

STATE OF NEW YORK

654--A

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. ROSENTHAL, DE LOS SANTOS, SEAWRIGHT, RAGA, CUNNINGHAM -- read once and referred to the Committee on Housing -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the emergency tenant protection act of nineteen seventy-four, and the administrative code of the city of New York, in relation to increasing penalties for owners of rent-regulated property who overcharge tenants

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

1 Section 1. The opening paragraph and clause (ii) of subparagraph (b)
2 of paragraph 1 of subdivision a of section 12 of section 4 of chapter
3 576 of the laws of 1974, constituting the emergency tenant protection
4 act of nineteen seventy-four, as amended by section 1 of part F of chap-
5 ter 36 of the laws of 2019, are amended to read as follows:
6 Subject to the conditions and limitations of this paragraph, any owner
7 of housing accommodations in a city having a population of less than one
8 million or a town or village as to which an emergency has been declared
9 pursuant to section three, who, upon complaint of a tenant or of the
10 state division of housing and community renewal, is found by the state
11 division of housing and community renewal, after a reasonable opportu-
12 nity to be heard, to have collected an overcharge above the rent author-
13 ized for a housing accommodation subject to this act shall be liable to
14 the tenant for a penalty equal to [~~three~~ five times the amount of such
15 overcharge for a first offense and ten times the amount of such over-
16 charge for any subsequent offense. If the owner establishes by a prepon-
17 derance of the evidence that the overcharge was neither willful nor
18 attributable to [~~his~~ the owner's negligence, the state division of
19 housing and community renewal shall establish the penalty as the amount
20 of the overcharge plus interest at the rate of interest payable on a

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

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1 judgment pursuant to section five thousand four of the civil practice
2 law and rules. After a complaint of rent overcharge has been filed and
3 served on an owner, the voluntary adjustment of the rent and/or the
4 voluntary tender of a refund of rent overcharges shall not be considered
5 by the division of housing and community renewal or a court of competent
6 jurisdiction as evidence that the overcharge was not willful. (i) Except
7 as to complaints filed pursuant to clause (ii) of this paragraph, the
8 legal regulated rent for purposes of determining an overcharge, shall be
9 deemed to be the rent indicated in the most recent reliable annual
10 registration statement for a rent stabilized tenant filed and served
11 upon the tenant six or more years prior to the most recent registration
12 statement, (or, if more recently filed, the initial registration state-
13 ment) plus in each case any subsequent lawful increases and adjustments.
14 The division of housing and community renewal or a court of competent
15 jurisdiction, in investigating complaints of overcharge and in determin-
16 ing legal regulated rent, shall consider all available rent history
17 which is reasonably necessary to make such determinations. (ii) As to
18 complaints filed within ninety days of the initial registration of a
19 housing accommodation, the legal regulated rent for purposes of deter-
20 mining an overcharge shall be deemed to be the rent charged on the date
21 six years prior to the date of the initial registration of the housing
22 accommodation (or, if the housing accommodation was subject to this act
23 for less than six years, the initial legal regulated rent) plus in each
24 case, any lawful increases and adjustments. Where the rent charged on
25 the date six years prior to the date of the initial registration of the
26 accommodation cannot be established, such rent shall be established by
27 the division.

28 (ii) A penalty of [~~three~~] five times the overcharge for a first
29 offense and ten times the amount of such overcharge for any subsequent
30 offense shall be assessed upon all overcharges willfully collected by
31 the owner starting six years before the complaint is filed.

32 § 2. The opening paragraph and paragraph 2 of subdivision a of section
33 26-516 of the administrative code of the city of New York, as amended by
34 section 4 of part F of chapter 36 of the laws of 2019, are amended to
35 read as follows:

36 Subject to the conditions and limitations of this subdivision, any
37 owner of housing accommodations who, upon complaint of a tenant, or of
38 the state division of housing and community renewal, is found by the
39 state division of housing and community renewal, after a reasonable
40 opportunity to be heard, to have collected an overcharge above the rent
41 authorized for a housing accommodation subject to this chapter shall be
42 liable to the tenant for a penalty equal to [~~three~~] five times the
43 amount of such overcharge for a first offense and ten times the amount
44 of such overcharge for any subsequent offense. If the owner establishes
45 by a preponderance of the evidence that the overcharge was not willful,
46 the state division of housing and community renewal shall establish the
47 penalty as the amount of the overcharge plus interest. After a complaint
48 of rent overcharge has been filed and served on an owner, the voluntary
49 adjustment of the rent and/or the voluntary tender of a refund of rent
50 overcharges shall not be considered by the division of housing and
51 community renewal or a court of competent jurisdiction as evidence that
52 the overcharge was not willful. (i) Except as to complaints filed pursu-
53 ant to clause (ii) of this paragraph, the legal regulated rent for
54 purposes of determining an overcharge, shall be the rent indicated in
55 the most recent reliable annual registration statement filed and served
56 upon the tenant six or more years prior to the most recent registration

1 statement, (or, if more recently filed, the initial registration state-
2 ment) plus in each case any subsequent lawful increases and adjustments.
3 The division of housing and community renewal or a court of competent
4 jurisdiction, in investigating complaints of overcharge and in determin-
5 ing legal regulated rent, shall consider all available rent history
6 which is reasonably necessary to make such determinations. (ii) As to
7 complaints filed within ninety days of the initial registration of a
8 housing accommodation, the legal regulated rent shall be deemed to be
9 the rent charged on the date six years prior to the date of the initial
10 registration of the housing accommodation (or, if the housing accommo-
11 dation was subject to this chapter for less than six years, the initial
12 legal regulated rent) plus in each case, any lawful increases and
13 adjustments. Where the rent charged on the date six years prior to the
14 date of the initial registration of the accommodation cannot be estab-
15 lished, such rent shall be established by the division.

16 (2) A complaint under this subdivision may be filed with the state
17 division of housing and community renewal or in a court of competent
18 jurisdiction at any time, however any recovery of overcharge penalties
19 shall be limited to the six years preceding the complaint. A penalty of
20 [~~three~~] five times the overcharge for a first offense and ten times the
21 amount of such overcharge for any subsequent offense shall be assessed
22 upon all overcharges willfully collected by the owner starting six years
23 before the complaint is filed.

24 § 3. This act shall take effect immediately; provided, however, that
25 the amendments to section 26-516 of chapter 4 of title 26 of the admin-
26 istrative code of the city of New York made by section two of this act
27 shall expire on the same date as such law expires and shall not affect
28 the expiration of such law as provided under section 26-520 of such law.