S T A T E O F N E W Y O R K

588

2015-2016 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2015

Introduced by M. of A. ROSENTHAL, GOTTFRIED, BRENNAN, SEPULVEDA, RODRIGUEZ -- Multi-Sponsored by -- M. of A. MAYER, PERRY, RUSSELL -- read once and referred to the Committee on Judiciary

AN ACT to amend the debtor and creditor law, in relation to bankruptcy exemptions for rent regulated tenancies

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

Section 1. Section 282 of the debtor and creditor law is amended by adding a new subdivision 4 to read as follows:

4. BANKRUPTCY EXEMPTION FOR RENT REGULATED TENANCIES. THE DEBTOR'S INTEREST, NOT EXCEEDING ONE HUNDRED FIFTY THOUSAND DOLLARS, IN A RESIDENTIAL RENT REGULATED TENANCY, HELD AND OCCUPIED BY THE DEBTOR FOR A RENT REGULATED UNIT, REGULATED UNDER THE RENT STABILIZATION LAW OF NINETEEN HUNDRED SIXTY-NINE, THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, THE EMERGENCY HOUSING RENT CONTROL LAW, THE LIMITED-PROFIT HOUSING COMPANIES ACT OR THE CITY RENT AND REHABILITATION LAW. THE EXEMPTION OF AN INTEREST IN A RENT REGULATED TENANCY IS NOT VOID BECAUSE THE VALUE OF THE PROPERTY EXCEEDS ONE HUNDRED FIFTY THOUSAND DOLLARS, BUT THE PROCEEDS FROM THE ASSUMPTION AND ASSIGNMENT OF SUCH AN INTEREST SHALL ONLY BE AVAILABLE FOR DISTRIBUTION TO CREDITORS BY THE TRUSTEE TO THE EXTENT THOSE PROCEEDS EXCEED ONE HUNDRED FIFTY THOUSAND DOLLARS. DEBTORS FILING A JOINT BANKRUPTCY MAY AGGREGATE THEIR EXEMPTIONS TO EXEMPT THE FIRST THREE HUNDRED THOUSAND DOLLARS OF PROCEEDS FROM ANY TRUSTEE ACTION AGAINST A RENT REGULATED TENANCY.

S 2. This act shall take effect immediately and shall apply to the satisfaction of judgments on or after such date.

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

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