

# STATE OF NEW YORK

9694

## IN SENATE

April 2, 2026

Introduced by Sen. CLEARE -- 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 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. If the owner establishes by a preponderance of the evidence  
16 that the overcharge was neither willful nor attributable to [~~his~~] the  
17 owner's negligence, the state division of housing and community renewal  
18 shall establish the penalty as the amount of the overcharge plus inter-  
19 est at the rate of interest payable on a judgment pursuant to section  
20 five thousand four of the civil practice law and rules. After a  
21 complaint of rent overcharge has been filed and served on an owner, the  
22 voluntary adjustment of the rent and/or the voluntary tender of a refund  
23 of rent overcharges shall not be considered by the division of housing  
24 and community renewal or a court of competent jurisdiction as evidence  
25 that the overcharge was not willful. (i) Except as to complaints filed

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

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1 pursuant to clause (ii) of this paragraph, the legal regulated rent for  
2 purposes of determining an overcharge, shall be deemed to be the rent  
3 indicated in the most recent reliable annual registration statement for  
4 a rent stabilized tenant filed and served upon the tenant six or more  
5 years prior to the most recent registration statement, (or, if more  
6 recently filed, the initial registration statement) plus in each case  
7 any subsequent lawful increases and adjustments. The division of housing  
8 and community renewal or a court of competent jurisdiction, in investi-  
9 gating complaints of overcharge and in determining legal regulated rent,  
10 shall consider all available rent history which is reasonably necessary  
11 to make such determinations. (ii) As to complaints filed within ninety  
12 days of the initial registration of a housing accommodation, the legal  
13 regulated rent for purposes of determining an overcharge shall be deemed  
14 to be the rent charged on the date six years prior to the date of the  
15 initial registration of the housing accommodation (or, if the housing  
16 accommodation was subject to this act for less than six years, the  
17 initial legal regulated rent) plus in each case, any lawful increases  
18 and adjustments. Where the rent charged on the date six years prior to  
19 the date of the initial registration of the accommodation cannot be  
20 established, such rent shall be established by the division.

21 (ii) A penalty of [~~three~~ five] times the overcharge shall be assessed  
22 upon all overcharges willfully collected by the owner starting six years  
23 before the complaint is filed.

24 § 2. The opening paragraph and paragraph 2 of subdivision a of section  
25 26-516 of the administrative code of the city of New York, as amended by  
26 section 4 of part F of chapter 36 of the laws of 2019, are amended to  
27 read as follows:

28 Subject to the conditions and limitations of this subdivision, any  
29 owner of housing accommodations who, upon complaint of a tenant, or of  
30 the state division of housing and community renewal, is found by the  
31 state division of housing and community renewal, after a reasonable  
32 opportunity to be heard, to have collected an overcharge above the rent  
33 authorized for a housing accommodation subject to this chapter shall be  
34 liable to the tenant for a penalty equal to [~~three~~ five] times the  
35 amount of such overcharge. If the owner establishes by a preponderance  
36 of the evidence that the overcharge was not willful, the state division  
37 of housing and community renewal shall establish the penalty as the  
38 amount of the overcharge plus interest. After a complaint of rent over-  
39 charge has been filed and served on an owner, the voluntary adjustment  
40 of the rent and/or the voluntary tender of a refund of rent overcharges  
41 shall not be considered by the division of housing and community renewal  
42 or a court of competent jurisdiction as evidence that the overcharge was  
43 not willful. (i) Except as to complaints filed pursuant to clause (ii)  
44 of this paragraph, the legal regulated rent for purposes of determining  
45 an overcharge, shall be the rent indicated in the most recent reliable  
46 annual registration statement filed and served upon the tenant six or  
47 more years prior to the most recent registration statement, (or, if more  
48 recently filed, the initial registration statement) plus in each case  
49 any subsequent lawful increases and adjustments. The division of housing  
50 and community renewal or a court of competent jurisdiction, in investi-  
51 gating complaints of overcharge and in determining legal regulated rent,  
52 shall consider all available rent history which is reasonably necessary  
53 to make such determinations. (ii) As to complaints filed within ninety  
54 days of the initial registration of a housing accommodation, the legal  
55 regulated rent shall be deemed to be the rent charged on the date six  
56 years prior to the date of the initial registration of the housing

1 accommodation (or, if the housing accommodation was subject to this  
2 chapter for less than six years, the initial legal regulated rent) plus  
3 in each case, any lawful increases and adjustments. Where the rent  
4 charged on the date six years prior to the date of the initial registra-  
5 tion of the accommodation cannot be established, such rent shall be  
6 established by the division.

7 (2) A complaint under this subdivision may be filed with the state  
8 division of housing and community renewal or in a court of competent  
9 jurisdiction at any time, however any recovery of overcharge penalties  
10 shall be limited to the six years preceding the complaint. A penalty of  
11 [~~three~~ **five**] times the overcharge shall be assessed upon all overcharges  
12 willfully collected by the owner starting six years before the complaint  
13 is filed.

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