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I N A S S E M B L Y

February 2, 2016

Introduced by M. of A. ROSENTHAL -- read once and referred to the
Committee on Housing

AN ACT to amend the emergency tenant protection act of nineteen seven-
ty-four, and the administrative code of the city of New York, in
relation to penalties for owners of property who fail to file a proper
or timely rent registration statement

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. The opening paragraph of paragraph 1 of subdivision a of
2 section 12 of section 4 of chapter 576 of the laws of 1974, constituting
3 the emergency tenant protection act of nineteen seventy-four, as amended
4 by chapter 116 of the laws of 1997, is amended to read as follows:
5 Subject to the conditions and limitations of this paragraph, any owner
6 of housing accommodations in a city having a population of less than one
7 million or a town or village as to which an emergency has been declared
8 pursuant to section three, who, upon complaint of a tenant or of the
9 state division of housing and community renewal, is found by the state
10 division of housing and community renewal, after a reasonable opportu-
11 nity to be heard, to have collected an overcharge above the rent author-
12 ized for a housing accommodation subject to this act shall be liable to
13 the tenant for a penalty equal to [three] FIVE times the amount of such
14 overcharge FOR A FIRST OFFENSE AND TEN TIMES THE AMOUNT OF SUCH OVER-
15 CHARGE FOR ANY SUBSEQUENT OVERCHARGES. In no event shall such treble
16 damage penalty be assessed against an owner based solely on said owner's
17 failure to file a proper or timely initial or annual rent registration
18 statement. If the owner establishes by a preponderance of the evidence
19 that the overcharge was neither willful nor attributable to his negli-
20 gence, the state division of housing and community renewal shall estab-
21 lish the penalty as the amount of the overcharge plus interest at the
22 rate of interest payable on a judgment pursuant to section five thousand
23 four of the civil practice law and rules. (i) Except as to complaints
24 filed pursuant to clause (ii) of this paragraph, the legal regulated
25 rent for purposes of determining an overcharge, shall be deemed to be
26 the rent indicated in the annual registration statement filed four years

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

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1 prior to the most recent registration statement, (or, if more recently
2 filed, the initial registration statement) plus in each case any subse-
3 quent lawful increases and adjustments. Where the amount of rent set
4 forth in the annual rent registration statement filed four years prior
5 to the most recent registration statement is not challenged within four
6 years of its filing, neither such rent nor service of any registration
7 shall be subject to challenge at any time thereafter. (ii) As to
8 complaints filed within ninety days of the initial registration of a
9 housing accommodation, the legal regulated rent for purposes of deter-
10 mining an overcharge shall be deemed to be the rent charged on the date
11 four years prior to the date of the initial registration of the housing
12 accommodation (or, if the housing accommodation was subject to this act
13 for less than four years, the initial legal regulated rent) plus in each
14 case, any lawful increases and adjustments. Where the rent charged on
15 the date four years prior to the date of the initial registration of the
16 accommodation cannot be established, such rent shall be established by
17 the division. Where the amount of rent set forth in the annual rent
18 registration statement filed four years prior to the most recent regis-
19 tration statement is not challenged within four years of its filing,
20 neither such rent nor service of any registration shall be subject to
21 challenge at any time thereafter.

22 S 2. The opening paragraph of subdivision a of section 26-516 of the
23 administrative code of the city of New York, as amended by chapter 116
24 of the laws of 1997, is amended to read as follows:

25 Subject to the conditions and limitations of this subdivision, any
26 owner of housing accommodations who, upon complaint of a tenant, or of
27 the state division of housing and community renewal, is found by the
28 state division of housing and community renewal, after a reasonable
29 opportunity to be heard, to have collected an overcharge above the rent
30 authorized for a housing accommodation subject to this chapter shall be
31 liable to the tenant for a penalty equal to [three] FIVE times the
32 amount of such overcharge FOR A FIRST OFFENSE AND TEN TIMES THE AMOUNT
33 OF SUCH OVERCHARGE FOR ANY SUBSEQUENT OVERCHARGES. In no event shall
34 such treble damage penalty be assessed against an owner based solely on
35 said owner's failure to file a timely or proper initial or annual rent
36 registration statement. If the owner establishes by a preponderance of
37 the evidence that the overcharge was not willful, the state division of
38 housing and community renewal shall establish the penalty as the amount
39 of the overcharge plus interest. (i) Except as to complaints filed
40 pursuant to clause (ii) of this paragraph, the legal regulated rent for
41 purposes of determining an overcharge, shall be the rent indicated in
42 the annual registration statement filed four years prior to the most
43 recent registration statement, (or, if more recently filed, the initial
44 registration statement) plus in each case any subsequent lawful
45 increases and adjustments. Where the amount of rent set forth in the
46 annual rent registration statement filed four years prior to the most
47 recent registration statement is not challenged within four years of its
48 filing, neither such rent nor service of any registration shall be
49 subject to challenge at any time thereafter. (ii) As to complaints
50 filed within ninety days of the initial registration of a housing accom-
51 modation, the legal regulated rent shall be deemed to be the rent
52 charged on the date four years prior to the date of the initial regis-
53 tration of the housing accommodation (or, if the housing accommodation
54 was subject to this chapter for less than four years, the initial legal
55 regulated rent) plus in each case, any lawful increases and adjustments.
56 Where the rent charged on the date four years prior to the date of the

1 initial registration of the accommodation cannot be established, such
2 rent shall be established by the division.

3 S 3. This act shall take effect immediately; provided that

4 a. the amendments to the opening paragraph of paragraph 1 of subdivi-
5 sion a of section 12 of the emergency tenant protection act of nineteen
6 seventy-four made by section one of this act shall expire on the same
7 date as such act expires and shall not affect the expiration of such act
8 as provided in section 17 of chapter 567 of the laws of 1974; and

9 b. the amendments to section 26-516 of chapter 4 of title 26 of the
10 administrative code of the city of New York made by section two of this
11 act shall expire on the same date as such law expires and shall not
12 affect the expiration of such law as provided under section 26-520 of
13 such law.