

REAL ESTATE WEEKLY

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Summer in Albany: What happened?

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The Real Estate Board of New York continues to keep an eye on any new laws that impact our industry.

I wanted to share with you some noteworthy legislative items that occurred in Albany over the summer. Those items are laws of new agency disclosure, clarifying the definition of permanent residents and transient use and disclosure of bedbug infestations at New York City residential properties before an apartment is leased.

Important amendments to New York State's agency disclosure law was just signed by Governor Paterson and will go into effect on Jan. 1, 2011. These changes will impact residential brokers by requiring that agency disclosure forms be completed for all residential transactions and permitting consumers to give their advance consent to dual agency representation.

The revised agency disclosure law provides additional safeguards for sellers, buyers, tenants, landlords and brokers to ensure that transactions move forward fairly with all parties understanding who is representing whom. REBNY, through its Residential Brokerage Division Board of Directors, worked closely with the state legislature and NYSAR to negotiate amendments that would increase transparency of the real estate transaction process, but also would be realistic for brokers to implement.

This fall, REBNY will hold

multiple seminars to educate its members to the nuances of the revised disclosure form before it goes into effect.

Another new law clarifies the definition of permanent residents and transient use and no longer can someone charge to rent an apartment in a residential district for less than 30 days. In addition, the law includes provisions that

permitted the continuation of certain existing hotels and the continuation of extended stays of 30 days or more. We are pleased that the new law preserves these uses which are important to our industry and economy. On July 16, Governor Paterson signed into law a measure that clarifies the definition of "transient" and "primarily" permitting the continuation of extended stay use of 30 days or more, and that prohibits the renting of apartments in class A multiple dwellings for less than 30 days.

The bill, sponsored at the request of the Governor, will introduce a chapter amendment that would postpone the effective date to May 1, 2011.

The new law clarifies that class A multiple dwellings are to be used for "permanent residence purpose as defined in the law as "occupancy by a natural person or family for 30 consecutive days or longer."

This definition would permit owners of class A multiple

dwellings to rent out their apartments for 30 days or more, allowing the continuation of extended stay activities in these apartments (provided they are not subject to the

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more restrictive definition of transient use imposed on buildings

receiving tax exemptions, such as 421a, from the city).

However, the new definition prohibits owners of an apartment in a class A multiple dwelling from

renting out their apartment for less than 30 days. The law does permit house guests to live within a class A multiple dwelling by permission of the permanent occupant of the unit for periods less than 30 days provided there is no monetary compensation for the use.

Bedbug infestations must now be disclosed to new renters. Governor Paterson recently signed S8130 into law, requiring owners of New York City residential property to disclose bedbug infestation history before an apartment is leased.

The legislation requires disclosure of bedbug infestation regarding the apartment rented by the tenant and the building within the last 12 months. The law takes effect immediately.

The Department of Housing and Community Renewal (DHCR) must promulgate or approve disclosure forms. REBNY has contacted the DHCR to find out how the law will be implemented.