STATE OF NEW YORK

6242

2019-2020 Regular Sessions

IN SENATE

May 29, 2019

Introduced by Sen. METZGER -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property law, in relation to rent increases in manufactured home parks

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

Section 1. Section 233 of the real property law is amended by adding a new subdivision y to read as follows:

y. 1. (a) The owner of a manufactured home park may not raise a manufactured home tenant's lot rent above the consumer price index averaged over the most recently available preceding thirty-six month period, unless the proposed rent increase is approved by the division of housing and community renewal and directly related to operating, maintaining, or improving the manufactured home park for the following purposes:

(i) The completion and incurring of costs for any capital improvements or rehabilitation work in the manufactured home park, as distinguished from ordinary repair, replacement, or maintenance. Capital improvements shall include roadway improvements, plumbing and piping infrastructure, community structures, natural disaster recovery. All other maintenance shall be considered ordinary, and shall not be grounds for a rent increase. All rent increases resulting from capital improvements shall expire once the improvement is paid for;

(ii) Changes in property taxes or other taxes within the manufactured home park;

(iii) Changes in utility charges within the manufactured home park;

(iv) Changes in insurance costs and financing associated with the manufactured home park;

(v) Changes in reasonable operating and maintenance expenses relating to the manufactured home park including, but not limited to costs for:

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

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water service; sewer service; septic service; water disposal; trash collection; and employee expenses.

(b) (i) A manufactured home park owner shall not incorporate the cost of a civil penalty, criminal fine, or litigation-related costs for rent-related proceedings into rent charged under any circumstance.

(ii) A manufactured home park owner shall not utilize the cost of capital improvements or rehabilitation work as justification for any future rental increase once such cost has been fully recovered by rental increases that were incorporated into a prior rental increase in excess of the consumer price index and where such prior rental increase was properly implemented pursuant to this subdivision.

(c) When a manufactured home tenant first moves onto a lot in a manufactured home park, the tenant shall be offered rent at a rate not exceeding the average rent for lots similar in size to such lot which are located within such manufactured home park.

2. (a) In addition to the notice required pursuant to paragraph three of subdivision g of this section, a manufactured home park owner shall give written notice to the home owners' association, if one exists, and the division of housing and community renewal at least ninety days prior to any increase in rent. The notice shall identify all affected manufactured home owners by lot number, name, group or phase. If the affected manufactured home owners are not identified by name, the manufactured home park owner shall make the names and addresses available to any affected manufactured home owner, the home owners' association, if one exists, and the division of housing and community renewal upon request.

(b) (i) If the proposed rent increase exceeds the consumer price index, the division of housing and community renewal shall schedule a final meeting between the parties at a mutually-convenient time and place to be held within thirty days from the mailing of the notice of the rent increase, to discuss the reasons for the increase. At the manufactured home park owner's election, the division of housing and community renewal shall also schedule one or more optional informal meetings prior to the final meeting. The manufactured home park owner proposing the rent increase shall recommend to the division of housing and community renewal a date, time and place of the final meeting and of any preceding informal meetings, and the division of housing and community renewal shall affirm such recommendation with the manufactured home park owner, if the division finds the date, time and place to be reasonable. At or before the final meeting the manufactured home park owner shall, in good faith, disclose in writing all of the material factors resulting in the decision to increase the rent.

(ii) The parties may agree in a writing signed by the manufactured home park owner and at least one affected manufactured home owner or the home owners' association to extend or continue any meetings required by this paragraph to a date specified in the writing and approved by the division of housing and community renewal as reasonable. Within two business days of signing an agreement to continue or extend meetings, the manufactured home park owner shall notify the division of housing and community renewal of such agreement by forwarding the signed agreement to the division.

(c) After the final meeting, any affected manufactured home owner who has not already accepted the proposed increase, or the home owners' association on behalf of one or more affected manufactured home owners who have not already accepted the proposed increase may, within thirty days from the conclusion of the final meeting, petition the division of housing and community renewal to appoint an arbitrator to conduct arbi-

tration subject to the provisions of article seventy-five of the civil practice law and rules.

3. A manufactured home park owner who raises a manufactured home owner's rent more than the annual average increase of the consumer price index for the preceding thirty-six month period without having obtained approval of the division of housing and community renewal shall be required to immediately reduce the rent to the amount in effect before the unauthorized increase and rebate the unauthorized rent collected to the manufactured home owners with interest.

4. Manufactured home park cooperatives shall be exempt from the provisions of this subdivision.

§ 2. This act shall take effect immediately.