

6175

2009-2010 Regular Sessions

I N   S E N A T E

September 18, 2009

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Introduced by Sen. MONTGOMERY -- read twice and ordered printed, and  
when printed to be committed to the Committee on Rules

AN ACT to amend the administrative code of the city of New York, in  
relation to establishing escrow accounts to protect neighboring land-  
owners and tenants from damage due to construction

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

1     Section 1. The administrative code of the city of New York is amended  
2     by adding a new section 28-103.22 to read as follows:  
3     S 28-103.22 DEVELOPERS' ESCROW ACCOUNTS. 1. ANY DEVELOPER WHO PLANS TO  
4     CONSTRUCT ANY BUILDING WITHIN THE CITY SHALL, PRIOR TO THE COMMENCEMENT  
5     OF ANY CONSTRUCTION, DEPOSIT TEN PERCENT OF THE TOTAL ESTIMATED PROJECT  
6     COST INTO AN ESCROW ACCOUNT.  
7     2. AN ESCROW ACCOUNT ESTABLISHED PURSUANT TO SUBDIVISION ONE OF THIS  
8     SECTION SHALL BE USED TO SETTLE CLAIMS OF PROPERTY OWNERS WHOSE PROPERTY  
9     IS DAMAGED DURING ANY CONSTRUCTION, OR THE CLAIMS OF TENANTS WHO ARE  
10    DISPLACED FROM THEIR RESIDENCE AS THE RESULT OF DAMAGE TO THE PROPERTY  
11    FROM THE CONSTRUCTION. A DEVELOPER SHALL BE HELD STRICTLY LIABLE FOR ANY  
12    DAMAGE OR RELOCATION EXPENSE THAT OCCURS AS A RESULT OF THE  
13    CONSTRUCTION.  
14    3. IN ADDITION TO THE REQUIREMENTS IMPOSED BY SUBDIVISION ONE OF THIS  
15    SECTION, IF ANY DAMAGES OCCUR TO AN ADJOINING PROPERTY, ANY AND ALL WORK  
16    ON SUCH PROJECT SHALL BE STOPPED UNTIL SUCH DAMAGED PROPERTY IS  
17    REPAIRED.  
18    4. THE DEPARTMENT SHALL ESTABLISH A CLAIM PROCEDURE FOR PROPERTY  
19    OWNERS AND TENANTS WHO WISH TO FILE CLAIMS AGAINST THE MONEY SET ASIDE  
20    PURSUANT TO THIS SECTION. SUCH PROCEDURE SHALL PROVIDE FOR A COMPLETE  
21    RESOLUTION OF A CLAIM WITHIN SIXTY DAYS FROM THE DATE OF ITS COMMENCE-  
22    MENT.

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

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1       5. ANY FUNDS IN THE ACCOUNT THAT ARE NOT CLAIMED BY AN AGGRIEVED PROP-  
2 ERTY OWNER OR TENANT WITHIN SIX MONTHS AFTER THE COMPLETION OF THE  
3 PROJECT SHALL BE RETURNED TO THE DEVELOPER.  
4       S 2. The administrative code of the city of New York is amended by  
5 adding a new section 28-201.5 to read as follows:  
6       S 28-201.5 VIOLATIONS NOT CAUSED BY PROPERTY OWNER. THE DEPARTMENT  
7 SHALL NOT IMPOSE ANY FINE OR OTHER PENALTY AGAINST ANY PROPERTY OWNER  
8 FOR ANY VIOLATION OF THE PROVISIONS OF THIS TITLE THAT OCCUR AS THE  
9 RESULT OF DAMAGE CAUSED BY CONSTRUCTION ON AN ADJACENT BUILDING.  
10       S 3. This act shall take effect on the ninetieth day after it shall  
11 have become a law.