



Policy Statement 92-1 (January 23, 1992)

***Penalties for Failure to Pay Billed
Administrative Fees for New York City
Rent Stabilized Accommodations or for
Apartments Covered by the Emergency
Tenant Protection Act***

This Policy Statement is being issued to establish DHCR's policies with respect to enforcement of the legally mandated penalties for failure to pay the administrative fees billed by New York City or the municipalities which have adopted the Emergency Tenant Protection Act (ETPA).

Section 26-517.1 of the Rent Stabilization Law and Section 8 of the Emergency Tenant Protection Act provide for the imposition of a fee on owners of housing accommodations subject to the RSL and ETPA to assist DHCR in defraying the cost of administering such laws.

Pursuant to DHCR Policy Statement 89-7 (approved June 21, 1989), the administrative fee is assessed against all regulated accommodations including accommodations which are temporarily exempt from rent stabilization. For example, an apartment which is occupied by the building's owner or by the building's superintendent, or a stabilized hotel or SRO accommodation which is occupied by a transient tenant is temporarily exempt from stabilization, but the owner will be billed the administrative fee for such housing accommodations.

When advised by the municipal agency charged with collecting the annual administrative fee that an owner has not paid the fee, the DHCR will send a notice to the owner with a copy of the bill. The owner must pay the billed fee, together with any additional charges or interest, to the municipal agency and submit proof of such payment to the DHCR within 60 days of the date of the notice or the DHCR shall issue an order subjecting the owner to the penalties prescribed by law, as described below.

Failure to pay the billed fee will result in a DHCR order fixing the rent for the subject housing accommodation at the level registered with the DHCR as of the April 1st before the due date of the original administrative fee billing. The owner will be precluded from collecting any rent in excess of such level from the first rent payment date following the due date stated in the original administrative fee billing. If the owner has collected a rent in excess of the frozen rent, the owner shall be liable to the tenant for a penalty equal to three times the amount of such overcharge. In addition, until the fee is paid, the owner is barred from applying for or collecting any further rent increases.

The rent as established above shall remain in effect until the owner has paid the delinquent amount to the municipal agency charged with collecting the administrative fee. Upon submission of proof of payment (the cancelled check in the precise amount of the bill issued by the municipal agency and made payable to such agency) to DHCR, the DHCR will issue a notice lifting the penalty.

This document is being reissued for informational purposes only.

The original document which contains signatures of authorization is on file at DHCR's Office of Rent Administration.

Joseph A. D'Agosta
Acting Deputy Commissioner
for Rent Administration

