeding, or by a deed in lieu of the foreclosure, of a mortgage owned by the religious corporation acquiring the real property (N-PCL §§ 510, 511 or 511-a. RCL §§ 12(1), and § 12(10)). In addition, as previously noted, only supreme court approval is required for transactions by the religious denominations listed in the box on page 5.

Role of the Attorney General

N-PCL and RCL authorize religious corporations seeking to sell, mortgage, lease for a term exceeding five years, or otherwise dispose of their real property to submit a verified petition for approval of such transaction to either the Attorney General or to the supreme court, on notice by the petitioner to the Attorney General (RCL § 12 and N-PCL §§ 511 and 511-a). N-PCL § 511 governs petitions submitted for court approval and N-PCL § 511-a governs petitions submitted for Attorney General administrative approval. The corporation generally may choose whether to file its petition pursuant to N-PCL § 511 or § 511-a, except in any of the following circumstances:

- » The corporation is insolvent or would become insolvent as a result of the transaction and, therefore, must proceed on notice to creditors under N-PCL § 511(c).
- » The corporation is conveying all or any part of its real property to another religious corporation or to a membership, educational, municipal, or other nonprofit corporation for nominal consideration, which, pursuant to RCL § 12(8), must be approved by the court.
- » The corporation is seeking confirmation of a conveyance, mortgage, or lease for a term exceeding five years previously made by the corporation without first obtaining either court or Attorney General approval, which, pursuant to RCL § 12(9), must be approved by the court.
- » The Attorney General, in its discretion, concludes that court review of the petition is appropriate (N-PCL § 511-a (a) and (d)).

In some circumstances, the Attorney General may determine that it is appropriate to obtain court approval, on notice to the Attorney General, rather than administrative approval if:

The Attorney General has received complaints or objections from members, creditors of the corporation, or other interested persons who are entitled to be notified pursuant to N-PCL § 511(b).

The Attorney General has objections to the transaction that have not been resolved after discussion.

In addition, there may be circumstances when the Attorney General has no objection to a transaction but determines that review by the court is appropriate. These circumstances, include transactions that are unusually complex or that will have an impact on the public.

For information and representations that must be included in a verified petition pursuant to N-PCL §§ 511 and 511-a, see pages 15-19 of this document. For a checklist of necessary documents to request approval of a transaction, see pages 3-4. For useful sample documents, see:

- » Appendix B – sample petition to the court
- » Appendix C – sample petition to the Attorney General
- » Appendix D – sample court order
- » Appendix E – sample Attorney General approval

When seeking court approval, file the petition in the supreme court of the judicial district where the corporation has its office or the principal place of carrying out the purposes for which it was formed (N-PCL § 511(a)). N-PCL requires that, upon filing the verified petition with the court, the Attorney General be given a minimum of 15 days' notice before a hearing on the application (N-PCL § 511). **However, the procedure preferred by the Charities Bureau and most courts is to submit a verified petition and proposed order to the Attorney General for review before filing with the court.** Please submit this petition and order in draft form with tabs to identify exhibits. This procedure enables the Attorney General to review the papers to ensure that all statutory requirements are met, all necessary documents are included as exhibits, and any concerns of the Attorney General are resolved **before** submission to the court.

When an application is to the court on notice to the Attorney General and the Attorney General has no objection to the transaction, OAG will provide the petitioner with a “no objection” endorsement. Such endorsement, typically provided in a letter to the petitioner or stamped on the proposed order approving the transaction, waives statutory service of the petition since the papers have already been submitted to and reviewed by OAG. The signed petition, which must be exactly the same as the final draft petition and include exactly the same exhibits reviewed by the Attorney General, may then be submitted to the court. If a hearing or other court proceeding is subsequently scheduled, the petitioner must give notice of such proceeding to the Attorney General. In addition, a copy of the final order, when signed by the judge, must be submitted to the Attorney General.

If the Attorney General has objections to the transaction that have not been resolved through discussion and does not provide a “no objection” endorsement, the corporation may still apply to the supreme court for an order approving the transaction, **but such application must be on notice to the Attorney General.**

If the Attorney General approves a petition requesting Attorney General approval, OAG will sign an approval that specifies the terms of the transaction and approves the transaction on those terms. If the Attorney General does not approve such a petition, the corporation may apply to the supreme court, **on notice to the Attorney General**, for an order approving the transaction. Here again, the Attorney General will appear in the proceeding and advise the court of the Attorney General's objections to the transaction.

Statutory standard

N-PCL (N-PCL §§ 511(d) and 511-a(c)) have a two-prong test:

- » The consideration and the terms of the transaction are fair and reasonable to the corporation.
- » The purposes of the corporation or the interests of its members will be promoted by the transaction.

These statutory standards and other statutory requirements are discussed more fully in following sections.

Preparation for a transaction

Preparing the contract of sale or lease

Whether the petitioner decides to seek approval from the Attorney General or from the court, ensure that the contract for the sale or lease of the property is contingent upon the approval of either the Attorney General or the supreme court in the appropriate county. The contract or lease should explicitly provide that, if neither the Attorney General nor the court grants the corporation's application seeking such approval, then:

- » Neither party has any further rights or obligations under the contract of sale or lease other than the corporation's return of any down payment to the purchaser or lessee.
- » No damages are owed to the purchaser or lessee.
- » The purchaser or lessee will not sue for specific performance.

The contract or lease should also provide that no lien against the property is created by the execution of the contract or lease and acceptance of the deposit, and that the purchaser or lessee waives any right to place a lien against the property. This will protect the corporation since the sale or lease of the property may take place only if it is approved by the Attorney General or court on notice to the Attorney General.

If the contract of sale or lease allows the purchaser or lessee to assign its rights under the contract or lease, and the contract or lease has been assigned or will be assigned prior to closing, the assignment agreement must be attached as an exhibit to the petition. If the contract or lease allows the purchaser or lessee to assign its rights under the contract or lease, but the purchaser or lessee has not entered into an assignment agreement by the time the Attorney General issues its approval or "no objection" to the proposed transaction, the Attorney General will require that such OAG approval or proposed court order authorize the transfer or lease of the, property only to the purchaser or lessee identified in the contract or lease (not to the purchaser's or lessee's assignee). The Attorney General will also require that any assignment by purchaser or lessee prior to closing will also require approval of the Attorney General or the court on notice to the Attorney General. The Attorney General will not agree to assignments by the purchaser or lessee for additional consideration, commonly referred to as "flips."

Approval of the transaction by the board

The board of directors or trustees must approve the transaction, and, if there are members entitled to vote (see “Approval of the transaction by members”), the board must adopt a resolution recommending the transaction. A vote of at least two-thirds of the corporation’s entire board is required, unless the board has 21 or more directors, in which case a vote of a majority of the entire board is sufficient. If a corporation’s certificate of incorporation or bylaws provide for greater quorum or voting requirements, the corporation should comply with those requirements in approving the transaction. The board resolution must then be submitted to a vote of the members entitled to vote on it, at an annual or special meeting of members (N-PCL §§ 510(a)(1) and 603).

The resolution must specify all of the following (N-PCL §§ 510(a)(1) and (2)):

- » the terms and conditions of the proposed transaction, including the anticipated consideration to be received by the corporation
- » the eventual use of the proceeds of the transaction by the corporation
- » a statement as to whether or not dissolution of the corporation is contemplated

If the corporation has members with voting rights, the board resolution should also recommend the proposed transaction to the members.

The terms and conditions that are spelled out in the resolution, and that should be included in the petition, should include, at a minimum:

- » names of the parties
- » real property that is the subject of the transaction
- » consideration to be received, and how and when it will be delivered
- » any other key terms of the proposed transaction

For a mortgage transaction, disclose:

- » name of the lender
- » amount and term of the loan
- » amortization
- » interest rate
- » security for the loan
- » any other key terms of the proposed transaction

For a lease transaction, disclose:

- » name of the lessee
- » term of the lease
- » rent to be received
- » any other key terms of the proposed transaction

It is not sufficient to provide a resolution that only authorizes the corporation to sell, mortgage, lease, or otherwise dispose of the property (or to sell, lease, or transfer the property at a minimum price or rent or mortgage the property at a maximum loan amount and interest rate) (N-PCL § 510(a)).

The resolution must also include specific information as to how the proceeds of the transaction, e.g., sale proceeds, loan proceeds, or rent received, will be used. As all religious corporations are required by law to use their assets for their religious and charitable purposes, to simply state that the proceeds will be used in furtherance of the corporation's religious and charitable purposes is not sufficient. The resolution should reflect the board's consideration and approval of, or recommendation to the members, regarding the programs, activities, initiatives, and other needs of the corporation for which the proceeds are to be used. If a portion of the proceeds will be used to pay specific liabilities of the corporation, such as mortgage loans or other liens, or judgments, or repayments of loans from board members, officers, members of the corporation, or other related parties, such use of the proceeds should also be detailed in the resolution (sufficient back-up documentation for such repayments will be required).

If the transaction involves a sale, transfer, lease, or mortgage to a "related party" as defined in N-PCL § 102(23), the corporation must follow the procedures described in N-PCL § 715, including ensuring that the transaction is in the best interest of, and fair and reasonable to, the corporation and that any officer, director or trustee, or key person who has an interest in the transaction discloses the facts of that interest (N-PCL §§ 102(23), 102(25), and 715).

Where an officer, director or trustee, or key person or his or her relative has such an interest, the officer, director or trustee, or key person (or any of their relatives serving on the board) must not participate in board deliberations or votes in considering or approving the action. In addition, in certain circumstances, the board must explicitly consider reasonable alternatives to the transaction. Any abstention of an officer, director or trustee, or key person, and the consideration of reasonable alternatives to the transaction, must be documented in the minutes of the board meetings. Corporations planning a transaction should review and assess their compliance with the requirements of N-PCL before entering into the transaction (N-PCL § 715).

Approval of the transaction by members

RCL requires some religious corporations to have their congregations approve transactions. This is because RCL provides that many religious denominations have members with voting rights and, in some cases, includes the corporation's congregation in the membership. In many cases, RCL requires the voting membership to approve the transaction and use of proceeds, **even if the organization's governing documents do not**. In this context, the corporation's voting "members" means the religious corporation's congregation, **even if the governing documents of the corporation state otherwise**. For example, religious corporations incorporated under RCL Articles 7, 8, and 10 must obtain their congregations' approval.

Each member of the corporation is entitled to notice of the meeting at which voting on the proposed transaction takes place. Consult the applicable sections of RCL, as well as the corporation's certificate of incorporation and bylaws, regarding the notice and quorum requirements for voting members for the purposes of the approval. See, RCL §§ 133, 163, and 194 for notice requirements for annual and special meetings of members. See, RCL §§ 134, 164, and 195 (minimum quorum requirement of six voting members for certain denominations listed therein, unless a greater quorum is set by the religious corporation's governing documents).

Members of Jewish religious corporations are permitted to vote by proxy if the corporation's bylaws or certificate of incorporation permits proxy voting (N-PCL § 609 and RCL § 207).

Members may approve the proposed transaction according to the terms of the board resolution or authorize the board to modify the terms and conditions of the proposed transaction, by a two-thirds vote of the members present at the meeting, provided that the number of affirmative votes is at least equal to the quorum (N-PCL §§ 510(a)(1) and 613(c)). If a corporation's certificate of incorporation or bylaws provide for greater quorum or voting requirements, the corporation should comply with those requirements in approving the transaction.

Approval of the transaction by a governing or administrative body

If the corporation's denomination requires the consent or approval of a governing or advisory body, such as a consistory, synod, or bishop's council, the petition must affirm that such consent was provided, and a copy of the consent must be attached as an exhibit. If no such approval is required, a statement to that effect must be included.

Preparation to petition for approval of a transaction

Fair and reasonable consideration: Appraisals

In preparing to petition for approval of a transaction, the corporation must determine that the proposed consideration is fair and reasonable. To do so, the corporation must secure an independent appraisal of the real property that is the subject of the transaction. Either the corporation or the corporation's attorney should retain the independent appraiser. The corporation should pay the appraiser's fee.² An appraisal prepared for the purchaser or for the purchaser's attorney is not acceptable.

Although the statute does not explicitly require an appraisal, court decisions have established that fair market value can best be determined by means of an appraisal, and the court and the Attorney General will generally reject the petition if it is not supported by an appraisal. The appraisal must be performed by an appraiser who is certified or licensed to appraise the type of real property being appraised and who is completely independent of both buyer and seller. A real estate agent or broker involved in the sale or lease of the property may not do the appraisal. A real estate agent or broker "fair market assessment" of a property is not the same as an appraisal.

An appraisal is not necessary where a solvent religious corporation seeks to convey real property to another religious corporation or to a membership, educational, municipal, or not-for-profit corporation for nominal consideration (RCL §12(8)).

The appraisal, which should be done no more than 12 months before the date of the contract, should be based on at least three comparable sales, unless a different valuation method is more appropriate. The comparable sales described in the appraisal should have closed no more than 12 months before the date of the appraisal. If comparable sales prior that date are used, the appraiser should include a statement explaining why those comparable sales were chosen, whether or not more recent sales are available and, if so, why the appraiser did not use those sales. If an appraisal was not done before the contract of sale was executed, the appraisal should value the property as of the execution date of the contract and include comparable sales that closed within 12 months prior to such date. For detailed information on the Attorney General's requirements for appraisals, see Guidance on Appraisals of Property for Not-for-Profit and Religious Corporations Seeking Approval of Property Transactions by the Attorney General or the Court at:

<https://ag.ny.gov/sites/default/files/regulatory-documents/AppraisalGuidance.pdf>

For all appraisals using the comparable-sales approach, the appraisal should evaluate the development rights zoned for the property (a full floor-area-ratio (FAR) analysis) and should consider the value of such development rights in reaching the value conclusion, whether the property is vacant or contains a building. The comparable sales described in the appraisal should be sales of vacant land or sales of improved property sold for development.

If the transaction is not an arm's-length transaction (i.e., if it involves a sale or transfer to a director, officer, employee, or other person with some connection to the corporation), the Attorney General may require two appraisals.

Fair and reasonable consideration: non-cash consideration

Any non-cash consideration that the corporation will receive in the transaction requires confirmation of value. Such confirmation may be by submission of the proposed development budget indicating the approximate hard and soft costs associated with the construction of the overall project, together with an itemized budget specific to the in-kind consideration to be received by the corporation, such as a new house of worship. Non-cash consideration may also include, but is not limited to, anticipated future payments based on a partnership or joint venture interest. The value of any future payments, including ground-lease payments, should be analyzed showing the net present value using an appropriate discount rate. Please note that anticipated future payments resulting from a joint-venture or partnership arrangement are considered speculative and should not form the basis of a seller's fair and reasonable consideration analysis.

The Attorney General does not look favorably on transactions in which the consideration to be received by the religious corporation includes a promissory note or purchase money mortgage from a for-profit entity.

Fair and reasonable consideration: Security

If the corporation is entering into a development transaction in which the purchaser or a third-party plans to build and deliver a facility for the seller as "in-kind" consideration, it must document adequate security and assurances as evidence. Such security and assurances can take the form of escrow arrangements, restrictive covenants that run with the land, guaranties, letters of credit, performance bonds, or construction timetables with default provisions together with adequate remedies, as well as appropriate provision for worship during construction. In addition, the contract of sale should make it clear that the corporation will not transfer title to its property unless and until the purchaser or appropriate third party has secured financing adequate to complete the entire project. If such a condition precedent is not included in the original contract of sale, the Attorney General will ask that the contract be amended. The Attorney General will ask that any "soft-commitment" letters or other evidence of adequate financing be included in the petition.

Option contracts

The Charities Bureau discourages the use of option or other contingent contracts by religious corporations, especially if they may be exercised over a long term. These contracts require Attorney General or court approval at the time the option is exercised.

Itemized closing costs and use of proceeds of a transaction

An itemized list of closing costs should be included in the petition and an approximate net proceeds amount calculated. Attorney's fees associated with the transaction and how they will be paid must be disclosed. The use of the proceeds must be consistent with the corporation's purposes. The board, and members if the corporation has members entitled to vote, should determine with some specificity how the net proceeds will be used (see previous section, "Approval of the transaction by the board"). Proceeds cannot be used for the personal benefit of a director, officer, employee, member, or other related or interested party. The Attorney General will require appropriate back-up documentation for the repayment of any debt or liability of the corporation. In certain circumstances, OAG may request affidavits from the prospective payee (see bulleted point discussion beginning on page 18 and in endnote 4.)

Escrowing transaction proceeds

If the property being sold is the religious corporation's house of worship and if the corporation has not yet entered into a contract to purchase or lease new premises by the sale date, the Attorney General will require, as a condition of approval, that the sale proceeds be placed in escrow **with the corporation's counsel, the title company, or a third-party trust institution**. This helps ensure that funds will be available to obtain a new premises so that the corporation can continue to carry out its corporate purposes. The Attorney General may also ask that proceeds from a transaction be escrowed in other circumstances. **Either Attorney General or court approval will be required to release the escrowed funds.**

Verified petition for Attorney General or court approval

N-PCL requires that religious corporations seeking to sell, mortgage, lease for a term of more than five years, exchange, or otherwise dispose of its real property must seek approval of the Attorney General or the supreme court in the appropriate county (N-PCL § 510(a)(3)). A request for approval of such a transaction must be in the form of a verified petition to the Attorney General, or to the court on notice to the Attorney General (see previous section, "Role of the Attorney General").

Upon the Attorney General's receipt of a verified petition containing all required exhibits, the petition will be assigned to an Assistant Attorney General (AAG) for review. The individual who submitted the petition on behalf of the corporation will receive an email or letter from the Attorney General's Office identifying the AAG assigned to review the matter and noting the anticipated amount of time it will take to review the petition. After reviewing the petition, the AAG will reach out to the corporation's attorney or other designated representative to discuss any questions, concerns, or requests for additional information or documentation related to the petition.

Submitting an incomplete petition delays the review process and may result in the petition being rejected and returned with a notice to resubmit the petition when complete.

The following summary lists the information and documentation that must be included in a verified petition.

As previously noted, each transaction is governed by its own facts, and the Attorney General reviews each on a case-by-case basis. In addition, an AAG may require additional information and documentation not listed in the following section to determine whether the specific transaction under review meets the statutory standard for approval under N-PCL §§ 511 and 511-a.

Contents of a verified petition to the Attorney General or the court

A verified petition to the Attorney General or the court must include the following information:

- » The name of the corporation, as it appears on its certificate of incorporation or an amendment (N-PCL § 511(a)(1)). The address of the corporation's principal location
- » A copy of the certificate of incorporation and all amendments, and a copy of the corporation's bylaws, certified by the secretary, must be attached as exhibits
- » The section of the law under which the corporation was incorporated (N-PCL § 511(a)(1))
- » The names of the corporation's directors or trustees and principal officers, and their home addresses (N-PCL § 511(a)(2))
- » A description of the corporation's activities. Include a statement of the activities and programs that the corporation currently carries out, not just its purposes as stated in the corporate documents and include a statement about where the corporation conducts its activities and programs (N-PCL § 511(a)(3))
- » A description of the real property that is the subject of the transaction (N-PCL § 511(a)(4)). Provide the address, block, and lot number for each property, and attach a copy of the deed or deeds. Include a statement about whether the deed contains restrictions
- » A copy of the contract, lease, or mortgage commitment attached as an exhibit. If the contract or lease has been assigned or will be assigned prior to closing, the assignment agreement must also be attached as an exhibit (see previous section on “Preparing the contract of sale” for information on contract requirements and assignments)
- » A statement of the fair value of the property (N-PCL § 511(a)(4)). Include an appraisal for each transaction, i.e., sales, leases, and mortgages, and attach a copy of the appraisal as an exhibit. The appraisal must comply with the Attorney General's requirements for appraisals in its “Guidance on appraisals of property for not-for-profit and religious corporations seeking approval of property transactions by the Attorney General or the court” at: <https://ag.ny.gov/sites/default/files/regulatory-documents/AppraisalGuidance.pdf>. In addition, include a description of the marketing of the property, if appropriate³

- » A statement of the amount of the corporation's debts and liabilities and how they are secured (N-PCL § 511(a)(4)). In addition, attach a copy of the corporation's most recent annual financial report or audited financial statements as an exhibit. If the corporation does not have annual financial reports, prepare a current schedule of all assets, liabilities, income, and expenses of the corporation, have this certified by the corporation's treasurer, and attach it as an exhibit. In certain circumstances, the Attorney General may require financial statements certified by an independent accountant. If the petition is brought before the end of the fiscal year, include a financial report to date, together with the corporation's financial statements for its most recently completed fiscal year
- » The consideration (purchase price, loan amount or rent) to be received by the corporation and how and when it will be delivered (N-PCL § 511(a)(5)). If the purchase price or rent is less than the appraised value of the property, include a documented explanation.⁴ In addition, disclose the name of the purchaser, lender, or lessee, as well as any other key terms of the proposed transaction. If the purchaser or lessee is a business entity, such as a limited liability company, general partnership, or corporation, also disclose the names of the members or principals of the entity
- » A description of the proposed use of the consideration (N-PCL § 511(a)(5)). If the corporation is purchasing or leasing new premises, attach a copy of the contract or lease as an exhibit. Attach as an exhibit any documentation to support the payment of closing costs, debts, loans, liens, broker fees, legal fees, and other expenses from the proceeds (e.g., evidence of debt, mortgage payoff letters, or invoices). Provide a pre-closing settlement statement setting forth the amounts due to and from the seller and purchaser or lender and borrower at closing; loans, liens, and other debt to be paid from the proceeds at closing; and settlement charges, including title charges, transfer tax, mortgage tax, recording charges, broker fees, etc., to be paid by each party.⁵ Also submit, as an exhibit, documentation in support of the planned use of the net proceeds, such as approved budgets, strategic plans, board resolutions, contracts or other agreements related to the proposed use, etc.
- » A statement as to whether dissolution of the corporation is contemplated (N-PCL § 511(a)(5)). If the corporation is contemplating dissolution, please refer to RCL §18 for guidance on the disposition of property through a dissolution proceeding in supreme court in the appropriate county
- » A statement that the consideration and the terms of the transaction are fair and reasonable to the corporation, and a statement of the reasons for that determination (N-PCL § 511(a)(6))
- » A statement that the purposes of the corporation, or the interests of its members, will be promoted by the transaction, and a statement of the reasons for that determination (N-PCL § 511(a)(6))
- » A statement that the transaction was recommended or authorized by a vote of the directors or trustees in accordance with law, at a meeting duly called and held at which a quorum was present (N-PCL § 511(a)(7)). Include in this statement: the date the meeting was held, the total number of directors or trustees on this date, the number of directors present at the meeting, the number of votes for and against the resolutions and any abstentions, and the number of board members constituting

a quorum (see previous section on “Approval of the transaction by the board”). Attach a copy of the board resolution, certified by the secretary, as an exhibit. If any board members have voted against the transaction, provide a brief explanation of the basis for such votes

» If the corporation has members with voting rights, the consent of the members of the corporation entitled to vote on the transaction (N-PCL § 510(a)(1)). Include a statement that such consent was given, in accordance with law, upon proper notice, and at a meeting of members duly held at which a quorum was present (N-PCL § 511(a)(8)). Also include: the date of the meeting, the total number of members entitled to vote on this date, the number of voting members present at the meeting, the number of votes for and against the resolution and any abstentions, and the number of members that constitutes a quorum (see previous section, “Approval of the transaction by members”). Attach a copy of the membership resolution, certified by the secretary, as an exhibit. If any members voted against the transaction, provide a brief explanation of the basis for such votes

» If denominational or other governing authority approval is required for the proposed transaction, a statement that this approval has been obtained. Attach a copy of such approval as an exhibit. If no approval is required, include a statement to that effect

» A statement of any unusual or extraordinary circumstances of the transaction that will assist in the Attorney General’s or the court’s review

» A statement that the transaction is being conducted at arm’s length and that none of the directors or trustees, officers, key persons or members of the corporation, or their relatives will receive a direct or indirect financial benefit from the transaction or commitments for distribution of proceeds. If any exceptions to the prior statement are necessary, include a statement of how the related party arrangement was approved by the corporation, including but not limited to, compliance with N-PCL § 715, and exhibits evidencing such approval. In addition, the Attorney General may request that similar arm’s-length language be included regarding the purchaser, lessee or lender and the seller, lessor or borrower, and the corporation’s advisors

» A statement about whether the corporation has previously applied to the Attorney General or the court for similar approval, and, if so, the determination made concerning the application

» If the application for approval is made to the Attorney General, a statement that the corporation is not insolvent and will not become insolvent as a result of the transaction (N-PCL § 511-a(b))

» A statement as to whether any persons or entities have raised, or have a reasonable basis to raise, objections to the transaction, including a statement listing the names and addresses of these persons, the nature of their interest, and a description of their objections (N-PCL § 511-a(b))

» A statement of the relief requested, i.e., approval to sell real property, approval of a mortgage, approval of a lease, etc. (N-PCL § 511(a)(9))

Venue

If applying to the court for approval of the transaction, submit the verified petition to the supreme court of the judicial district or to the county court of the county where the corporation has its office or principal place of carrying out the purposes for which it was formed, even if the property to be sold is located elsewhere (N-PCL §§ 510(a)(3) and 511(a)).

If applying to the Attorney General for approval of the transaction, submit the verified petition to the Charities Bureau in New York City or Albany, or to the appropriate Regional Office that handles such applications in the county where the corporation's principal address is located. For a list of OAG offices, the New York counties they serve, and their contact information, see Appendix E.

Notice to interested persons

The court has the discretion to require a religious corporation to give notice of the application to any interested person, such as a member, officer, or creditor of the corporation (N-PCL § 511(b)). This notice must specify the time and place, fixed by the court, for a hearing on the application. Any interested person, whether or not formally notified, may appear at the hearing and show cause why the application should not be granted.

In certain circumstances, the Attorney General may ask the court to give notice to interested parties (including tenants or other occupants of the premises) or hold an evidentiary hearing. For example, if there is a membership dispute, a dispute about who constitutes a duly authorized board, or a question about the adequacy of a consideration or a proposed use of the consideration, the Attorney General may ask the court to hold an evidentiary hearing to resolve the dispute.

Notice to creditors

If the corporation is insolvent or if its assets are insufficient to liquidate its debts and liabilities in full, all creditors of the corporation must be served with a notice of the time and place of the hearing (N-PCL 511(c)). In such circumstances, notice to creditors is required by statute, and the petition must be approved by the court on notice to the Attorney General.

Requirements for court order or Attorney General approval

If the petition requests court approval, submit a copy of the proposed order to the Attorney General with the verified petition. The order should set forth the terms of the transaction and the consideration. For sales, include the sale price; the name of the purchaser; and the address, block, and lot number of the property. If the purchaser is a business entity, such as a limited liability company, general partnership, or corporation, disclose the names of the members or principals of the entity. For leases, include the amount of rent, the term of the lease, the lessee, and the address of the property. If the lessee is a business entity, such as a limited liability company, general partnership, or corporation, disclose the names of the members or principals of the entity. For mortgages, include the name and address of the lender; the loan amount, interest rate, mortgage length, and any period of amortization; and the address of the property.

In the order, also describe how the corporation will use the proceeds the corporation will receive (N-PCL § 511(d)). This should include both a statement of the itemized closing costs, debts and liabilities of the corporation that will be paid from the proceeds, and a description of how the net proceeds will be used. If all or part of the proceeds is to be placed in escrow, specify this in the order. Funds placed in escrow may only be released by further order of the court on notice to the Attorney General or, if the court so orders, solely by written approval of the Attorney General.

In addition, the Attorney General requires that the order contain all of the following:

- » statement that a copy of the signed court order will be served on the Attorney General, and that the Attorney General will receive written notice that the transaction has been completed (i.e., upon closing), if it is still pending 90 days after court approval or if the transaction has been abandoned.
- » statement that the final closing statement for the transaction will be provided to the Attorney General within 30 days after the closing
- » statement that none of the terms or parties referenced in the order may be changed without applying to the court for an amended order.

If the verified petition requests approval of the Attorney General, submit a copy of the proposed Attorney General approval to the Attorney General with the petition. In the Attorney General approval, include all of the previously specified information required to be included in a proposed order.

Conclusion

If you have any questions about the information contained in this booklet or about the procedures for obtaining Attorney General or court approval of a transaction, contact OAG's Charities Bureau in New York City or Albany, or any OAG regional offices for assistance. For a list of the regional offices and their contact information, see Appendix E.

Appendix A: Sample petition for court approval of real property transactions



SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF

-----X
In the Matter of the Application of :
(NAME OF CORPORATION) : VERIFIED PETITION
For Approval to (Type of Transaction) :
 :
pursuant to Not-for-Profit Corporation Law :
Sections 510 and 511 and Religious Corporations Law Section 12 :
 :
-----X

TO: THE SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF _

Petitioner, (name of corporation) by (name and title of officer) of the corporation for its Verified Petition herein respectfully alleges:

TEXT OF THE PETITION (See pages 16 through 20 and checklist on pages 3 and 4 for the information that must be set forth in the Petition and the documentation that must be attached to the Petition)

WHEREFORE, petitioner requests that the Court approve the (type of transaction) by (Name of Corporation), a religious corporation, pursuant to the Not-for-Profit Corporation Law Sections 510 and 511 and the Religious Corporations Law Section 12.

IN WITNESS WHEREFORE, the corporation has caused this Petition to be executed this
__ day of (Month), 20__ by

(Name of Officer and Title)

Name of Attorney
Address of Attorney
Telephone Number of Attorney
Email Address of Attorney

NOTE: Include verification printed on next page

Verification

STATE OF NEW YORK)

SS

COUNTY OF _____)

(Name) , being duly sworn, deposes and says:

I am the (Title) of (Name of Corporation), the corporation named in the above Petition and make this verification at the direction of its Board of Directors [Trustees]. I have read the foregoing Petition and know the contents thereof to be true of my own knowledge, except those matters stated on information and belief, and, as to those matters, I believe them to be true.

Signature

Sworn to before me this ___ day of _____, 20__ .

Notary Public

Appendix B: Sample petition for Attorney General approval of real property transaction

ATTORNEY GENERAL OF THE STATE OF NEW YORK
COUNTY OF _____

-----X
In the Matter of the Application of :
(NAME OF CORPORATION) : VERIFIED PETITION
pursuant to Sections 510 and 511-a of the :
Not-for-Profit Corporation Law and Section 12 :
Of the Religious Corporations Law :
-----X

TO: OFFICE OF THE ATTORNEY GENERAL

(Street Address)

(City/Town) , New York (Zip Code)

Petitioner, (name of corporation) by (name and title of officer) of the corporation for its Verified Petition herein respectfully alleges:

TEXT OF THE PETITION (See pages 16 through 20 and the checklist on pages 3 and 4 for the information that must be set forth in the petition and the documentation that must be attached to the petition)

WHEREFORE, petitioner requests that the Attorney General approve the (type of transaction) by (Name of Corporation), a religious corporation, pursuant to the Not-for-Profit Corporation Law Sections 510 and 511-a and the Religious Corporations Law §12.

IN WITNESS WHEREFORE, the corporation has caused this Petition to be executed this
__ day of (Month), 20__ by

(Name of Officer and Title)

Name of Attorney

Address of Attorney

Telephone Number of Attorney

Email Address of Attorney

NOTE: Include verification printed on next page

Verification

STATE OF NEW YORK)

SS

COUNTY OF _____)

(Name) , being duly sworn, deposes and says:

I am the (Title) of (Name of Corporation), the corporation named in the above Petition and make this verification at the direction of its Board of Directors [Trustees]. I have read the foregoing Petition and know the contents thereof to be true of my own knowledge, except those matters that are stated on information and belief and as to those matters, I believe them to be true.

Signature

Sworn to before me this ____ day of _____, 20__ .

Notary Public

Appendix C: Sample court order approving real property transaction



At the Supreme Court of
the State of New York,
held in and for the
County of _____,
on the ___ day of (Month), 20__.

PRESENT:

Hon. _____,
Justice.

-----X		
In the Matter of the Application of	:	
(NAME OF THE CORPORATION)	:	ORDER
For Approval to (TYPE OF TRANSACTION)	:	
Pursuant to Sections 510 and 511 of the	:	Index No.
Not-for-Profit Corporation Law and Section 12 of the	:	
Religious Corporations Law	:	
-----X		

ADD BODY OF ORDER WITH RECITATIONS AND DECRETAL PARAGRAPHS

The information set forth in the Order should include, at a minimum:

1. The terms of the transaction

NOTE: The Order should set forth the terms of the proposed transaction. This description should be similar to the description of the transaction set forth in the petition and should include:

- » For sales, include all of the following (refer to the section Verified Petition for Attorney General or Court Approval on page 16 through page 21):
 - » the name of purchaser and, if purchaser is a corporation, general partnership, or LLC, the names of the principals or members of the entity
 - » the purchase price and how the consideration will be delivered to the petitioner, e.g., in cash or readily available funds at closing or, for development transactions, a description of cash and non-cash or in-kind consideration to be received
 - » any other significant terms of the transaction
 - » the address of the property and its block and lot number

» **For leases, include all of the following:**

- » the address of the property and its block and lot number
- » the name of the lessee and, if lessee is a corporation, general partnership, or LLC, the names of the principals or members of the entity
- » the amount of the rent to be received
- » the term of the lease
- » any other significant terms of the lease transaction

» **For mortgages, include all of the following:**

- » the address of the property and its block and lot number
- » the name of the lender
- » the amount and term of the mortgage loan
- » the security for the loan
- » any other significant terms of the mortgage transaction

One of the decretal paragraphs should authorize petitioner to enter into the proposed transaction on the specific terms set forth in the order.

2. Closing costs of the transaction

NOTE: The order should itemize all anticipated closing costs, such as title fees, mortgage payoffs, broker fees, ECB/building violations/liens and penalties, etc., and the known or estimated amount of each specific cost. The total in legal fees that the petitioner will pay in connection with the transaction, including the amount already paid and the amount or estimated amount still outstanding or anticipated to close the transaction, should also be disclosed. The petitioner's petition should include a similar closing costs paragraph setting forth the anticipated closings costs and amount or estimated amount of each cost, substantiated by an exhibit containing a pre-closing settlement statement, invoices, and other documentation of such closing costs.

One of the decretal paragraphs should authorize the petitioner's payment of the closing costs described in the order.

3. Use of the net proceeds

NOTE: When approving the proposed transaction, the corporation's board of directors/trustees and, if the corporation has members entitled to approve the transaction, members should also approve the proposed use of the net sale proceeds (N-PCL §510(a)(1)). The information in that regard set forth in the order should be similar to the description set forth in the resolutions adopted by the board of directors/trustees (and members, if applicable) and in the petition as to how the sale proceeds after payment of closing costs will be used. The description should include the anticipated amount of the net proceeds after payment of the closing costs, the specific programs, projects, or activities of the petitioner for which the proceeds will be used and the amount of the proceeds to be allocated to each such program, project, or activity. A generic statement such as the proceeds will be used "in furtherance of Petitioner's purposes" is not sufficient. If a portion of the proceeds will be used to pay any outstanding loans or other obligations of the petitioner, each loan or obligation and the amount to be paid should be listed. If all or part of the proceeds is to be placed in escrow, this should be set forth. Funds held in escrow may only be released by further written approval of the court or, if authorized by the court, by written approval of the Attorney General, and that requirement should also be set forth.

One of the decretal paragraphs should authorize the petitioner's use of the net proceeds for the specific purposes described in the order.

4. Notice and documentation to be provided to the Attorney General

NOTE: One or more of the decretal paragraphs should order that the following notice and documentation be provided to the Attorney General:

- » A copy of the order approved by the court shall be served on the Attorney General.
- » The Attorney General shall be notified in writing when the transaction has been completed, if it has been abandoned or if it still is pending 90 days after approval by the court.
- » A copy of the final closing statement for the transaction shall be provided to the Attorney General within 30 days after closing.
- » One of the decretal paragraphs should state: "None of the terms or parties referenced in this Order may be changed without applying to the Court for an amended Order."

Appendix D: Sample Attorney General’s approval of real property transaction

ATTORNEY GENERAL OF THE STATE OF NEW YORK
 COUNTY OF _____

-----X
 In the Matter of the Application of :
 (NAME OF CORPORATION) :
 : ATTORNEY GENERAL
 : APPROVAL
 For Approval to (type of transaction) :
 Pursuant to Section 510 and 511-a of the :
 Not-for-Profit Corporation Law and Section 12 : OAG No. :
 Of the Religious Corporations Law :
 -----X

By Petition verified on (DATE) , (NAME of the CORPORATION) applied to the Attorney General pursuant to Sections 510 and 511-a of the Not-for-Profit Corporation Law and Section 12 of the Religious Corporations Law for approval of an application to (TYPE of TRANSACTION) .

1. The assets that are the subject of the Petition are (DESCRIBE the ASSETS) .

2. The terms of the transaction and the consideration are as follows:

NOTE: The information included in this paragraph should be similar to the description of the transaction included in the petition and should include:

» **For sales, include all of the following (refer to the section Verified petition for Attorney General or court approval on page 16 through page 21):**

- » the address of the property and its block and lot number
- » the name of the purchaser and, if the purchaser is a corporation, general partnership, or LLC, the names of the principals or members of such entity
- » the purchase price and how the consideration will be delivered to the petitioner, e.g., in cash or readily available funds at closing or, for development transactions, a description of cash and non-cash or in-kind consideration to be received
- » any other significant terms of the transaction

» **For leases, include all of the following:**

- » the address of the property and its block and lot number
- » the name of the lessee and, if the lessee is a corporation, general partnership, or LLC, the names of the principals or members of such entity
- » the amount of rent to be received
- » the term of the lease
- » any other significant terms of the lease transaction

» **For mortgages, include all of the following:**

- » the address of the property and its block and lot number
- » the name of the lender
- » the amount and term of the mortgage
- » the interest rate
- » the amortization
- » the security for the loan
- » any other significant terms of the mortgage transaction

3. The anticipated closing costs of the transaction are estimated to total approximately \$_____ and include: (a) title fees of \$_____; (b) mortgage loan payoff of \$_____; (c) broker's fee of \$_____; and (d) outstanding ECB/building violations/liens and penalties of \$_____. Petitioner's legal fees for the transaction will total \$_____, of which \$_____ has already been paid.

NOTE: This paragraph should list all anticipated closing costs and the known or estimated amount of each specific cost. The items we have listed are examples of some common closing costs and the list is not intended to be all inclusive. The total in legal fees that the petitioner will pay in connection with the transaction, including the amount already paid and the amount or estimated amount still outstanding or anticipated to close the transaction, should also be disclosed. The petitioner's petition should include a similar closing costs paragraph setting forth the anticipated closing costs and amount or estimated amount of each cost, substantiated by an exhibit containing a pre-closing settlement statement, invoices, and other documentation of such closing costs.

4. The net proceeds of the transaction, anticipated to total \$_____, will be used for the following purposes:

NOTE: When approving the proposed transaction, the corporation's board of directors and, if the corporation has members entitled to approve the transaction, members should also approve the proposed use of the sale proceeds (N-PCL §510(a)(1)). The information included in this paragraph should be similar to the description set forth in the resolutions adopted by the board of directors (and members, if applicable) and in the petition

as to how the sale proceeds after payment of closing costs will be used. The description should include the specific programs, projects, or activities of the petitioner for which the proceeds will be used and the amount of the proceeds to be allocated to each such program, project, or activity. A generic statement such as the proceeds will be used “in furtherance of Petitioner’s purposes” is not sufficient. If a portion of the proceeds will be used to pay any outstanding loans or other obligations of the petitioner, each loan or obligation and the amount to be paid should be listed. If all or part of the proceeds is to be placed in escrow, this should be set forth. Funds held in escrow may only be released by further written approval of the Attorney General and that requirement should also be set forth.

5. Based on a review of the Petition and exhibits thereto (and the additional documents and information requested by the Attorney General), and the verification of __(NAME of OFFICER VERIFYING the PETITION) , __(OFFICE HELD)_____ of Petitioner, that Petitioner, __(NAME of the CORPORATION) , has complied with the provisions of the Not-for-Profit Corporation Law and Religious Corporations Law applicable to the (TYPE OF TRANSACTION), and neither the Petitioner nor any third party having raised with the Attorney General any objections to the proposed transaction, the transaction is approved.

6. Petitioner shall provide written notice to the Attorney General that the transaction has been completed, if it has been abandoned, or if it is still pending ninety (90) days after approval.

7. Petitioner shall provide the Attorney General with a copy of the final closing statement for the transaction within 30 days after closing.

8. None of the terms or parties referenced in this Attorney General Approval may be changed without further approval of the Attorney General.

[Name of current Attorney General]

Attorney General of the State of New York

By: _____

Assistant Attorney General

Dated: _____

[name of Assistant Attorney General assigned to the transaction]

NOTE: Do not put the OAG signature block on a page by itself. Format the approval to ensure that the last paragraph or a portion of the text from the last paragraph of the approval is on the page with the OAG signature block.

Appendix E: Principal and regional offices of New York State Attorney General and covered counties

Albany

Charities Bureau
The Capitol
Albany NY 12224-0341
518-776-2160

Counties: Albany, Columbia, Fulton, Greene, Hamilton, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington

*Sullivan and Ulster for trusts and estates matters only

Binghamton Regional Office

44 Hawley Street, 17th Floor
Binghamton NY 13901-4433
607-721-8771

Counties: Broome, Chemung, Chenango, Delaware, Otsego, Schuyler, Tioga, and Tompkins

Buffalo Regional Office

Main Place Tower, Suite 300A
350 Main Street
Buffalo NY 14202
716-853-8400

Counties: Allegheny, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, and Wyoming

Nassau Regional Office

200 Old Country Road, Suite 240
Mineola NY 11501-4241
516-248-3302

County: Nassau

*Not for trusts and estates matters. Trusts and estates matters are handled by NYC.

New York City

Charities Bureau, Transactions Section
28 Liberty Street, 19th Floor
New York NY 10005
212-416-8401

Counties: Bronx, Kings, New York, Queens, and Richmond

*NYC also handles Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester – trusts and estates matters

Plattsburgh Regional Office

43 Durkee Street, Suite 700
Plattsburgh NY 12901-2818
518-562-3288

Counties: Clinton, Essex, and Franklin

Poughkeepsie Regional Office

One Civic Center Plaza, Suite 401
Poughkeepsie NY 12601-3157
845-485-3900

Counties: Dutchess, Orange, Sullivan, and Ulster
*Dutchess and Orange County trusts and estates matters are handled by NYC;
Sullivan and Ulster County trusts and estates matters are handled by Albany

Suffolk Regional Office

300 Motor Parkway, Suite 230
Hauppauge NY 11788-5127
631-231-2424

County: Suffolk
*Trusts and estates matters are handled by NYC

Utica Regional Office

207 Genesee Street, Room 508
Utica NY 13501-2812
315-793-2225

Counties: Herkimer and Oneida

Westchester Regional Office

44 South Broadway
White Plains NY 10601
914-422-8755

Counties: Putnam, Rockland, and Westchester
*Not for trusts and estates matters. Trusts and estates matters are handled by NYC

Rochester Regional Office

144 Exchange Boulevard, Suite 200
Rochester NY 14614-2176
716-546-7430

Counties: Livingston, Monroe, Ontario, Seneca, Steuben, Wayne, and Yates

Syracuse Regional Office

300 South State Street, Suite 300
Syracuse NY 13204
315-448-4800

Counties: Cayuga, Cortland, Madison, Onondaga, and Oswego

Watertown Regional Office

Dulles State Office Building
317 Washington Street
Watertown NY 13601-3744
315-785-2444

Counties: Jefferson, Lewis, and St. Lawrence

Notes



1. The exceptions to this approval requirement are discussed in a later section (see “What transactions are not covered”).
2. Requests may be made to the Charities Bureau for use of a lender’s appraisal in a mortgage context.
3. An appraisal is not generally required when a religious corporation transfers its property to another religious or charitable corporation for no or nominal consideration pursuant to RCL § 12(8).
4. If the consideration to be received is less than the value of the property, the Attorney General may request, among other things, information regarding the corporation’s efforts to market the property (e.g., methods used to market the property, time on the market, number of offers received and amount of each offer, etc.) and documentation substantiating those efforts.
5. If loans received from insiders, i.e., directors or trustees, officers, key persons or members of the corporation, or other related parties, are to be repaid from transaction proceeds, the petition should include foundational documentation, such as a promissory note executed at the time the loan was advanced, and board and member resolutions confirming receipt of the loan (or other documentation of the corporation’s receipt of the loan), as well as current resolutions authorizing the repayment of the loans from the sale proceeds. The Attorney General may also require each lender to submit affidavits providing information on the loan, why the loan was made, the amount of the loan, whether the lender has received any payments from the corporation since the loan was made, how much remains outstanding, and a representation that the lender has not claimed a charitable deduction for tax purposes in connection with the loan.



**Office of the New York State
Attorney General Letitia James**

Charities Bureau Guidance

28 Liberty Street | New York NY 10005
212-416-8400 | ag.ny.gov