

7834

2013-2014 Regular Sessions

I N A S S E M B L Y

June 5, 2013

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

AN ACT to amend the real property actions and proceedings law, in
relation to grounds for bringing a special proceeding, and payment to
and liability of administrators appointed pursuant to a special
proceeding

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

1 Section 1. Subdivision 1 of section 770 of the real property actions
2 and proceedings law, as amended by chapter 877 of the laws of 1982, is
3 amended to read as follows:
4 1. One-third or more of the tenants occupying a dwelling located in
5 the city of New York or the commissioner of the department of the city
6 of New York charged with enforcement of the housing maintenance code of
7 such city, or in the counties of Nassau, Suffolk, Rockland and Westches-
8 ter may maintain a special proceeding as provided in this article, upon
9 the ground that there exists in such dwellings or in any part thereof a
10 lack of heat or of running water or of light or of electricity or of
11 adequate sewage disposal facilities, or any other condition dangerous to
12 life, health or safety, which has existed for five days, or an infesta-
13 tion by rodents, or any combination of such conditions; or course of
14 conduct by the owner or [his] THE OWNER'S agents of harassment, illegal
15 eviction, continued deprivation of services or other acts dangerous to
16 life, health or safety, OR THE ISSUANCE OF AN ORDER TO THE OWNER OF SUCH
17 DWELLING BY THE COMMISSIONER OF SUCH DEPARTMENT OF THE CITY OF NEW YORK
18 PURSUANT TO THE ALTERNATIVE ENFORCEMENT PROGRAM UNDER SECTION 27-2153 OF
19 THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK, PROVIDED THAT SUCH
20 DWELLING HAS NOT BEEN DISCHARGED FROM THE PROGRAM PURSUANT TO SUCH
21 SECTION AND THERE HAS NOT BEEN A DETERMINATION THAT THE OWNER HAS
22 SUBSTANTIALLY COMPLIED WITH SUCH ORDER.

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

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1 S 2. Subdivision 1 of section 778 of the real property actions and
2 proceedings law, as amended by chapter 95 of the laws of 1989, is
3 amended to read as follows:

4 1. The court is authorized and empowered, in implementation of a judg-
5 ment rendered pursuant to section seven hundred seventy-six or seven
6 hundred seventy-seven of this article, to appoint a person other than
7 the owner, a mortgagee or lienor, to receive and administer the rent
8 moneys or security deposited with [him] SUCH OWNER, MORTGAGEE OR LIENOR,
9 subject to the court's direction. The court may appoint the commissioner
10 of the department of the city of New York charged with enforcement of
11 the housing maintenance code of such city or [his] THE COMMISSIONER'S
12 designee as such administrator, provided that [he] THE COMMISSIONER OR
13 THE COMMISSIONER'S DESIGNEE shall consent, in writing, to such appoint-
14 ment. Any administrator is authorized and empowered in accordance with
15 the direction of the court, to order the necessary materials, labor and
16 services to remove or remedy the conditions specified in the judgment,
17 and to make disbursements in payment thereof; and to demand, collect and
18 receive the rents from the tenants; and to institute all necessary legal
19 proceedings including, but not limited to, summary proceedings for the
20 removal of any tenant or tenants; and to rent or lease for terms not
21 exceeding three years any part of said premises, however, the court may
22 direct the administrator to rent or lease commercial parts of said prem-
23 ises for terms that the court may approve. In addition, such administra-
24 tor is authorized and empowered in accordance with the direction of the
25 court to accept and repay such moneys as may be received from the
26 department charged with enforcement of the housing maintenance code of
27 the city of New York for the purpose of replacing or substantially reha-
28 bilitating systems or making other repairs or capital improvements
29 authorized by the court. All moneys expended by the department pursuant
30 to the foregoing shall constitute a debt recoverable from the owner and
31 a lien upon the building and lot, and upon the rents and other income
32 thereof. Such lien shall be enforced in accordance with the provisions
33 of article eight of subchapter five of the housing maintenance code of
34 the city of New York. Such administrator, shall, upon completion of the
35 work prescribed in such judgment, file with the court a full accounting
36 of all receipts and expenditures for such work. Such administrator shall
37 dispose of the rents and other monies deposited with [him] SUCH ADMINIS-
38 TRATOR according to the following order of priority:

39 (a) Payment in full for all of the work specified in the judgment.
40 Until all of the work specified in the judgment has been completed and
41 payment for such work has been made, no other disbursements shall be
42 permitted, except for fuel bills, fire and liability insurance, and
43 bills for ordinary repairs and maintenance.

44 (b) Payment of a reasonable amount for the services of such adminis-
45 trator, INCLUDING REIMBURSEMENT OF ANY LEGAL FEES INCURRED BY SUCH
46 ADMINISTRATOR IN CONNECTION WITH MANAGEMENT OF THE BUILDING.

47 (c) Payment of outstanding real property tax liens claimed by the city
48 of New York.

49 (d) Payment of outstanding emergency repair liens filed and recorded
50 by the city of New York and outstanding liens filed and recorded by the
51 city pursuant to this section.

52 (e) Payment to the owner of any surplus remaining after payments of
53 paragraphs (a) through (d) of this subdivision have been made.

54 S 3. Subdivision 6 of section 778 of the real property actions and
55 proceedings law, as added by chapter 877 of the laws of 1982, is amended
56 to read as follows:

1 6. Such administrator shall be liable only in his OR HER official
2 capacity for injury to persons and property by reason of conditions of
3 the premises in a case where an owner would have been liable; he OR SHE
4 shall not have any liability in his OR HER personal capacity. APPOINT-
5 MENT OF AN ADMINISTRATOR PURSUANT TO SUBDIVISION ONE OF THIS SECTION
6 SHALL NOT RELIEVE AN OWNER OF LIABILITY FOR INJURY TO PERSONS AND PROP-
7 ERTY IN SUCH CASE.

8 S 4. Section 778 of the real property actions and proceedings law is
9 amended by adding a new subdivision 11 to read as follows:

10 11. THE COURT MAY ONLY DISCHARGE AN ADMINISTRATOR IF THE OWNER HAS
11 PAID IN FULL ALL OUTSTANDING REAL PROPERTY TAX LIENS CLAIMED BY THE CITY
12 OF NEW YORK, ALL OUTSTANDING EMERGENCY REPAIR LIENS FILED AND RECORDED
13 BY THE CITY OF NEW YORK, AND OUTSTANDING LIENS FILED AND RECORDED BY THE
14 CITY PURSUANT TO THIS SECTION. THE PROVISIONS OF THIS SUBDIVISION SHALL
15 NOT APPLY TO BUILDINGS TRANSFERRED PURSUANT TO SUBDIVISION TEN OF THIS
16 SECTION.

17 S 5. This act shall take effect immediately.