

THE LEGAL AID SOCIETY

Justice in Every Borough.

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Legal Aid Lauds Passage of Bills to Strengthen New York's Rent Stabilization Laws and Protect Tenants in Regulated Housing

Advocates Call on Governor Hochul to Sign Both Critical Measures Immediately into Law

(NEW YORK, NY) — The Legal Aid Society issued the following statement in response to New York State legislators passing [S2980/A6216](#), legislation that will close the “Frankenstein” loophole that allows landlords to merge rent-regulated apartments to increase rents and evict tenants, and [S2943/A4047](#), which will amend the Housing Stability and Tenant Protection Act of 2019 (HSTPA) to clarify that tenants can use the HSTPA to reset rents that were previously set in violation of the law:

“We applaud the New York State Legislature for passing these critical bills that will strengthen the Housing Stability and Tenant Protection Act of 2019 and bolster long-standing rent regulation laws that have protected tenants for over half a century.

“The Legal Aid Society calls on Governor Hochul to sign this legislation immediately as it’s especially urgent given Albany’s failure to enact any significant policies this session to address New York’s unprecedented housing crisis.

“Lastly, we thank Senator Brian Kavanagh, Assembly Member Linda Rosenthal and Assembly Member Jeffrey Dinowitz for ensuring passage of both needed reforms.”

Background

[S2943/A4047](#): The HSTPA enacted in 2019 recognized that for decades landlords violated the law with impunity, increasing rents and overcharging tenants. The 2019 law sought to address this widespread problem by allowing for retroactive and prospective relief. The New York State Court of Appeals limited the retroactive relief that tenants could receive under the HSTPA but allowed for prospective relief under the law. This bill clarifies the prospective relief available under the HSTPA, allowing tenants to reset rents that violated the Rent Stabilization Law.

[S2980/A6216](#): The anti-Frankensteining provision also closes a dangerous loophole in the rent stabilization scheme which encourages landlords to hold scarce apartments vacant in hopes of combining them and charging a market rent. The new law will support a parallel change to the Rent Stabilization Code proposed last November by the New York State Department of Housing and Community Renewal.

Additionally, the bill clarifies the fraud exception to the statute of limitations in overcharge cases. Since the seminal 2005 Court of Appeals decision in *Thornton v. Baron*, tenants have been able to challenge fraudulent rent increases even when they occurred prior to the usual four-year Statute of Limitations.

Although the Court of Appeals, in its 2020 *Regina* decision, reaffirmed *Thornton*, and held that its rule applied to overcharges that occurred prior to the HSTPA, more recent appellate decisions have gutted the *Thornton* rule and have made it virtually impossible for tenants to challenge landlord fraud, no matter how egregious. The new amendments to the Housing Stability and Tenant Protection Act of 2019 will uphold the result in *Regina*, and return the law to where it stood under *Thornton*.

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The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. www.legalaidnyc.org