STATE OF NEW YORK

6822

2017-2018 Regular Sessions

IN ASSEMBLY

March 21, 2017

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

AN ACT to amend the multiple dwelling law and the limited liability company law, in relation to liability and penalties for illegal conversion

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The multiple dwelling law is amended by adding a new section 170-b to read as follows:

§ 170-b. Illegal conversion. 1. For the purposes of this section, an illegal conversion shall mean any change in the structural parts or existing facilities of any building, including, but not limited to, the subdivision of rooms, or erection or demolition of walls, or the moving of any building from one location or position to another, in violation of any state or local law, ordinance, code or rule or regulation relating to real property, buildings or multiple dwellings.

2. A person or entity who is found to have violated the provisions of subdivision one of this section shall be compelled to remit to the department of taxation and finance the total of all tax credits and/or rebates received in the calendar year in which such person or entity is found to have committed such violation within thirty days after notice of the violation. In addition, such department shall forward to the internal revenue service the name and address of any person or entity that has been found to have violated the provisions of subdivision one of this section.

3. In the case of an illegal conversion authorized or undertaken by a limited liability corporation, the attorney general may, in his or her discretion, apply to the supreme court of the county in which the real property that is subject of such illegal conversion lies, for judicially decreed dissolution pursuant to section seven hundred two of the limited liability company law.

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

LBD09595-01-7

4. For each day that such payment to the department of taxation and finance is delinquent, interest shall accrue to be paid by such violator. Failure to remit pursuant to subdivision two of this section to the department of taxation and finance on the total amount shall result in a late payment penalty in the amount of one percent per day until the payment is made.

§ 2. Section 702 of the limited liability company law is amended to read as follows:

§ 702. Judicial dissolution. **1.** On application by or for a member, the supreme court in the judicial district in which the office of the limited liability company is located may decree dissolution of a limited liability company whenever it is not reasonably practicable to carry on the business in conformity with the articles of organization or operating agreement. A certified copy of the order of dissolution shall be filed by the applicant with the department of state within thirty days of its issuance.

2. On application by the attorney general, the supreme court in the judicial district in which the office of the limited liability company is located may decree dissolution of a limited liability company whenever such company is found to have violated the provisions of section one hundred seventy-b of the multiple dwelling law.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law.