



Legislation Text

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Int. No. 888

By Council Members Hudson, Brewer and Hanif

A Local Law to amend the administrative code of the city of New York, in relation to requiring disclosures of market value for unsolicited offers to purchase residential properties

Be it enacted by the Council as follows:

Section 1. Chapter 5 of title 20 of the administrative code of the city of New York is amended by adding a new subchapter 27 to read as follows:

Subchapter 27

Disclosure of Market Value in Unsolicited Offers to Purchase Residential Property

§ 20-890 Definitions.

§ 20-891 Market value disclosure required.

§ 20-892. Penalties.

§ 20-890 Definitions. As used in this subchapter, the following terms have the following meanings:

Market value. The term “market value” means a reasonable estimate of the amount a residential property would sell for if listed for public sale. There is a rebuttable presumption that an appraisal by a person licensed or certified by an agency of the federal government or the state to appraise real estate is such an estimate.

Owner. The term “owner” means any person who has an interest in the title to a residential property.

Purchaser. The term “purchaser” means any natural person, firm, partnership, joint venture, corporation, or association who submits or posts an unsolicited offer to acquire a residential property.

Residential property. The term “residential property” means residential real property.

Substantially similar property. The term “substantially similar property” means a residential property with a similar lot size, interior square footage, number of rooms, bathrooms, amenities, historic details, and in a similar state of repair that is within one half mile of the property for which an offer is submitted or within the same zip code as the property for which an offer is submitted if no such similar property exists within one half mile.

Unsolicited offer. The term “unsolicited offer” means an offer to purchase an owner’s fractional or full interest in a residential property where such owner is not actively seeking an offer, has not advertised the property for sale, or intended to sell such property absent the offer, or is unaware of their interest in such property.

§ 20-891 Market value disclosure required. a. Every unsolicited offer submitted or posted by a purchaser to an owner or such person’s agent or agents must disclose to the owner in a clear and conspicuous manner the market value of the residential property for which the offer is being submitted and the market value of substantially similar properties that are currently listed for sale in select publicly searchable databases as determined by the department by rule.

b. If the unsolicited offer is submitted in writing, the statements required by subdivision a of this section must be in writing, in a conspicuous location, and printed in a color that sharply contrasts with the print surrounding it. If the unsolicited offer is submitted orally, the purchaser submitting such offer must provide written copies of the information required by subdivision a of this section.

§ 20-892 Penalties. a. Any purchaser who violates any provision of this subchapter or any rule promulgated thereunder is liable for a civil penalty of not less than \$250 for a first violation, and not less than \$500 for a second or subsequent violation.

b. Each distinct unsolicited offer that violates any provision of this subchapter or any rule promulgated thereunder constitutes a separate violation.

c. For the purposes of determining the total civil penalty, each day on which a violating unsolicited offer

is submitted to the owner shall constitute a separate violation.

§ 2. This local law takes effect 120 days after it becomes law.

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