

2278

2015-2016 Regular Sessions

I N S E N A T E

January 22, 2015

Introduced by Sen. YOUNG -- 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 providing that vacancy leases and renewals thereof for rent regulated housing accommodations shall be for a term of one year

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivisions a and (a-1) of section 10 of section 4 of  
2 chapter 576 of the laws of 1974, constituting the emergency tenant  
3 protection act of nineteen seventy-four, subdivision a as amended by  
4 chapter 234 of the laws of 1984 and subdivision (a-1) as amended by  
5 section 8 of part B of chapter 97 of the laws of 2011, are amended to  
6 read as follows:  
7 a. For cities having a population of less than one million and towns  
8 and villages, the state division of housing and community renewal shall  
9 be empowered to implement this act by appropriate regulations. Such  
10 regulations may encompass such speculative or manipulative practices or  
11 renting or leasing practices as the state division of housing and commu-  
12 nity renewal determines constitute or are likely to cause circumvention  
13 of this act. Such regulations shall prohibit practices which are likely  
14 to prevent any person from asserting any right or remedy granted by this  
15 act, including but not limited to retaliatory termination of periodic  
16 tenancies and shall require owners to grant a new one or two year vacan-  
17 cy or renewal lease at the option of the tenant; PROVIDED, HOWEVER, THAT  
18 FOR VACANCY AND RENEWAL LEASES WHICH TAKE EFFECT ON OR AFTER JANUARY  
19 FIRST, TWO THOUSAND SIXTEEN, SUCH REGULATIONS SHALL REQUIRE OWNERS TO  
20 GRANT A NEW ONE YEAR VACANCY OR RENEWAL LEASE, except where a mortgage  
21 or mortgage commitment existing as of the local effective date of this  
22 act provides that the owner shall not grant a one-year lease; and shall

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

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1 prescribe standards with respect to the terms and conditions of new and  
2 renewal leases, additional rent and such related matters as security  
3 deposits, advance rental payments, the use of escalator clauses in leas-  
4 es and provision for increase in rentals for garages and other ancillary  
5 facilities, so as to insure that the level of rent adjustments author-  
6 ized under this law will not be subverted and made ineffective. Any  
7 provision of the regulations permitting an owner to refuse to renew a  
8 lease on grounds that the owner seeks to recover possession of the hous-  
9 ing accommodation for his own use and occupancy or for the use and occu-  
10 pancy of his immediate family shall require that an owner demonstrate  
11 immediate and compelling need and shall not apply where a member of the  
12 housing accommodation is sixty-two years of age or older, has been a  
13 tenant in a housing accommodation in that building for twenty years or  
14 more, or has an impairment which results from anatomical, physiological  
15 or psychological conditions, other than addiction to alcohol, gambling,  
16 or any controlled substance, which are demonstrable by medically accept-  
17 able clinical and laboratory diagnostic techniques, and which are  
18 expected to be permanent and which prevent the tenant from engaging in  
19 any substantial gainful employment.

20 [(a-1)] A-1. provides that, notwithstanding any provision of this act,  
21 the legal regulated rent for any vacancy lease entered into after the  
22 effective date of this subdivision shall be as hereinafter set forth.  
23 The previous legal regulated rent for such housing accommodation shall  
24 be increased by [the following: (i) if the vacancy lease is for a term  
25 of two years,] twenty percent of the previous legal regulated rent[; or  
26 (ii) if the vacancy lease is for a term of one year the increase shall  
27 be twenty percent of the previous legal regulated rent less an amount  
28 equal to the difference between (a) the two year renewal lease guideline  
29 promulgated by the guidelines board of the county in which the housing  
30 accommodation is located applied to the previous legal regulated rent  
31 and (b) the one year renewal lease guideline promulgated by the guide-  
32 lines board of the county in which the housing accommodation is located  
33 applied to the previous legal regulated rent]. In addition, if the legal  
34 regulated rent was not increased with respect to such housing accommo-  
35 dation by a permanent vacancy allowance within eight years prior to a  
36 vacancy lease executed on or after the effective date of this subdivi-  
37 sion, the legal regulated rent may be further increased by an amount  
38 equal to the product resulting from multiplying such previous legal  
39 regulated rent by six-tenths of one percent and further multiplying the  
40 amount of rent increase resulting therefrom by the greater of (A) the  
41 number of years since the imposition of the last permanent vacancy  
42 allowance, or (B) if the rent was not increased by a permanent vacancy  
43 allowance since the housing accommodation became subject to this act,  
44 the number of years that such housing accommodation has been subject to  
45 this act. Provided that if the previous legal regulated rent was less  
46 than three hundred dollars the total increase shall be as calculated  
47 above plus one hundred dollars per month. Provided, further, that if  
48 the previous legal regulated rent was at least three hundred dollars and  
49 no more than five hundred dollars in no event shall the total increase  
50 pursuant to this subdivision be less than one hundred dollars per month.  
51 Such increase shall be in lieu of any allowance authorized for the one  
52 or two year renewal component thereof, but shall be in addition to any  
53 other increases authorized pursuant to this act including an adjustment  
54 based upon a major capital improvement, or a substantial modification or  
55 increase of dwelling space or services, or installation of new equipment  
56 or improvements or new furniture or furnishings provided in or to the

1 housing accommodation pursuant to section six of this act. The increase  
2 authorized in this subdivision may not be implemented more than one time  
3 in any calendar year, notwithstanding the number of vacancy leases  
4 entered into in such year.

5 S 2. Paragraphs 4, 5-a and 12 of subdivision c of section 26-511 of  
6 the administrative code of the city of New York, paragraph 5-a as  
7 amended by section 7 of part B of chapter 97 of the laws of 2011, are  
8 amended to read as follows:

9 (4) includes provisions requiring owners to grant a one or two year  
10 vacancy or renewal lease at the option of the tenant; PROVIDED, HOWEVER,  
11 THAT FOR VACANCY AND RENEWAL LEASES WHICH TAKE EFFECT ON OR AFTER JANU-  
12 ARY FIRST, TWO THOUSAND SIXTEEN, SUCH CODE SHALL REQUIRE OWNERS TO GRANT  
13 A NEW ONE YEAR VACANCY OR RENEWAL LEASE, except where a mortgage or  
14 mortgage commitment existing as of April first, nineteen hundred sixty-  
15 nine, provides that the mortgagor shall not grant a one year lease;

16 (5-a) provides that, notwithstanding any provision of this chapter,  
17 the legal regulated rent for any vacancy lease entered into after the  
18 effective date of this paragraph shall be as hereinafter provided in  
19 this paragraph. The previous legal regulated rent for such housing  
20 accommodation shall be increased by [the following: (i) if the vacancy  
21 lease is for a term of two years,] twenty percent of the previous legal  
22 regulated rent[; or (ii) if the vacancy lease is for a term of one year  
23 the increase shall be twenty percent of the previous legal regulated  
24 rent less an amount equal to the difference between (a) the two year  
25 renewal lease guideline promulgated by the guidelines board of the city  
26 of New York applied to the previous legal regulated rent and (b) the one  
27 year renewal lease guideline promulgated by the guidelines board of the  
28 city of New York applied to the previous legal regulated rent]. In addi-  
29 tion, if the legal regulated rent was not increased with respect to such  
30 housing accommodation by a permanent vacancy allowance within eight  
31 years prior to a vacancy lease executed on or after the effective date  
32 of this paragraph, the legal regulated rent may be further increased by  
33 an amount equal to the product resulting from multiplying such previous  
34 legal regulated rent by six-tenths of one percent and further multiply-  
35 ing the amount of rent increase resulting therefrom by the greater of  
36 (A) the number of years since the imposition of the last permanent  
37 vacancy allowance, or (B) if the rent was not increased by a permanent  
38 vacancy allowance since the housing accommodation became subject to this  
39 chapter, the number of years that such housing accommodation has been  
40 subject to this chapter. Provided that if the previous legal regulated  
41 rent was less than three hundred dollars the total increase shall be as  
42 calculated above plus one hundred dollars per month. Provided, further,  
43 that if the previous legal regulated rent was at least three hundred  
44 dollars and no more than five hundred dollars in no event shall the  
45 total increase pursuant to this paragraph be less than one hundred  
46 dollars per month. Such increase shall be in lieu of any allowance  
47 authorized for the one or two year renewal component thereof, but shall  
48 be in addition to any other increases authorized pursuant to this chap-  
49 ter including an adjustment based upon a major capital improvement, or a  
50 substantial modification or increase of dwelling space or services, or  
51 installation of new equipment or improvements or new furniture or  
52 furnishings provided in or to the housing accommodation pursuant to this  
53 section. The increase authorized in this paragraph may not be imple-  
54 mented more than one time in any calendar year, notwithstanding the  
55 number of vacancy leases entered into in such year.

1 (12) permits subletting of units subject to this law pursuant to  
2 section two hundred twenty-six-b of the real property law provided that  
3 (a) the rental charged to the subtenant does not exceed the stabilized  
4 rent plus a ten percent surcharge payable to the tenant if the unit  
5 sublet was furnished with the tenant's furniture; (b) the tenant can  
6 establish that at all times he or she has maintained the unit as his or  
7 her primary residence and intends to occupy it as such at the expiration  
8 of the sublease; (c) an owner may terminate the tenancy of a tenant who  
9 sublets or assigns contrary to the terms of this paragraph but no action  
10 or proceeding based on the non-primary residence of a tenant may be  
11 commenced prior to the expiration date of his or her lease; (d) where an  
12 apartment is sublet the prime tenant shall retain the right to a renewal  
13 lease and the rights and status of a tenant in occupancy as they relate  
14 to conversion to condominium or cooperative ownership; (e) where a  
15 tenant violates the provisions of subparagraph (a) of this paragraph the  
16 subtenant shall be entitled to damages of three times the overcharge and  
17 may also be awarded attorneys fees and interest from the date of the  
18 overcharge at the rate of interest payable on a judgment pursuant to  
19 section five thousand four of the civil practice law and rules; (f) the  
20 tenant may not sublet the unit for more than a total of two years,  
21 including the term of the proposed sublease, out of the four-year period  
22 preceding the termination date of the proposed sublease; PROVIDED,  
23 HOWEVER, THAT FOR SUBLEASES COMMENCING ON OR AFTER JANUARY FIRST, TWO  
24 THOUSAND SIXTEEN, A TENANT MAY NOT SUBLET THE UNIT FOR MORE THAN ONE  
25 YEAR. The provisions of this subparagraph shall only apply to subleases  
26 commencing on and after July first, nineteen hundred eighty-three; (g)  
27 for the purposes of this paragraph only, the term of the proposed  
28 sublease may extend beyond the term of the tenant's lease. In such  
29 event, such sublease shall be subject to the tenant's right to a renewal  
30 lease. The subtenant shall have no right to a renewal lease. It shall be  
31 unreasonable for an owner to refuse to consent to a sublease solely  
32 because such sublease extends beyond the tenant's lease; and (h)  
33 notwithstanding the provisions of section two hundred twenty-six-b of  
34 the real property law, a not-for-profit hospital shall have the right to  
35 sublet any housing accommodation leased by it to its affiliated person-  
36 nel without requiring the landlord's consent to any such sublease and  
37 without being bound by the provisions of subparagraphs (b), (c) and (f)  
38 of this paragraph. Commencing with the effective date of this subpara-  
39 graph, whenever a not-for-profit hospital executes a renewal lease for a  
40 housing accommodation, the legal regulated rent shall be increased by a  
41 sum equal to fifteen percent of the previous lease rental for such hous-  
42 ing accommodation, hereinafter referred to as a vacancy surcharge,  
43 unless the landlord shall have received within the seven year period  
44 prior to the commencement date of such renewal lease any vacancy  
45 increases or vacancy surcharges allocable to the said housing accommo-  
46 dation. In the event the landlord shall have received any such vacancy  
47 increases or vacancy surcharges during such seven year period, the  
48 vacancy surcharge shall be reduced by the amount received by any such  
49 vacancy increase or vacancy surcharges.

50 S 3. This act shall take effect immediately; provided that:

51 (a) the amendments to section 10 of the emergency tenant protection  
52 act of nineteen seventy-four made by section one of this act shall  
53 expire on the same date as such act expires and shall not affect the  
54 expiration of such act as provided in section 17 of chapter 576 of the  
55 laws of 1974; and

1 (b) the amendments to section 26-511 of chapter 4 of title 26 of the  
2 administrative code of the city of New York made by section two of this  
3 act shall expire on the same date as such law expires and shall not  
4 affect the expiration of such law as provided under section 26-520 of  
5 such law.