

3364

2015-2016 Regular Sessions

I N   S E N A T E

February 5, 2015

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Introduced by Sens. ESPAILLAT, ADDABBO, AVELLA, BRESLIN, DIAZ, GIANARIS, HASSELL-THOMPSON, HOYLMAN, KRUEGER, MONTGOMERY, PARKER, PERALTA, PERKINS, SAMPSON, SAVINO, SERRANO, SQUADRON, STAVISKY, STEWART-COUSINS -- 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 administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to recovery of certain housing accommodations by a landlord (Part A); to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to limiting rent increase after vacancy of a housing accommodation (Part B); to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to the declaration of emergencies for certain rental housing accommodations (Part C); to amend the local emergency housing rent control act, in relation to rent regulation laws (Part D); to amend chapter 576 of the laws of 1974 amending the emergency housing rent control law relating to the control of and stabilization of rent in certain cases, the emergency housing rent control law, chapter 329 of the laws of 1963 amending the emergency housing rent control law relating to recontrol of rents in Albany, chapter 555 of the laws of 1982 amending the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative or condominium ownership in the city of New York, chapter 402 of the laws of 1983 amending the general business law relating to conversion of rental residential property to cooperative or condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland and the rent regulation reform act of 1997, in relation to extending the effectiveness thereof (Part E); to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four, and the emergency housing rent control law, in relation to adjustment of maximum allowable rent (Part F); to repeal paragraph 13 of subdivision a of section 5 of section 4 of

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

LBD08859-01-5

chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four, paragraph (n) of subdivision 2 of section 2 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, and section 26-504.2 and subparagraph (k) of paragraph 2 of subdivision e of section 26-403 of the administrative code of the city of New York, relating to vacancy decontrol (Part G); to amend the emergency tenant protection act of nineteen seventy-four and the administrative code of the city of New York, in relation to the regulation of rents (Part H); to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to hardship applications (Part I); to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to extending the length of time over which major capital improvement expenses may be recovered (Part J); to amend the emergency tenant protection act of nineteen seventy-four, in relation to the declaration of housing emergencies for rental housing accommodations located in buildings owned by certain limited-profit housing companies (Part K); and to amend the emergency tenant protection act of nineteen seventy-four, the emergency housing rent control law and the administrative code of the city of New York, in relation to deregulation thresholds (Part L)

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

1 Section 1. This act enacts into law major components of legislation  
2 related to rent regulations in the state of New York. Each component is  
3 wholly contained within a Part identified as Parts A through L. The  
4 effective date for each particular provision contained within such Part  
5 is set forth in the last section of such Part. Any provision in any  
6 section contained within a Part, including the effective date of the  
7 Part, which makes reference to a section "of this act", when used in  
8 connection with that particular component, shall be deemed to mean and  
9 refer to the corresponding section of the Part in which it is found.  
10 Section three of this act sets forth the general effective date of this  
11 act.

12 PART A

13 Section 1. Paragraph 1 of subdivision b of section 26-408 of the  
14 administrative code of the city of New York is amended to read as  
15 follows:

16 (1) The landlord seeks in good faith to recover possession of a hous-  
17 ing accommodation because of immediate and compelling necessity for his  
18 or her own personal use and occupancy AS HIS OR HER PRIMARY RESIDENCE or  
19 for the use and occupancy of his or her immediate family AS THEIR PRIMA-  
20 RY RESIDENCE provided, however, that this subdivision shall PERMIT  
21 RECOVERY OF ONLY ONE HOUSING ACCOMMODATION AND SHALL not apply where a  
22 member of the household lawfully occupying the housing accommodation is  
23 sixty-two years of age or older, has been a tenant in a housing accommo-  
24 dation in that building for twenty years or more, or has an impairment  
25 which results from anatomical, physiological or psychological condi-  
26 tions, other than addiction to alcohol, gambling, or any controlled  
27 substance, which are demonstrable by medically acceptable clinical and

laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment; or

S 2. Subparagraph (b) of paragraph 9 of subdivision c of section 26-511 of the administrative code of the city of New York is amended to read as follows:

(b) where he or she seeks to recover possession of one [or more] dwelling [units] UNIT BECAUSE OF IMMEDIATE AND COMPELLING NECESSITY for his or her own personal use and occupancy as his or her primary residence [in the city of New York and/or] OR for the use and occupancy of a member of his or her immediate family as his or her primary residence [in the city of New York], provided however, that this subparagraph shall PERMIT RECOVERY OF ONLY ONE DWELLING UNIT AND SHALL not apply where a tenant or the spouse of a tenant lawfully occupying the dwelling unit is sixty-two years of age or older, HAS BEEN A TENANT IN A DWELLING UNIT IN THAT BUILDING FOR TWENTY YEARS OR MORE, or has an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment, unless such owner offers to provide and if requested, provides an equivalent or superior housing accommodation at the same or lower stabilized rent in a closely proximate area. The provisions of this subparagraph shall only permit one of the individual owners of any building to recover possession of one [or more] dwelling [units] UNIT for his or her own personal use and/or for that of his or her immediate family. [Any] A dwelling unit recovered by an owner pursuant to this subparagraph shall not for a period of three years be rented, leased, subleased or assigned to any person other than a person for whose benefit recovery of the dwelling unit is permitted pursuant to this subparagraph or to the tenant in occupancy at the time of recovery under the same terms as the original lease. This subparagraph shall not be deemed to establish or eliminate any claim that the former tenant of the dwelling unit may otherwise have against the owner. Any such rental, lease, sublease or assignment during such period to any other person may be subject to a penalty of a forfeiture of the right to any increases in residential rents in such building for a period of three years; or

S 3. Subdivision a of section 10 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by chapter 234 of the laws of 1984, is amended to read as follows:

a. For cities having a population of less than one million and towns and villages, the state division of housing and community renewal shall be empowered to implement this act by appropriate regulations. Such regulations may encompass such speculative or manipulative practices or renting or leasing practices as the state division of housing and community renewal determines constitute or are likely to cause circumvention of this act. Such regulations shall prohibit practices which are likely to prevent any person from asserting any right or remedy granted by this act, including but not limited to retaliatory termination of periodic tenancies and shall require owners to grant a new one or two year vacancy or renewal lease at the option of the tenant, except where a mortgage or mortgage commitment existing as of the local effective date of this act provides that the owner shall not grant a one-year lease; and shall prescribe standards with respect to the terms and conditions of new and

1 renewal leases, additional rent and such related matters as security  
2 deposits, advance rental payments, the use of escalator clauses in leas-  
3 es and provision for increase in rentals for garages and other ancillary  
4 facilities, so as to insure that the level of rent adjustments author-  
5 ized under this law will not be subverted and made ineffective. Any  
6 provision of the regulations permitting an owner to refuse to renew a  
7 lease on grounds that the owner seeks to recover possession of [the] A  
8 housing accommodation for his OR HER own use and occupancy or for the  
9 use and occupancy of his OR HER immediate family shall PERMIT RECOVERY  
10 OF ONLY ONE HOUSING ACCOMMODATION, SHALL require that an owner demon-  
11 strate immediate and compelling need AND THAT THE HOUSING ACCOMMODATION  
12 WILL BE THE PROPOSED OCCUPANTS' PRIMARY RESIDENCE and shall not apply  
13 where a member of the housing accommodation is sixty-two years of age or  
14 older, has been a tenant in a housing accommodation in that building for  
15 twenty years or more, or has an impairment which results from anatom-  
16 ical, physiological or psychological conditions, other than addiction to  
17 alcohol, gambling, or any controlled substance, which are demonstrable  
18 by medically acceptable clinical and laboratory diagnostic techniques,  
19 and which are expected to be permanent and which prevent the tenant from  
20 engaging in any substantial gainful employment.

21 S 4. Paragraph (a) of subdivision 2 of section 5 of chapter 274 of the  
22 laws of 1946, constituting the emergency housing rent control law, as  
23 amended by chapter 234 of the laws of 1984, is amended to read as  
24 follows:

25 (a) the landlord seeks in good faith to recover possession of A hous-  
26 ing [accommodations] ACCOMMODATION because of immediate and compelling  
27 necessity for his OR HER own personal use and occupancy AS HIS OR HER  
28 PRIMARY RESIDENCE or for the use and occupancy of his OR HER immediate  
29 family AS THEIR PRIMARY RESIDENCE; provided, however, this subdivision  
30 shall PERMIT RECOVERY OF ONLY ONE HOUSING ACCOMMODATION AND SHALL not  
31 apply where a member of the household lawfully occupying the housing  
32 accommodation is sixty-two years of age or older, has been a tenant in a  
33 housing accommodation in that building for twenty years or more, or has  
34 an impairment which results from anatomical, physiological or psycholog-  
35 ical conditions, other than addiction to alcohol, gambling, or any  
36 controlled substance, which are demonstrable by medically acceptable  
37 clinical and laboratory diagnostic techniques, and which are expected to  
38 be permanent and which prevent the tenant from engaging in any substan-  
39 tial gainful employment; or

40 S 5. This act shall take effect immediately and shall apply to any  
41 tenant in possession at or after the time it takes effect, regardless of  
42 whether the landlord's application for an order, refusal to renew a  
43 lease or refusal to extend or renew a tenancy took place before this act  
44 shall have taken effect, provided that:

45 a. the amendments to section 26-408 of the city rent and rehabili-  
46 tation law made by section one of this act shall remain in full force  
47 and effect only as long as the public emergency requiring the regulation  
48 and control of residential rents and evictions continues, as provided in  
49 subdivision 3 of section 1 of the local emergency housing rent control  
50 act;

51 b. the amendments to section 26-511 of the rent stabilization law of  
52 nineteen hundred sixty-nine made by section two of this act shall expire  
53 on the same date as such law expires and shall not affect the expiration  
54 of such law as provided under section 26-520 of such law;

55 c. the amendments to subdivision a of section 10 of section 4 of the  
56 emergency tenant protection act of nineteen seventy-four made by section

three of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974; and

d. the amendments to paragraph (a) of subdivision 2 of section 5 of the emergency housing rent control law made by section four of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided in subdivision 2 of section 1 of chapter 274 of the laws of 1946.

## PART B

Section 1. Paragraph 5-a of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 7 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(5-a) provides that, notwithstanding any provision of this chapter, the legal regulated rent for any vacancy lease entered into after the effective date of this paragraph shall be as hereinafter provided in this paragraph. The previous legal regulated rent for such housing accommodation shall be increased by the following: (i) if the vacancy lease is for a term of two years, [twenty] TEN percent of the previous legal regulated rent; or (ii) if the vacancy lease is for a term of one year the increase shall be [twenty] TEN percent of the previous legal regulated rent less an amount equal to the difference between (a) the two year renewal lease guideline promulgated by the guidelines board of the city of New York applied to the previous legal regulated rent and (b) the one year renewal lease guideline promulgated by the guidelines board of the city of New York applied to the previous legal regulated rent. In addition, if the legal regulated rent was not increased with respect to such housing accommodation by a permanent vacancy allowance within eight years prior to a vacancy lease executed on or after the effective date of this paragraph, the legal regulated rent may be further increased by an amount equal to the product resulting from multiplying such previous legal regulated rent by six-tenths of one percent and further multiplying the amount of rent increase resulting therefrom by the greater of (A) the number of years since the imposition of the last permanent vacancy allowance, or (B) if the rent was not increased by a permanent vacancy allowance since the housing accommodation became subject to this chapter, the number of years that such housing accommodation has been subject to this chapter. Provided that if the previous legal regulated rent was less than three hundred dollars the total increase shall be as calculated above plus one hundred dollars per month. Provided, further, that if the previous legal regulated rent was at least three hundred dollars and no more than five hundred dollars in no event shall the total increase pursuant to this paragraph be less than one hundred dollars per month. Such increase shall be in lieu of any allowance authorized for the one or two year renewal component thereof, but shall be in addition to any other increases authorized pursuant to this chapter including an adjustment based upon a major capital improvement, or a substantial modification or increase of dwelling space or services, or installation of new equipment or improvements or new furniture or furnishings provided in or to the housing accommodation pursuant to this section. The increase authorized in this paragraph may not be implemented more than one time in any calendar year, notwithstanding the number of vacancy leases entered into in such year.

S 2. Subdivision (a-1) of section 10 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of

1974, as amended by section 8 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(a-1) provides that, notwithstanding any provision of this act, the legal regulated rent for any vacancy lease entered into after the effective date of this subdivision shall be as hereinafter set forth. The previous legal regulated rent for such housing accommodation shall be increased by the following: (i) if the vacancy lease is for a term of two years, [twenty] TEN percent of the previous legal regulated rent; or (ii) if the vacancy lease is for a term of one year the increase shall be [twenty] TEN percent of the previous legal regulated rent less an amount equal to the difference between (a) the two year renewal lease guideline promulgated by the guidelines board of the county in which the housing accommodation is located applied to the previous legal regulated rent and (b) the one year renewal lease guideline promulgated by the guidelines board of the county in which the housing accommodation is located applied to the previous legal regulated rent. In addition, if the legal regulated rent was not increased with respect to such housing accommodation by a permanent vacancy allowance within eight years prior to a vacancy lease executed on or after the effective date of this subdivision, the legal regulated rent may be further increased by an amount equal to the product resulting from multiplying such previous legal regulated rent by six-tenths of one percent and further multiplying the amount of rent increase resulting therefrom by the greater of (A) the number of years since the imposition of the last permanent vacancy allowance, or (B) if the rent was not increased by a permanent vacancy allowance since the housing accommodation became subject to this act, the number of years that such housing accommodation has been subject to this act. Provided that if the previous legal regulated rent was less than three hundred dollars the total increase shall be as calculated above plus one hundred dollars per month. Provided, further, that if the previous legal regulated rent was at least three hundred dollars and no more than five hundred dollars in no event shall the total increase pursuant to this subdivision be less than one hundred dollars per month. Such increase shall be in lieu of any allowance authorized for the one or two year renewal component thereof, but shall be in addition to any other increases authorized pursuant to this act including an adjustment based upon a major capital improvement, or a substantial modification or increase of dwelling space or services, or installation of new equipment or improvements or new furniture or furnishings provided in or to the housing accommodation pursuant to section six of this act. The increase authorized in this subdivision may not be implemented more than one time in any calendar year, notwithstanding the number of vacancy leases entered into in such year.

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

a. the amendments to section 26-511 of the rent stabilization law of nineteen hundred sixty-nine made by section one of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law; and

b. the amendments to section 4 of the emergency tenant protection act of nineteen seventy-four made by section two of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974.

1 Section 1. Subdivision a of section 26-504 of the administrative code  
2 of the city of New York, subparagraph (f) of paragraph 1 as amended by  
3 chapter 422 of the laws of 2010, is amended to read as follows:

4 a. Class A multiple dwellings not owned as a cooperative or as a  
5 condominium, except as provided in section three hundred fifty-two-eeee  
6 of the general business law, containing six or more dwelling units  
7 which: (1) were completed after February first, nineteen hundred  
8 forty-seven, except dwelling units (a) owned or leased by, or financed  
9 by loans from, a public agency or public benefit corporation, (b)  
10 subject to rent regulation under the private housing finance law or any  
11 other state law, (c) aided by government insurance under any provision  
12 of the national housing act, to the extent this chapter or any regu-  
13 lation or order issued thereunder is inconsistent therewith, or (d)  
14 located in a building for which a certificate of occupancy is obtained  
15 after March tenth, nineteen hundred sixty-nine[;], or (e) any class A  
16 multiple dwelling which on June first, nineteen hundred sixty-eight was  
17 and still is commonly regarded as a hotel, transient hotel or residen-  
18 tial hotel, and which customarily provides hotel service such as maid  
19 service, furnishing and laundering of linen, telephone and bell boy  
20 service, secretarial or desk service and use and upkeep of furniture and  
21 fixtures, or (f) not occupied by the tenant, not including subtenants or  
22 occupants, as his or her primary residence, as determined by a court of  
23 competent jurisdiction, provided, however that no action or proceeding  
24 shall be commenced seeking to recover possession on the ground that a  
25 housing accommodation is not occupied by the tenant as his or her prima-  
26 ry residence unless the owner or lessor shall have given thirty days  
27 notice to the tenant of his or her intention to commence such action or  
28 proceeding on such grounds. For the purposes of determining primary  
29 residency, a tenant who is a victim of domestic violence, as defined in  
30 section four hundred fifty-nine-a of the social services law, who has  
31 left the unit because of such violence, and who asserts an intent to  
32 return to the housing accommodation shall be deemed to be occupying the  
33 unit as his or her primary residence. For the purposes of this subpara-  
34 graph where a housing accommodation is rented to a not-for-profit hospi-  
35 tal for residential use, affiliated subtenants authorized to use such  
36 accommodations by such hospital shall be deemed to be tenants, or (g)  
37 became vacant on or after June thirtieth, nineteen hundred seventy-one,  
38 or become vacant, provided however, that this exemption shall not apply  
39 or become effective with respect to housing accommodations which the  
40 commissioner determines or finds became vacant because the landlord or  
41 any person acting on his or her behalf, with intent to cause the tenant  
42 to vacate, engaged in any course of conduct (including but not limited  
43 to, interruption or discontinuance of essential services) which inter-  
44 fered with or disturbed or was intended to interfere with or disturb the  
45 comfort, repose, peace or quiet of the tenant in his or her use or occu-  
46 pancy of the housing accommodations and provided further that any hous-  
47 ing accommodations exempted by this paragraph shall be subject to this  
48 law to the extent provided in subdivision b of this section; or (2) were  
49 decontrolled by the city rent agency pursuant to section 26-414 of this  
50 title; or (3) are exempt from control by virtue of item one, two, six or  
51 seven of subparagraph (i) of paragraph two of subdivision e of section  
52 26-403 of this title; OR (4) WERE COVERED BY A PROJECT BASED ASSISTANCE  
53 CONTRACT PURSUANT TO SECTION EIGHT OF THE UNITED STATES HOUSING ACT OF  
54 1937 WHICH CONTRACT IS NO LONGER IN EFFECT, NOTWITHSTANDING THE  
55 PROVISIONS OF SUBPARAGRAPH (D) OR (G) OF PARAGRAPH ONE OF THIS SUBDIVI-  
56 SION OR PARAGRAPH FIVE OF SUBDIVISION A OF SECTION FIVE OF SECTION FOUR

1 OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR PROVIDED  
2 HOWEVER, THAT ANY DWELLING UNIT WHICH BECOMES SUBJECT TO THIS LAW PURSU-  
3 ANT TO THIS PARAGRAPH SHALL NOT BE SUBJECT TO THE PROVISIONS OF SUBDIVI-  
4 SION A OF SECTION 26-513 OF THIS CHAPTER; and

5 S 2. Section 5 of section 4 of chapter 576 of the laws of 1974 consti-  
6 tuting the emergency tenant protection act of nineteen seventy-four is  
7 amended by adding a new subdivision c to read as follows:

8 C. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH FIVE OF SUBDIVISION A  
9 OF THIS SECTION BUT SUBJECT TO ANY OTHER APPLICABLE EXCEPTIONS IN SUCH  
10 SUBDIVISION, NOTHING SHALL PREVENT THE DECLARATION OF AN EMERGENCY  
11 PURSUANT TO SECTION THREE OF SECTION FOUR OF THIS ACT FOR RENTAL HOUSING  
12 ACCOMMODATIONS LOCATED IN A BUILDING WHICH WAS COVERED BY A PROJECT  
13 BASED ASSISTANCE CONTRACT PURSUANT TO SECTION EIGHT OF THE UNITED STATES  
14 HOUSING ACT OF 1937 WHICH CONTRACT IS NO LONGER IN EFFECT PROVIDED  
15 HOWEVER, THAT ANY HOUSING ACCOMMODATION WHICH BECOMES SUBJECT TO THIS  
16 ACT PURSUANT TO THIS SUBDIVISION SHALL NOT BE SUBJECT TO THE PROVISIONS  
17 OF SUBDIVISION A OF SECTION NINE OF SECTION FOUR OF THIS ACT.

18 S 3. This act shall take effect immediately and shall apply to all  
19 buildings which are covered by a project based assistance contract  
20 pursuant to section eight of the United States housing act of 1937 which  
21 contract ceased to be effective on or after such date; provided, howev-  
22 er, that

23 a. the amendment to subdivision a of section 26-504 of the administra-  
24 tive code of the city of New York made by section one of this act shall  
25 not affect the expiration of such section pursuant to section 26-520 of  
26 such code and shall expire therewith; and

27 b. the amendment to section 5 of the emergency tenant protection act  
28 of nineteen seventy-four made by section two of this act shall not  
29 affect the expiration of such act as provided in section 17 of chapter  
30 576 of the laws of 1974, as amended, and shall expire therewith.

31 PART D

32 Section 1. Subdivision 5 of section 1 of chapter 21 of the laws of  
33 1962, constituting the local emergency housing rent control act, as  
34 amended by chapter 82 of the laws of 2003 and the closing paragraph as  
35 amended by chapter 422 of the laws of 2010, is amended to read as  
36 follows:

37 5. Authority for local rent control legislation. Each city having a  
38 population of one million or more, acting through its local legislative  
39 body, may adopt and amend local laws or ordinances in respect of the  
40 establishment or designation of a city housing rent agency. When it  
41 deems such action to be desirable or necessitated by local conditions in  
42 order to carry out the purposes of this section, such city, except as  
43 hereinafter provided, acting through its local legislative body and not  
44 otherwise, may adopt and amend local laws or ordinances in respect of  
45 the regulation and control of residential rents, including but not  
46 limited to provision for the establishment and adjustment of maximum  
47 rents, the classification of housing accommodations, the regulation of  
48 evictions, and the enforcement of such local laws or ordinances. The  
49 validity of any such local laws or ordinances, and the rules or regu-  
50 lations promulgated in accordance therewith, shall not be affected by  
51 and need not be consistent with the state emergency housing rent control  
52 law or with rules and regulations of the state division of housing and  
53 community renewal.



1 Notwithstanding any local law or ordinance, housing accommodations  
2 which became vacant on or after July first, nineteen hundred seventy-one  
3 or which hereafter become vacant shall be subject to the provisions of  
4 the emergency tenant protection act of nineteen seventy-four, provided,  
5 however, that this provision shall not apply or become effective with  
6 respect to housing accommodations which, by local law or ordinance, are  
7 made directly subject to regulation and control by a city housing rent  
8 agency and such agency determines or finds that the housing accommo-  
9 dations became vacant because the landlord or any person acting on his  
10 behalf, with intent to cause the tenant to vacate, engaged in any course  
11 of conduct (including but not limited to, interruption or discontinuance  
12 of essential services) which interfered with or disturbed or was  
13 intended to interfere with or disturb the comfort, repose, peace or  
14 quiet of the tenant in his use or occupancy of the housing accommo-  
15 dations. The removal of any housing accommodation from regulation and  
16 control of rents pursuant to the vacancy exemption provided for in this  
17 paragraph shall not constitute or operate as a ground for the subjection  
18 to more stringent regulation and control of any housing accommodation in  
19 such property or in any other property owned by the same landlord,  
20 notwithstanding any prior agreement to the contrary by the landlord. The  
21 vacancy exemption provided for in this paragraph shall not arise with  
22 respect to any rented plot or parcel of land otherwise subject to the  
23 provisions of this act, by reason of a transfer of title and possession  
24 occurring on or after July first, nineteen hundred seventy-one of a  
25 dwelling located on such plot or parcel and owned by the tenant where  
26 such transfer of title and possession is made to a member of the  
27 tenant's immediate family provided that the member of the tenant's imme-  
28 diate family occupies the dwelling with the tenant prior to the transfer  
29 of title and possession for a continuous period of two years.

30 The term "immediate family" shall include a husband, wife, son, daugh-  
31 ter, stepson, stepdaughter, father, mother, father-in-law or mother-in-  
32 law.

33 [Notwithstanding the foregoing, no local law or ordinance shall here-  
34 after provide for the regulation and control of residential rents and  
35 eviction in respect of any housing accommodations which are (1) present-  
36 ly exempt from such regulation and control or (2) hereafter decontrolled  
37 either by operation of law or by a city housing rent agency, by order or  
38 otherwise. No housing accommodations presently subject to regulation and  
39 control pursuant to local laws or ordinances adopted or amended under  
40 authority of this subdivision shall hereafter be by local law or ordi-  
41 nance or by rule or regulation which has not been theretofore approved  
42 by the state commissioner of housing and community renewal subjected to  
43 more stringent or restrictive provisions of regulation and control than  
44 those presently in effect.

45 Notwithstanding any other provision of law, on and after the effective  
46 date of this paragraph, a city having a population of one million or  
47 more shall not, either through its local legislative body or otherwise,  
48 adopt or amend local laws or ordinances with respect to the regulation  
49 and control of residential rents and eviction, including but not limited  
50 to provision for the establishment and adjustment of rents, the classi-  
51 fication of housing accommodations, the regulation of evictions, and the  
52 enforcement of such local laws or ordinances, or otherwise adopt laws or  
53 ordinances pursuant to the provisions of this act, the emergency tenant  
54 protection act of nineteen seventy-four, the New York city rent and  
55 rehabilitation law or the New York city rent stabilization law, except  
56 to the extent that such city for the purpose of reviewing the continued

1 need for the existing regulation and control of residential rents or to  
2 remove a classification of housing accommodation from such regulation  
3 and control adopts or amends local laws or ordinances pursuant to subdi-  
4 vision three of section one of this act, section three of the emergency  
5 tenant protection act of nineteen seventy-four, section 26-415 of the  
6 New York city rent and rehabilitation law, and sections 26-502 and  
7 26-520 of the New York city rent stabilization law of nineteen hundred  
8 sixty-nine.]

9 Notwithstanding any provision of this act to the contrary, any local  
10 law adopted pursuant to this act shall provide that notwithstanding any  
11 provision of such local law in the case where all tenants occupying the  
12 housing accommodation on the effective date of this paragraph have  
13 vacated the housing accommodation and a family member of such vacating  
14 tenant or tenants is entitled to and continues to occupy the housing  
15 accommodation subject to the protections of such act, if such accommo-  
16 dation continues to be subject to such act after such family member  
17 vacates, on the occurrence of such vacancy the maximum collectable rent  
18 shall be increased by a sum equal to the allowance then in effect for  
19 vacancy leases for housing accommodations covered by the rent stabiliza-  
20 tion law of nineteen hundred sixty-nine, including the amount allowed by  
21 paragraph (5-a) of subdivision c of section 26-511 of such law. This  
22 increase shall be in addition to any other increases provided for in  
23 this act and shall be applicable in like manner to each second subse-  
24 quent succession.

25 Notwithstanding the foregoing, no local law or ordinance shall subject  
26 to such regulation and control any housing accommodation which is not  
27 occupied by the tenant in possession as his or her primary residence;  
28 provided, however, that such housing accommodation not occupied by the  
29 tenant in possession as his or her primary residence shall continue to  
30 be subject to regulation and control as provided for herein unless the  
31 city housing rent agency issues an order decontrolling such accommo-  
32 dation, which the agency shall do upon application by the landlord when-  
33 ever it is established by any facts and circumstances which, in the  
34 judgment of the agency, may have a bearing upon the question of resi-  
35 dence, that the tenant maintains his or her primary residence at some  
36 place other than at such housing accommodation. For the purposes of  
37 determining primary residency, a tenant who is a victim of domestic  
38 violence, as defined in section four hundred fifty-nine-a of the social  
39 services law, who has left the unit because of such violence, and who  
40 asserts an intent to return to the housing accommodation shall be deemed  
41 to be occupying the unit as his or her primary residence.

42 S 2. This act shall take effect immediately; provided, however, that  
43 a. the amendments to subdivision 5 of section 1 of chapter 21 of the  
44 laws of 1962 made by section one of this act shall remain in full force  
45 and effect only so long as the public emergency requiring the regulation  
46 and control of residential rents and evictions continues, as provided in  
47 subdivision 3 of section 1 of the local emergency housing rent control  
48 act; and

49 b. the amendment to the second undesignated paragraph of subdivision 5  
50 of section 1 of chapter 21 of the laws of 1962 made by section one of  
51 this act shall not affect the expiration of such paragraph and shall be  
52 deemed to expire therewith.

1 Section 1. Section 17 of chapter 576 of the laws of 1974 amending the  
2 emergency housing rent control law relating to the control of and  
3 stabilization of rent in certain cases, as amended by section 1-a of  
4 part B of chapter 97 of the laws of 2011, is amended to read as follows:

5 S 17. Effective date. This act shall take effect immediately and  
6 shall remain in full force and effect until and including the fifteenth  
7 day of June [2015] 2022; except that sections two and three shall take  
8 effect with respect to any city having a population of one million or  
9 more and section one shall take effect with respect to any other city,  
10 or any town or village whenever the local legislative body of a city,  
11 town or village determines the existence of a public emergency pursuant  
12 to section three of the emergency tenant protection act of nineteen  
13 seventy-four, as enacted by section four of this act, and provided that  
14 the housing accommodations subject on the effective date of this act to  
15 stabilization pursuant to the New York city rent stabilization law of  
16 nineteen hundred sixty-nine shall remain subject to such law upon the  
17 expiration of this act.

18 S 2. Subdivision 2 of section 1 of chapter 274 of the laws of 1946  
19 constituting the emergency housing rent control law, as amended by  
20 section 2 of part B of chapter 97 of the laws of 2011, is amended to  
21 read as follows:

22 2. The provisions of this act, and all regulations, orders and  
23 requirements thereunder shall remain in full force and effect until and  
24 including June 15, [2015] 2022.

25 S 3. Section 2 of chapter 329 of the laws of 1963 amending the emer-  
26 gency housing rent control law relating to recontrol of rents in Albany,  
27 as amended by section 3 of part B of chapter 97 of the laws of 2011, is  
28 amended to read as follows:

29 S 2. This act shall take effect immediately and the provisions of  
30 subdivision 6 of section 12 of the emergency housing rent control law,  
31 as added by this act, shall remain in full force and effect until and  
32 including June 15, [2015] 2022.

33 S 4. Section 10 of chapter 555 of the laws of 1982 amending the gener-  
34 al business law and the administrative code of the city of New York  
35 relating to conversion of residential property to cooperative or condo-  
36 minium ownership in the city of New York, as amended by section 4 of  
37 part B of chapter 97 of the laws of 2011, is amended to read as follows:

38 S 10. This act shall take effect immediately; provided, that the  
39 provisions of sections one, two and nine of this act shall remain in  
40 full force and effect only until and including June 15, [2015] 2022;  
41 provided further that the provisions of section three of this act shall  
42 remain in full force and effect only so long as the public emergency  
43 requiring the regulation and control of residential rents and evictions  
44 continues as provided in subdivision 3 of section 1 of the local emer-  
45 gency housing rent control act; provided further that the provisions of  
46 sections four, five, six and seven of this act shall expire in accord-  
47 ance with the provisions of section 26-520 of the administrative code of  
48 the city of New York as such section of the administrative code is, from  
49 time to time, amended; provided further that the provisions of section  
50 26-511 of the administrative code of the city of New York, as amended by  
51 this act, which the New York City Department of Housing Preservation and  
52 Development must find are contained in the code of the real estate  
53 industry stabilization association of such city in order to approve it,  
54 shall be deemed contained therein as of the effective date of this act;  
55 and provided further that any plan accepted for filing by the department  
56 of law on or before the effective date of this act shall continue to be

governed by the provisions of section 352-eeee of the general business law as they had existed immediately prior to the effective date of this act.

S 5. Section 4 of chapter 402 of the laws of 1983 amending the general business law relating to conversion of rental residential property to cooperative or condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland, as amended by section 5 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

S 4. This act shall take effect immediately; provided, that the provisions of sections one and three of this act shall remain in full force and effect only until and including June 15, [2015] 2022; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section 352-eee of the general business law as they had existed immediately prior to the effective date of this act.

S 6. Subdivision 6 of section 46 of chapter 116 of the laws of 1997 constituting the rent regulation reform act of 1997, as amended by section 6 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

6. sections twenty-eight, twenty-eight-a, twenty-eight-b and twenty-eight-c of this act shall expire and be deemed repealed after June 15, [2015] 2022;

S 7. This act shall take effect immediately.

#### PART F

Section 1. Subparagraph (e) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York, as amended by section 15 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(e) The landlord and tenant by mutual voluntary written agreement agree to a substantial increase or decrease in dwelling space or a change in the services, furniture, furnishings or equipment provided in the housing accommodations. An adjustment under this subparagraph shall be equal to [one-fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one-sixtieth, in the case of a building with more than thirty-five housing accommodations where such adjustment takes effect on or after September twenty-fourth, two thousand eleven,] ONE-SIXTIETH of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges, provided further that an owner who is entitled to a rent increase pursuant to this subparagraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings. The owner shall give written notice to the city rent agency of any such adjustment pursuant to this subparagraph; or

S 2. Paragraph 13 of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 16 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(13) provides that an owner is entitled to a rent increase where there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment or improvements or new furniture or furnishings provided in or to a tenant's hous-

1 ing accommodation, on written tenant consent to the rent increase. In  
2 the case of a vacant housing accommodation, tenant consent shall not be  
3 required.

4 (A) The permanent increase in the legal regulated rent for the  
5 affected housing accommodation shall be [one-fortieth, in the case of a  
6 building with thirty-five or fewer housing accommodations, or one-sixti-  
7 eth, in the case of a building with more than thirty-five housing accom-  
8 modations where such permanent increase takes effect on or after Septem-  
9 ber twenty-fourth, two thousand eleven,] ONE-SIXTIETH of the total cost  
10 incurred by the landlord in providing such modification or increase in  
11 dwelling space, services, furniture, furnishings or equipment, including  
12 the cost of installation, but excluding finance charges. [Provided  
13 further that an]

14 (B) AN owner who is entitled to a rent increase pursuant to this para-  
15 graph shall not be entitled to a further rent increase based upon the  
16 installation of similar equipment, or new furniture or furnishings with-  
17 in the useful life of such new equipment, or new furniture or  
18 furnishings.

19 (C) NO INCREASE SHALL BE COLLECTIBLE UNDER THIS PARAGRAPH UNTIL THE  
20 LANDLORD HAS PROVIDED THE TENANT WITH A RIDER PURSUANT TO SUBDIVISION D  
21 OF THIS SECTION, INCLUDING AN EXPLANATION OF HOW THE RENT IN THE VACANCY  
22 LEASE HAS BEEN COMPUTED, AND THE SPECIFIC AMOUNTS OF ALL EXPENDITURES  
23 SUPPORTING A RENT INCREASE UNDER THIS PARAGRAPH.

24 (D) NO INCREASE SHALL BE COLLECTIBLE UNDER THIS PARAGRAPH WHERE THE  
25 DIVISION OF HOUSING AND COMMUNITY RENEWAL HAS DETERMINED THAT THE OWNER  
26 IS NOT MAINTAINING ALL BUILDING-WIDE REQUIRED SERVICES OR ALL REQUIRED  
27 SERVICES WITH RESPECT TO THE AFFECTED HOUSING ACCOMMODATION, OR WHERE  
28 THERE ARE CURRENT HAZARDOUS VIOLATIONS OF ANY MUNICIPAL, COUNTY, STATE  
29 OR FEDERAL LAW WHICH RELATE TO THE MAINTENANCE OF SUCH SERVICES.

30 (E) WITHIN THIRTY DAYS OF THE SIGNING OF A VACANCY LEASE INCLUDING A  
31 RENT INCREASE PURSUANT TO THIS PARAGRAPH THAT EXCEEDS TEN PERCENT OF THE  
32 RENT CHARGED TO THE PREVIOUS TENANT, THE OWNER WILL FILE WITH THE DIVI-  
33 SION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE VACANCY  
34 RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION  
35 OF SUCH INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS,  
36 INVOICES AND SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS  
37 ALLEGED, AND CONTRACTOR'S AFFIDAVITS INDICATING THAT THE INSTALLATION  
38 WAS COMPLETED AND PAID IN FULL. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED  
39 BY THE OWNER, AND AFTER GIVING THE TENANT NAMED IN SUCH VACANCY LEASE AN  
40 OPPORTUNITY TO RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL  
41 SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR  
42 IN PART. BASED UPON SUCH DETERMINATION, THE DIVISION OF HOUSING AND  
43 COMMUNITY RENEWAL SHALL ORDER A REFUND TO THE TENANT EQUAL TO THE AMOUNT  
44 COLLECTED IN EXCESS OF THE LEGAL REGULATED RENT APPROVED BY THE DIVISION  
45 OF HOUSING AND COMMUNITY RENEWAL.

46 (F) IF THE OWNER FAILS TO ESTABLISH BY A PREPONDERANCE OF THE EVIDENCE  
47 THAT THE OVERCHARGE WAS NOT WILLFUL, THE DIVISION OF HOUSING AND COMMU-  
48 NITY RENEWAL SHALL ORDER THE OWNER TO PAY TO THE TENANT AN ADDITIONAL  
49 AMOUNT EQUAL TO THREE TIMES THE EXCESS CHARGED.

50 (G) THE NEXT ANNUAL REGISTRATION STATEMENT FILED FOR ANY HOUSING  
51 ACCOMMODATION SUBJECT TO AN INCREASE UNDER THIS PARAGRAPH, WHETHER OR  
52 NOT SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (E) OF THIS PARAGRAPH  
53 SHALL CONTAIN A DETAILED BREAKDOWN OF THE COSTS OF ALL IMPROVEMENTS  
54 UNDERLYING SUCH INCREASE.

1 S 3. Paragraph 2 of subdivision d of section 26-511 of the administra-  
2 tive code of the city of New York is renumbered paragraph 3 and a new  
3 paragraph 2 is added to read as follows:

4 (2) FOR VACANCY LEASES, SUCH RIDER SHALL ALSO INCLUDE A NOTICE OF THE  
5 PRIOR LEGAL RENT, IF ANY, THAT WAS IN EFFECT IMMEDIATELY PRIOR TO THE  
6 VACANCY, AN EXPLANATION OF HOW THE RENTAL AMOUNT HAS BEEN COMPUTED,  
7 INCLUDING A DETAILED BREAKDOWN OF THE NATURE AND COST OF ANY IMPROVE-  
8 MENTS UNDERLYING AN INCREASE UNDER PARAGRAPH THIRTEEN OF SUBDIVISION C  
9 OF THIS SECTION, AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS  
10 RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW.

11 S 4. Paragraph 1 of subdivision d of section 6 of section 4 of chapter  
12 576 of the laws of 1974, constituting the emergency tenant protection  
13 act of nineteen seventy-four, as amended by section 18 of part B of  
14 chapter 97 of the laws of 2011, is amended to read as follows:

15 (1) there has been a substantial modification or increase of dwelling  
16 space or an increase in the services, or installation of new equipment  
17 or improvements or new furniture or furnishings, provided in or to a  
18 tenant's housing accommodation, on written tenant consent to the rent  
19 increase. In the case of a vacant housing accommodation, tenant consent  
20 shall not be required.

21 (A) The permanent increase in the legal regulated rent for the  
22 affected housing accommodation shall be [one-fortieth] ONE-SIXTIETH, in  
23 the case of a building with thirty-five or fewer housing accommodations,  
24 or one-sixtieth, in the case of a building with more than thirty-five  
25 housing accommodations where such permanent increase takes effect on or  
26 after September twenty-fourth, two thousand eleven, of the total cost  
27 incurred by the landlord in providing such modification or increase in  
28 dwelling space, services, furniture, furnishings or equipment, including  
29 the cost of installation, but excluding finance charges. [Provided  
30 further that an]

31 (B) AN owner who is entitled to a rent increase pursuant to this para-  
32 graph shall not be entitled to a further rent increase based upon the  
33 installation of similar equipment, or new furniture or furnishings with-  
34 in the useful life of such new equipment, or new furniture or  
35 furnishings.

36 (C) THE OWNER SHALL GIVE WRITTEN NOTICE TO THE DIVISION OF HOUSING AND  
37 COMMUNITY RENEWAL AND THE TENANT NAMED IN A VACANCY LEASE ON FORMS  
38 PRESCRIBED BY THE DIVISION OF ANY SUCH ADJUSTMENT PURSUANT TO THIS PARA-  
39 GRAPH AND THE FAILURE TO PROVIDE SUCH WRITTEN NOTICE AS PROVIDED HEREIN  
40 SHALL PRECLUDE THE COLLECTION OF ANY SUCH ADJUSTMENT. SUCH NOTICE MUST  
41 INCLUDE A DETAILED BREAKDOWN OF THE NATURE AND COST OF ANY IMPROVEMENTS  
42 UNDERLYING AN INCREASE IN RENT UNDER THIS PARAGRAPH AND A STATEMENT THAT  
43 ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS  
44 PERMITTED BY LAW.

45 (D) NO INCREASE SHALL BE COLLECTIBLE UNDER THIS PARAGRAPH WHERE THE  
46 DIVISION OF HOUSING AND COMMUNITY RENEWAL HAS DETERMINED THAT THE OWNER  
47 IS NOT MAINTAINING ALL BUILDING-WIDE REQUIRED SERVICES OR ALL REQUIRED  
48 SERVICES WITH RESPECT TO THE AFFECTED HOUSING ACCOMMODATION, OR WHERE  
49 THERE ARE CURRENT HAZARDOUS VIOLATIONS OF ANY MUNICIPAL, COUNTY, STATE  
50 OR FEDERAL LAW WHICH RELATE TO THE MAINTENANCE OF SUCH SERVICES.

51 (E) WITHIN THIRTY DAYS OF THE SIGNING OF A VACANCY LEASE INCLUDING A  
52 RENT INCREASE PURSUANT TO THIS PARAGRAPH THAT EXCEEDS TEN PERCENT OF THE  
53 RENT CHARGED TO THE PREVIOUS TENANT, THE OWNER WILL FILE WITH THE DIVI-  
54 SION AN EXPLANATION OF HOW THE VACANCY RENT WAS COMPUTED, AND ALL DOCU-  
55 MENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING  
56 BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS

1 CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED, AND CONTRACTOR'S AFFI-  
2 DAVITS INDICATING THAT THE INSTALLATION WAS COMPLETED AND PAID IN FULL.  
3 UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE OWNER AND AFTER GIVING  
4 THE TENANT NAMED IN THE VACANCY LEASE AN OPPORTUNITY TO RESPOND, THE  
5 DIVISION SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN  
6 WHOLE OR IN PART. BASED UPON SUCH DETERMINATION, THE DIVISION SHALL  
7 ORDER A REFUND TO THE TENANT EQUAL TO THE AMOUNT COLLECTED IN EXCESS OF  
8 THE LEGAL REGULATED RENT APPROVED BY THE DIVISION.

9 (F) IF THE OWNER FAILS TO ESTABLISH BY A PREPONDERANCE OF THE EVIDENCE  
10 THAT THE OVERCHARGE WAS NOT WILLFUL, THE DIVISION SHALL ORDER THE OWNER  
11 TO PAY TO THE TENANT AN ADDITIONAL AMOUNT EQUAL TO THREE TIMES THE  
12 EXCESS CHARGED.

13 (G) THE NEXT ANNUAL REGISTRATION STATEMENT FILED FOR ANY HOUSING  
14 ACCOMMODATION SUBJECT TO AN INCREASE UNDER THIS PARAGRAPH, WHETHER OR  
15 NOT SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (E) OF THIS PARAGRAPH  
16 SHALL CONTAIN A DETAILED BREAKDOWN OF THE COSTS OF ALL IMPROVEMENTS  
17 UNDERLYING SUCH INCREASE.

18 S 5. Clause 5 of the second undesignated paragraph of paragraph (a) of  
19 subdivision 4 of section 4 of chapter 274 of the laws of 1946, consti-  
20 tuting the emergency housing rent control law, as amended by section 25  
21 of part B of chapter 97 of the laws of 2011, is amended to read as  
22 follows:

23 (5) the landlord and tenant by mutual voluntary written agreement  
24 agree to a substantial increase or decrease in dwelling space or a  
25 change in the services, furniture, furnishings or equipment provided in  
26 the housing accommodations; provided that an owner shall be entitled to  
27 a rent increase where there has been a substantial modification or  
28 increase of dwelling space or an increase in the services, or installa-  
29 tion of new equipment or improvements or new furniture or furnishings  
30 provided in or to a tenant's housing accommodation. The permanent  
31 increase in the maximum rent for the affected housing accommodation  
32 shall be [one-fortieth] ONE-SIXTIETH, in the case of a building with  
33 thirty-five or fewer housing accommodations, or one-sixtieth, in the  
34 case of a building with more than thirty-five housing accommodations  
35 where such permanent increase takes effect on or after September twen-  
36 ty-fourth, two thousand eleven, of the total cost incurred by the land-  
37 lord in providing such modification or increase in dwelling space,  
38 services, furniture, furnishings or equipment, including the cost of  
39 installation, but excluding finance charges provided further that an  
40 owner who is entitled to a rent increase pursuant to this clause shall  
41 not be entitled to a further rent increase based upon the installation  
42 of similar equipment, or new furniture or furnishings within the useful  
43 life of such new equipment, or new furniture or furnishings. The owner  
44 shall give written notice to the commission of any such adjustment  
45 pursuant to this clause; or

46 S 6. This act shall take effect on the ninetieth day after it shall  
47 have become a law; provided that:

48 a. the amendments to section 26-405 of the city rent and rehabili-  
49 tation law made by section one of this act shall remain in full force  
50 and effect only as long as the public emergency requiring the regulation  
51 and control of residential rents and evictions continues, as provided in  
52 subdivision 3 of section 1 of the local emergency housing rent control  
53 act;

54 b. the amendments to chapter 4 of title 26 of the administrative code  
55 of the city of New York made by sections two and three of this act shall

expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law;

c. the amendments to the emergency tenant protection act of nineteen seventy-four made by section four of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974;

d. the amendments to section 4 of the emergency housing rent control law made by section five of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided in subdivision 2 of section 1 of chapter 274 of the laws of 1946; and

e. effective immediately, the division of housing and community renewal is authorized to and shall promulgate all rules, regulations and standards necessary to implement the provisions of this act.

## PART G

Section 1. Legislative findings and declaration of emergency. The legislature hereby finds and declares that the serious public emergency which led to the enactment of the existing laws regulating residential rents and evictions continues to exist; that such laws would better serve the public interest if certain changes were made thereto, including the continued regulation of certain housing accommodations that become vacant and the reinstatement of regulation of certain housing accommodations that have been deregulated upon vacancy.

The legislature further recognizes that severe disruption of the rental housing market has occurred and threatens to be exacerbated as a result of the present state of the law in relation to the deregulation of housing accommodations upon vacancy. The situation has permitted speculative and profiteering practices and has brought about the loss of vital and irreplaceable affordable housing for working persons and families.

The legislature therefore declares that in order to prevent uncertainty, potential hardship and dislocation of tenants living in housing accommodations subject to government regulations as to rentals and continued occupancy as well as those not subject to such regulation, the provisions of this act are necessary to protect the public health, safety and general welfare. The necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

S 2. Paragraph (n) of subdivision 2 of section 2 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, is REPEALED.

S 3. Paragraph 13 of subdivision a of section 5 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, is REPEALED.

S 4. Subparagraph (k) of paragraph 2 of subdivision e of section 26-403 of the administrative code of the city of New York is REPEALED.

S 5. Section 26-504.2 of the administrative code of the city of New York is REPEALED.

S 6. Any housing accommodations that on or after January 1, 2007 were excluded from coverage from the emergency tenant protection act of nineteen seventy-four, the emergency housing rent control law or the administrative code of the city of New York pursuant to the provisions of law repealed by sections two, three, four and five of this act shall be subject to the provisions of such act, law or administrative code,



1 respectively. Notwithstanding the provisions of any lease or rental  
2 agreement, the legal regulated rent or maximum collectible rent of any  
3 housing accommodation excluded from regulation on or after January 1,  
4 2007 by reason of the provisions repealed by sections two, three, four  
5 and five of this act shall be the legal regulated rent or maximum  
6 collectible rent applicable to such accommodation on December 31, 2006,  
7 subject to further adjustment in accordance with applicable provisions  
8 of law.

9 S 7. Any housing accommodations that prior to January 1, 2007 were  
10 excluded from coverage from the emergency tenant protection act of nine-  
11 teen seventy-four, the emergency housing rent control law or the admin-  
12 istrative code of the city of New York pursuant to the provisions of law  
13 repealed by sections two, three, four, and five of this act, and where  
14 such housing accommodations were located outside the city of New York  
15 and were rented to a tenant on or after January 1, 2007 for less than  
16 \$3,500 per month or were located within the city of New York and were  
17 rented to a tenant on or after January 1, 2007 for less than \$5,000.00  
18 per month, shall be subject to the provisions of such act, law or admin-  
19 istrative code, respectively. Notwithstanding the provisions of any  
20 lease or rental agreement, the legal regulated rent or maximum collect-  
21 ible rent of any housing accommodation excluded from regulation prior to  
22 January 1, 2007 by reason of the provisions repealed by sections two,  
23 three, four and five of this act and made subject to regulation shall be  
24 the actual rent applicable to such accommodations on January 1, 2007 or  
25 the first rent applicable to such accommodation after January 1, 2007,  
26 subject to further adjustment in accordance with applicable provisions  
27 of law.

28 S 8. This act shall take effect immediately.

## 29 PART H

30 Section 1. Subdivision (a-2) of section 10 of section 4 of chapter 576  
31 of the laws of 1974, constituting the emergency tenant protection act of  
32 nineteen seventy-four, as amended by section 13 of part B of chapter 97  
33 of the laws of 2011, is amended to read as follows:

34 (a-2) Provides that where the amount of rent charged to and paid by  
35 the tenant is less than the legal regulated rent for the housing accom-  
36 modation, the amount of rent for such housing accommodation which may be  
37 charged [upon renewal or] upon vacancy thereof may, at the option of the  
38 owner, be based upon such previously established legal regulated rent,  
39 as adjusted by [the most recent] ALL applicable guidelines increases and  
40 other increases authorized by law; PROVIDED, HOWEVER, THAT SUCH VACANCY  
41 SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT OF THE  
42 OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH THE  
43 WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO  
44 HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. [Where, subsequent to  
45 vacancy, such legal regulated rent, as adjusted by the most recent  
46 applicable guidelines increases and any other increases authorized by  
47 law is two thousand dollars or more per month or, for any housing accom-  
48 modation which is or becomes vacant on or after the effective date of  
49 the rent act of 2011, is two thousand five hundred dollars or more per  
50 month, such housing accommodation shall be excluded from the provisions  
51 of this act pursuant to paragraph thirteen of subdivision a of section  
52 five of this act.]

1 S 2. Paragraph 14 of subdivision c of section 26-511 of the adminis-  
2 trative code of the city of New York, as amended by section 14 of part B  
3 of chapter 97 of the laws of 2011, is amended to read as follows:

4 (14) provides that where the amount of rent charged to and paid by the  
5 tenant is less than the legal regulated rent for the housing accommo-  
6 dation, the amount of rent for such housing accommodation which may be  
7 charged [upon renewal or] upon vacancy thereof may, at the option of the  
8 owner, be based upon such previously established legal regulated rent,  
9 as adjusted by the most recent applicable guidelines increases and any  
10 other increases authorized by law; PROVIDED, HOWEVER, THAT SUCH VACANCY  
11 SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT OF THE  
12 OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH THE  
13 WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO  
14 HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. [Where, subsequent to  
15 vacancy, such legal regulated rent, as adjusted by the most recent  
16 applicable guidelines increases and any other increases authorized by  
17 law is two thousand dollars or more per month or, for any housing accom-  
18 modation which is or becomes vacant on or after the effective date of  
19 the rent act of 2011, is two thousand five hundred dollars or more per  
20 month, such housing accommodation shall be excluded from the provisions  
21 of this law pursuant to section 26-504.2 of this chapter.]

22 S 3. This act shall take effect immediately; provided, however, that  
23 the amendments to section 10 of the emergency tenant protection act of  
24 nineteen seventy-four made by section one of this act shall expire on  
25 the same date as such act expires and shall not affect the expiration of  
26 such act as provided in section 17 of chapter 576 of the laws of 1974;  
27 and provided, further, that the amendments to section 26-511 of the rent  
28 stabilization law of nineteen hundred sixty-nine made by section two of  
29 this act shall expire on the same date as such law expires and shall not  
30 affect the expiration of such law as provided under section 26-520 of  
31 such law.

32 PART I

33 Section 1. Paragraph 6-a of subdivision c of section 26-511 of the  
34 administrative code of the city of New York is amended to read as  
35 follows:

36 (6-a) provides criteria whereby as an alternative to the hardship  
37 application provided under paragraph six of this subdivision owners of  
38 buildings acquired by the same owner or a related entity owned by the  
39 same principals [three] SIX years prior to the date of application may  
40 apply to the division for increases in excess of the level of applicable  
41 guideline increases established under this law based on a finding by the  
42 commissioner that such guideline increases are not sufficient to enable  
43 the owner to maintain an annual gross rent income for such building  
44 which exceeds the annual operating expenses of such building by a sum  
45 equal to at least five percent of such gross rent. For the purposes of  
46 this paragraph, operating expenses shall consist of the actual, reason-  
47 able, costs of fuel, labor, utilities, taxes, other than income or  
48 corporate franchise taxes, fees, permits, necessary contracted services  
49 and non-capital repairs, insurance, parts and supplies, management fees  
50 and other administrative costs and mortgage interest. For the purposes  
51 of this paragraph, mortgage interest shall be deemed to mean interest on  
52 a bona fide mortgage including an allocable portion of charges related  
53 thereto. Criteria to be considered in determining a bona fide mortgage  
54 other than an institutional mortgage shall include; condition of the

1 property, location of the property, the existing mortgage market at the  
2 time the mortgage is placed, the term of the mortgage, the amortization  
3 rate, the principal amount of the mortgage, security and other terms and  
4 conditions of the mortgage. The commissioner shall set a rental value  
5 for any unit occupied by the owner or a person related to the owner or  
6 unoccupied at the owner's choice for more than one month at the last  
7 regulated rent plus the minimum number of guidelines increases or, if no  
8 such regulated rent existed or is known, the commissioner shall impute a  
9 rent consistent with other rents in the building. The amount of hardship  
10 increase shall be such as may be required to maintain the annual gross  
11 rent income as provided by this paragraph. The division shall not grant  
12 a hardship application under this paragraph or paragraph six of this  
13 subdivision for a period of three years subsequent to granting a hard-  
14 ship application under the provisions of this paragraph. The collection  
15 of any increase in the rent for any housing accommodation pursuant to  
16 this paragraph shall not exceed six percent in any year from the effec-  
17 tive date of the order granting the increase over the rent set forth in  
18 the schedule of gross rents, with collectability of any dollar excess  
19 above said sum to be spread forward in similar increments and added to  
20 the rent as established or set in future years. No application shall be  
21 approved unless the owner's equity in such building exceeds five percent  
22 of: (i) the arms length purchase price of the property; (ii) the cost of  
23 any capital improvements for which the owner has not collected a  
24 surcharge; (iii) any repayment of principal of any mortgage or loan used  
25 to finance the purchase of the property or any capital improvements for  
26 which the owner has not collected a surcharge and (iv) any increase in  
27 the equalized assessed value of the property which occurred subsequent  
28 to the first valuation of the property after purchase by the owner. For  
29 the purposes of this paragraph, owner's equity shall mean the sum of (i)  
30 the purchase price of the property less the principal of any mortgage or  
31 loan used to finance the purchase of the property, (ii) the cost of any  
32 capital improvement for which the owner has not collected a surcharge  
33 less the principal of any mortgage or loan used to finance said improve-  
34 ment, (iii) any repayment of the principal of any mortgage or loan used  
35 to finance the purchase of the property or any capital improvement for  
36 which the owner has not collected a surcharge, and (iv) any increase in  
37 the equalized assessed value of the property which occurred subsequent  
38 to the first valuation of the property after purchase by the owner.

39 S 2. Paragraph 5 of subdivision d of section 6 of section 4 of chapter  
40 576 of the laws of 1974 enacting the emergency tenant protection act of  
41 nineteen seventy-four, as amended by chapter 102 of the laws of 1984, is  
42 amended to read as follows:

43 (5) as an alternative to the hardship application provided under para-  
44 graph four of this subdivision, owners of buildings acquired by the same  
45 owner or a related entity owned by the same principals [three] SIX years  
46 prior to the date of application may apply to the division for increases  
47 in excess of the level of applicable guideline increases established  
48 under this law based on a finding by the commissioner that such guide-  
49 line increases are not sufficient to enable the owner to maintain an  
50 annual gross rent income for such building which exceeds the annual  
51 operating expenses of such building by a sum equal to at least five  
52 percent of such gross rent. For the purposes of this paragraph, operat-  
53 ing expenses shall consist of the actual, reasonable, costs of fuel,  
54 labor, utilities, taxes, other than income or corporate franchise taxes,  
55 fees, permits, necessary contracted services and non-capital repairs,  
56 insurance, parts and supplies, management fees and other administrative

1 costs and mortgage interest. For the purposes of this paragraph, mort-  
2 gage interest shall be deemed to mean interest on a bona fide mortgage  
3 including an allocable portion of charges related thereto. Criteria to  
4 be considered in determining a bona fide mortgage other than an institu-  
5 tional mortgage shall include; condition of the property, location of  
6 the property, the existing mortgage market at the time the mortgage is  
7 placed, the term of the mortgage, the amortization rate, the principal  
8 amount of the mortgage, security and other terms and conditions of the  
9 mortgage. The commissioner shall set a rental value for any unit occu-  
10 pied by the owner or a person related to the owner or unoccupied at the  
11 owner's choice for more than one month at the last regulated rent plus  
12 the minimum number of guidelines increases or, if no such regulated rent  
13 existed or is known, the commissioner shall impute a rent consistent  
14 with other rents in the building. The amount of hardship increase shall  
15 be such as may be required to maintain the annual gross rent income as  
16 provided by this paragraph. The division shall not grant a hardship  
17 application under this paragraph or paragraph four of this subdivision  
18 for a period of three years subsequent to granting a hardship applica-  
19 tion under the provisions of this paragraph. The collection of any  
20 increase in the rent for any housing accommodation pursuant to this  
21 paragraph shall not exceed six percent in any year from the effective  
22 date of the order granting the increase over the rent set forth in the  
23 schedule of gross rents, with collectability of any dollar excess above  
24 said sum to be spread forward in similar increments and added to the  
25 rent as established or set in future years. No application shall be  
26 approved unless the owner's equity in such building exceeds five percent  
27 of: (i) the arms length purchase price of the property; (ii) the cost of  
28 any capital improvements for which the owner has not collected a  
29 surcharge; (iii) any repayment of principal of any mortgage or loan used  
30 to finance the purchase of the property or any capital improvements for  
31 which the owner has not collected a surcharge; and (iv) any increase in  
32 the equalized assessed value of the property which occurred subsequent  
33 to the first valuation of the property after purchase by the owner. For  
34 the purposes of this paragraph, owner's equity shall mean the sum of (i)  
35 the purchase price of the property less the principal of any mortgage or  
36 loan used to finance the purchase of the property, (ii) the cost of any  
37 capital improvement for which the owner has not collected a surcharge  
38 less the principal of any mortgage or loan used to finance said improve-  
39 ment, (iii) any repayment of the principal of any mortgage or loan used  
40 to finance the purchase of the property or any capital improvement for  
41 which the owner has not collected a surcharge, and (iv) any increase in  
42 the equalized assessed value of the property which occurred subsequent  
43 to the first valuation of the property after purchase by the owner.

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

45 a. the amendments to section 26-511 of chapter 4 of title 26 of the  
46 administrative code of the city of New York made by section one of this  
47 act shall expire on the same date as such law expires and shall not  
48 affect the expiration of such law as provided under section 26-520 of  
49 such law; and

50 b. the amendments to section 6 of the emergency tenant protection act  
51 of nineteen seventy-four made by section two of this act shall expire on  
52 the same date as such act expires and shall not affect the expiration of  
53 such act as provided in section 17 of chapter 576 of the laws of 1974.

1 Section 1. Subparagraph (g) of paragraph 1 of subdivision g of section  
2 26-405 of the administrative code of the city of New York, as amended by  
3 chapter 749 of the laws of 1990, is amended to read as follows:

4 (g) (I) COLLECTION OF SURCHARGES TO THE MAXIMUM RENT AUTHORIZED PURSU-  
5 ANT TO ITEM (II) OF THIS SUBPARAGRAPH SHALL CEASE WHEN THE OWNER HAS  
6 RECOVERED THE COST OF THE MAJOR CAPITAL IMPROVEMENT;

7 (II) There has been since July first, nineteen hundred seventy, a  
8 major capital improvement [required for the operation, preservation or  
9 maintenance of the structure. An adjustment under this subparagraph (g)  
10 shall be in an amount sufficient to amortize the cost of the improve-  
11 ments pursuant to this subparagraph (g) over a seven-year period];  
12 PROVIDED THAT THE COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED  
13 DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE  
14 REQUIRED FOR THE OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUC-  
15 TURE. THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE  
16 COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPA-  
17 RATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY  
18 OTHER ADJUSTMENT TO THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH  
19 APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT  
20 DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING,  
21 AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED  
22 THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT  
23 EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY  
24 THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS  
25 RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND  
26 COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDI-  
27 TIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE  
28 EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT  
29 LIMITATION DID NOT APPLY; or

30 S 2. Subparagraph (k) of paragraph 1 of subdivision g of section  
31 26-405 of the administrative code of the city of New York, as amended by  
32 chapter 749 of the laws of 1990, is amended to read as follows:

33 (k) The landlord has incurred, since January first, nineteen hundred  
34 seventy, in connection with and in addition to a concurrent major capi-  
35 tal improvement pursuant to subparagraph (g) of this paragraph, other  
36 expenditures to improve, restore or preserve the quality of the struc-  
37 ture. An adjustment under this subparagraph shall be granted only if  
38 such improvements represent an expenditure equal to at least ten per  
39 centum of the total operating and maintenance expenses for the preceding  
40 year. An adjustment under this subparagraph shall be in addition to any  
41 adjustment granted for the concurrent major capital improvement and  
42 shall be [in an amount sufficient to amortize the cost of the improve-  
43 ments pursuant to this subparagraph over a seven-year period] IMPLE-  
44 MENTED IN THE SAME MANNER AS SUCH MAJOR CAPITAL IMPROVEMENT AS A FURTHER  
45 SURCHARGE TO THE MAXIMUM RENT.

46 S 3. Paragraph 6 of subdivision c of section 26-511 of the administra-  
47 tive code of the city of New York, as amended by chapter 116 of the laws  
48 of 1997, is amended to read as follows:

49 (6) provides criteria whereby the commissioner may act upon applica-  
50 tions by owners for increases in excess of the level of fair rent  
51 increase established under this law provided, however, that such crite-  
52 ria shall provide [(a)] as to hardship applications, for a finding that  
53 the level of fair rent increase is not sufficient to enable the owner to  
54 maintain approximately the same average annual net income (which shall  
55 be computed without regard to debt service, financing costs or manage-  
56 ment fees) for the three year period ending on or within six months of

1 the date of an application pursuant to such criteria as compared with  
2 annual net income, which prevailed on the average over the period nine-  
3 teen hundred sixty-eight through nineteen hundred seventy, or for the  
4 first three years of operation if the building was completed since nine-  
5 teen hundred sixty-eight or for the first three fiscal years after a  
6 transfer of title to a new owner provided the new owner can establish to  
7 the satisfaction of the commissioner that he or she acquired title to  
8 the building as a result of a bona fide sale of the entire building and  
9 that the new owner is unable to obtain requisite records for the fiscal  
10 years nineteen hundred sixty-eight through nineteen hundred seventy  
11 despite diligent efforts to obtain same from predecessors in title and  
12 further provided that the new owner can provide financial data covering  
13 a minimum of six years under his or her continuous and uninterrupted  
14 operation of the building to meet the three year to three year compar-  
15 ative test periods herein provided[; and (b) as to completed building-  
16 wide major capital improvements, for a finding that such improvements  
17 are deemed depreciable under the Internal Revenue Code and that the cost  
18 is to be amortized over a seven-year period, based upon cash purchase  
19 price exclusive of interest or service charges]. Notwithstanding  
20 anything to the contrary contained herein, no hardship increase granted  
21 pursuant to this paragraph shall, when added to the annual gross rents,  
22 as determined by the commissioner, exceed the sum of, (i) the annual  
23 operating expenses, (ii) an allowance for management services as deter-  
24 mined by the commissioner, (iii) actual annual mortgage debt service  
25 (interest and amortization) on its indebtedness to a lending institu-  
26 tion, an insurance company, a retirement fund or welfare fund which is  
27 operated under the supervision of the banking or insurance laws of the  
28 state of New York or the United States, and (iv) eight and one-half  
29 percent of that portion of the fair market value of the property which  
30 exceeds the unpaid principal amount of the mortgage indebtedness  
31 referred to in subparagraph (iii) of this paragraph. Fair market value  
32 for the purposes of this paragraph shall be six times the annual gross  
33 rent. The collection of any increase in the stabilized rent for any  
34 apartment pursuant to this paragraph shall not exceed six percent in any  
35 year from the effective date of the order granting the increase over the  
36 rent set forth in the schedule of gross rents, with collectability of  
37 any dollar excess above said sum to be spread forward in similar incre-  
38 ments and added to the stabilized rent as established or set in future  
39 years;

40 S 4. Subdivision c of section 26-511 of the administrative code of the  
41 city of New York is amended by adding two new paragraphs 6-b and 6-c to  
42 read as follows:

43 (6-B) PROVIDES CRITERIA WHEREBY THE COMMISSIONER MAY ACT UPON APPLICA-  
44 TION BY OWNERS FOR INCREASES IN EXCESS OF THE LEVEL OF FAIR RENT  
45 INCREASE ESTABLISHED UNDER THIS LAW PROVIDED, HOWEVER, THAT SUCH CRITE-  
46 RIA SHALL PROVIDE AS TO COMPLETED BUILDING-WIDE MAJOR CAPITAL IMPROVE-  
47 MENTS, FOR A FINDING THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER  
48 THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE  
49 OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE  
50 PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY  
51 SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED  
52 AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL ADJUSTMENT  
53 OF THE LEVEL OF FAIR RENT PROVIDED FOR UNDER SUBDIVISION B OF SECTION  
54 26-510 OF THIS LAW. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE  
55 AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR,  
56 DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY

1 THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLO-  
2 CABLE TO ANY APARTMENT, IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL  
3 TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH  
4 APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE  
5 SAID SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS  
6 AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY  
7 ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD  
8 HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY.

9 (6-C) COLLECTION OF SURCHARGES IN EXCESS OF THE LEVEL OF FAIR RENT  
10 AUTHORIZED PURSUANT TO PARAGRAPH SIX-B OF THIS SUBDIVISION SHALL CEASE  
11 WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL IMPROVEMENT.

12 S 5. Paragraph 3 of subdivision d of section 6 of section 4 of chapter  
13 576 of the laws of 1974, constituting the emergency tenant protection  
14 act of nineteen seventy-four, as amended by chapter 749 of the laws of  
15 1990, is amended to read as follows:

16 (3) (I) COLLECTION OF SURCHARGES IN ADDITION TO THE LEGAL REGULATED  
17 RENT AUTHORIZED PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL  
18 CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL  
19 IMPROVEMENT;

20 (II) there has been since January first, nineteen hundred seventy-four  
21 a major capital improvement [required for the operation, preservation or  
22 maintenance of the structure. An adjustment under this paragraph shall  
23 be in an amount sufficient to amortize the cost of the improvements  
24 pursuant to this paragraph over a seven-year period]; PROVIDED THAT THE  
25 COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER  
26 THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE  
27 OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE  
28 PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY  
29 SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED  
30 AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL RENT  
31 ADJUSTMENT AUTHORIZED BY THE RENT GUIDELINES BOARD UNDER THIS ACT. THE  
32 SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE  
33 COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF  
34 ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN  
35 SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT  
36 IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE  
37 MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET FORTH IN  
38 THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE  
39 CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT  
40 TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE  
41 TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMEN-  
42 TIONED SIX PERCENT LIMITATION DID NOT APPLY, or

43 S 6. The second undesignated paragraph of paragraph (a) of subdivision  
44 4 of section 4 of chapter 274 of the laws of 1946, constituting the  
45 emergency housing rent control law, as amended by section 25 of part B  
46 of chapter 97 of the laws of 2011, is amended to read as follows:

47 No application for adjustment of maximum rent based upon a sales price  
48 valuation shall be filed by the landlord under this subparagraph prior  
49 to six months from the date of such sale of the property. In addition,  
50 no adjustment ordered by the commission based upon such sales price  
51 valuation shall be effective prior to one year from the date of such  
52 sale. Where, however, the assessed valuation of the land exceeds four  
53 times the assessed valuation of the buildings thereon, the commission  
54 may determine a valuation of the property equal to five times the equal-  
55 ized assessed valuation of the buildings, for the purposes of this  
56 subparagraph. The commission may make a determination that the valuation

1 of the property is an amount different from such equalized assessed  
2 valuation where there is a request for a reduction in such assessed  
3 valuation currently pending; or where there has been a reduction in the  
4 assessed valuation for the year next preceding the effective date of the  
5 current assessed valuation in effect at the time of the filing of the  
6 application. Net annual return shall be the amount by which the earned  
7 income exceeds the operating expenses of the property, excluding mort-  
8 gage interest and amortization, and excluding allowances for obsoles-  
9 cence and reserves, but including an allowance for depreciation of two  
10 per centum of the value of the buildings exclusive of the land, or the  
11 amount shown for depreciation of the buildings in the latest required  
12 federal income tax return, whichever is lower; provided, however, that  
13 (1) no allowance for depreciation of the buildings shall be included  
14 where the buildings have been fully depreciated for federal income tax  
15 purposes or on the books of the owner; or (2) the landlord who owns no  
16 more than four rental units within the state has not been fully compen-  
17 sated by increases in rental income sufficient to offset unavoidable  
18 increases in property taxes, fuel, utilities, insurance and repairs and  
19 maintenance, excluding mortgage interest and amortization, and excluding  
20 allowances for depreciation, obsolescence and reserves, which have  
21 occurred since the federal date determining the maximum rent or the date  
22 the property was acquired by the present owner, whichever is later; or  
23 (3) the landlord operates a hotel or rooming house or owns a cooperative  
24 apartment and has not been fully compensated by increases in rental  
25 income from the controlled housing accommodations sufficient to offset  
26 unavoidable increases in property taxes and other costs as are allocable  
27 to such controlled housing accommodations, including costs of operation  
28 of such hotel or rooming house, but excluding mortgage interest and  
29 amortization, and excluding allowances for depreciation, obsolescence  
30 and reserves, which have occurred since the federal date determining the  
31 maximum rent or the date the landlord commenced the operation of the  
32 property, whichever is later; or (4) the landlord and tenant voluntarily  
33 enter into a valid written lease in good faith with respect to any hous-  
34 ing accommodation, which lease provides for an increase in the maximum  
35 rent not in excess of fifteen per centum and for a term of not less than  
36 two years, except that where such lease provides for an increase in  
37 excess of fifteen per centum, the increase shall be automatically  
38 reduced to fifteen per centum; or (5) the landlord and tenant by mutual  
39 voluntary written agreement agree to a substantial increase or decrease  
40 in dwelling space or a change in the services, furniture, furnishings or  
41 equipment provided in the housing accommodations; provided that an owner  
42 shall be entitled to a rent increase where there has been a substantial  
43 modification or increase of dwelling space or an increase in the  
44 services, or installation of new equipment or improvements or new furni-  
45 ture or furnishings provided in or to a tenant's housing accommodation.  
46 The permanent increase in the maximum rent for the affected housing  
47 accommodation shall be one-fortieth, in the case of a building with  
48 thirty-five or fewer housing accommodations, or one-sixtieth, in the  
49 case of a building with more than thirty-five housing accommodations  
50 where such permanent increase takes effect on or after September twen-  
51 ty-fourth, two thousand eleven, of the total cost incurred by the land-  
52 lord in providing such modification or increase in dwelling space,  
53 services, furniture, furnishings or equipment, including the cost of  
54 installation, but excluding finance charges provided further that an  
55 owner who is entitled to a rent increase pursuant to this clause shall  
56 not be entitled to a further rent increase based upon the installation



1 of similar equipment, or new furniture or furnishings within the useful  
2 life of such new equipment, or new furniture or furnishings. The owner  
3 shall give written notice to the commission of any such adjustment  
4 pursuant to this clause; or (6) there has been, since March first, nine-  
5 teen hundred fifty, an increase in the rental value of the housing  
6 accommodations as a result of a substantial rehabilitation of the build-  
7 ing or housing accommodation therein which materially adds to the value  
8 of the property or appreciably prolongs its life, excluding ordinary  
9 repairs, maintenance and replacements; or (7) (I) COLLECTION OF  
10 SURCHARGES TO THE MAXIMUM RENT AUTHORIZED PURSUANT TO ITEM (II) OF THIS  
11 CLAUSE SHALL CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR  
12 CAPITAL IMPROVEMENT; (II) there has been since March first, nineteen  
13 hundred fifty, a major capital improvement [required for the operation,  
14 preservation or maintenance of the structure]; PROVIDED THAT THE COMMIS-  
15 SIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER THE  
16 INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE OPERA-  
17 TION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE PERMIT-  
18 TED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY  
19 SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND  
20 BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO  
21 THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN  
22 AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR,  
23 DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY  
24 THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLO-  
25 CABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO  
26 SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APART-  
27 MENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID  
28 SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A  
29 FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE  
30 YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE  
31 BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY; or (8)  
32 there has been since March first, nineteen hundred fifty, in structures  
33 containing more than four housing accommodations, other improvements  
34 made with the express consent of the tenants in occupancy of at least  
35 seventy-five per centum of the housing accommodations, provided, howev-  
36 er, that no adjustment granted hereunder shall exceed fifteen per centum  
37 unless the tenants have agreed to a higher percentage of increase, as  
38 herein provided; or (9) there has been, since March first, nineteen  
39 hundred fifty, a subletting without written consent from the landlord or  
40 an increase in the number of adult occupants who are not members of the  
41 immediate family of the tenant, and the landlord has not been compen-  
42 sated therefor by adjustment of the maximum rent by lease or order of  
43 the commission or pursuant to the federal act; or (10) the presence of  
44 unique or peculiar circumstances materially affecting the maximum rent  
45 has resulted in a maximum rent which is substantially lower than the  
46 rents generally prevailing in the same area for substantially similar  
47 housing accommodations.

48 S 7. This act shall take effect immediately; provided that

49 a. the amendments to section 26-405 of the city rent and rehabili-  
50 tation law made by sections one and two of this act shall remain in full  
51 force and effect only so long as the public emergency requiring the  
52 regulation and control of residential rents and evictions continues, as  
53 provided in subdivision 3 of section 1 of the local emergency housing  
54 rent control act;

55 b. the amendments to section 26-511 of the rent stabilization law of  
56 nineteen hundred sixty-nine made by sections three and four of this act

shall expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law, as from time to time amended;

c. the amendment to section 6 of the emergency tenant protection act of nineteen seventy-four made by section five of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974, as from time to time amended; and

d. the amendment to section 4 of the emergency housing rent control law made by section six of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided in subdivision 2 of section 1 of chapter 274 of the laws of 1946.

#### PART K

Section 1. Section 5 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, is amended by adding a new subdivision d to read as follows:

D. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH THREE OR FIVE OF SUBDIVISION A OF THIS SECTION BUT SUBJECT TO ANY OTHER APPLICABLE EXCEPTIONS IN SUCH SUBDIVISION, NOTHING SHALL PREVENT THE DECLARATION OF AN EMERGENCY PURSUANT TO SECTION THREE OF THIS ACT FOR RENTAL HOUSING ACCOMMODATIONS LOCATED IN BUILDINGS WHICH WERE OWNED BY A COMPANY ESTABLISHED UNDER ARTICLE 2 OF THE PRIVATE HOUSING FINANCE LAW, OTHER THAN A MUTUAL COMPANY, BY REASON OF A VOLUNTARY DISSOLUTION PURSUANT TO SECTION 35 OF SUCH LAW. THE PROVISION OF SUBDIVISION A OF SECTION NINE OF THIS ACT SHALL NOT APPLY TO ANY HOUSING ACCOMMODATION WHICH BECAME SUBJECT TO THIS ACT PURSUANT TO THIS SUBDIVISION.

S 2. This act shall take effect immediately and shall apply to housing companies that dissolve before, on or after such date; provided, however, that the amendments to the emergency tenant protection act of nineteen seventy-four made by this act shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974, as amended and shall be deemed to expire therewith.

#### PART L

Section 1. Paragraph 12 of subdivision a of section 5 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 29 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(12) upon issuance of an order by the division, housing accommodations which are: (1) occupied by persons who have a total annual income as defined in and subject to the limitations and process set forth in section five-a of this act [in excess of], THAT EXCEEDS the deregulation income threshold, as defined in section five-a of this act, in each of the two preceding calendar years; and (2) have a legal regulated rent that equals or exceeds the deregulation rent threshold, as defined in section five-a of this act. Provided however, that this exclusion shall not apply to housing accommodations which became or become subject to this act (a) by virtue of receiving tax benefits pursuant to section four hundred twenty-one-a or four hundred eighty-nine of the real property tax law, except as otherwise provided in subparagraph (i) of paragraph (f) of subdivision two of section four hundred twenty-one-a of the

1 real property tax law, or (b) by virtue of article seven-C of the multi-  
2 ple dwelling law.

3 S 2. Paragraph (a) of section 5-a of section 4 of chapter 576 of the  
4 laws of 1974, constituting the emergency tenant protection act of nine-  
5 teen seventy-four, as amended by section 30 of part B of chapter 97 of  
6 the laws of 2011, is amended to read as follows:

7 (a) 1. For purposes of this section, annual income shall mean the  
8 federal adjusted gross income as reported on the New York state income  
9 tax return. Total annual income means the sum of the annual incomes of  
10 all persons whose names are recited as the tenant or co-tenant on a  
11 lease who occupy the housing accommodation and all other persons that  
12 occupy the housing accommodation as their primary residence on other  
13 than a temporary basis, excluding bona fide employees of such occupants  
14 residing therein in connection with such employment and excluding bona  
15 fide subtenants in occupancy pursuant to the provisions of section two  
16 hundred twenty-six-b of the real property law. In the case where a hous-  
17 ing accommodation is sublet, the annual income of the tenant or co-ten-  
18 ant recited on the lease who will reoccupy the housing accommodation  
19 upon the expiration of the sublease shall be considered.

20 2. [Deregulation income threshold means total annual income equal to  
21 one hundred seventy-five thousand dollars in each of the two preceding  
22 calendar years for proceedings commenced before July first, two thousand  
23 eleven. For proceedings commenced on or after July first, two thousand  
24 eleven, the deregulation income threshold means the total annual income  
25 equal to two hundred thousand dollars in each of the two preceding  
26 calendar years.

27 3. Deregulation rent threshold means two thousand dollars for  
28 proceedings commenced before July first, two thousand eleven. For  
29 proceedings commenced on or after July first, two thousand eleven, the  
30 deregulation rent threshold means two thousand five hundred dollars.]

31 DEREGULATION INCOME THRESHOLD MEANS THREE HUNDRED THOUSAND DOLLARS.  
32 FOR PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND  
33 SIXTEEN, THE DEREGULATION INCOME THRESHOLD SHALL BE ADJUSTED ANNUALLY ON  
34 THE FIRST DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT  
35 YEAR BY THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN  
36 CONSUMERS, NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS  
37 ESTABLISHED THE PRECEDING AUGUST.

38 3. DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND DOLLARS. FOR  
39 PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN,  
40 THE DEREGULATION RENT THRESHOLD SHALL BE ADJUSTED ANNUALLY ON THE FIRST  
41 DAY OF OCTOBER EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT YEAR BY THE  
42 CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, NEW  
43 YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS ESTABLISHED THE  
44 PRECEDING AUGUST.

45 S 3. Paragraph (m) of subdivision 2 of section 2 of chapter 274 of the  
46 laws of 1946, constituting the emergency housing rent control law, as  
47 amended by section 31 of part B of chapter 97 of the laws of 2011, is  
48 amended to read as follows:

49 (m) upon the issuance of an order of deregulation by the division,  
50 housing accommodations which: (1) are occupied by persons who have a  
51 total annual income, as defined in and subject to the limitations and  
52 process set forth in section two-a of this law[, in excess of the dereg-  
53 ulation income threshold as defined in section two-a of this law in each  
54 of the two preceding calendar years;] and (2) have a maximum rent [that  
55 equals or exceeds the deregulation rent threshold as defined in section  
56 two-a of this law].

1 S 4. Subdivision (a) of section 2-a of chapter 274 of the laws of  
2 1946, constituting the emergency housing rent control law, as amended by  
3 section 32 of part B of chapter 97 of the laws of 2011, is amended to  
4 read as follows:

5 (a) 1. For purposes of this section, annual income shall mean the  
6 federal adjusted gross income as reported on the New York state income  
7 tax return. Total annual income means the sum of the annual incomes of  
8 all persons who occupy the housing accommodation as their primary resi-  
9 dence on other than a temporary basis, excluding bona fide employees of  
10 such occupants residing therein in connection with such employment and  
11 excluding bona fide subtenants in occupancy pursuant to the provisions  
12 of section two hundred twenty-six-b of the real property law. In the  
13 case where a housing accommodation is sublet, the annual income of the  
14 sublessor shall be considered.

15 2. [Deregulation income threshold means total annual income equal to  
16 one hundred seventy-five thousand dollars in each of the two preceding  
17 calendar years for proceedings commenced before July first, two thousand  
18 eleven. For proceedings commenced on or after July first, two thousand  
19 eleven, the deregulation income threshold means the total annual income  
20 equal to two hundred thousand dollars in each of the two preceding  
21 calendar years.

22 3. Deregulation rent threshold means two thousand dollars for  
23 proceedings commenced prior to July first, two thousand eleven. For  
24 proceedings commenced on or after July first, two thousand eleven, the  
25 deregulation rent threshold means two thousand five hundred dollars.]

26 DEREGULATION INCOME THRESHOLD MEANS THREE HUNDRED THOUSAND DOLLARS.  
27 FOR PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND  
28 SIXTEEN, THE DEREGULATION INCOME THRESHOLD SHALL BE ADJUSTED ANNUALLY ON  
29 THE FIRST DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT  
30 YEAR BY THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN  
31 CONSUMERS, NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS  
32 ESTABLISHED THE PRECEDING AUGUST.

33 3. DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND DOLLARS. FOR  
34 PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN,  
35 THE DEREGULATION RENT THRESHOLD SHALL BE ADJUSTED ANNUALLY ON THE FIRST  
36 DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT YEAR BY  
37 THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS,  
38 NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS ESTABLISHED  
39 THE PRECEDING AUGUST.

40 S 5. Subdivision (a) of section 26-403.1 of the administrative code of  
41 the city of New York, as amended by section 34 of part B of chapter 97  
42 of the laws of 2011, is amended to read as follows:

43 (a) 1. For purposes of this section, annual income shall mean the  
44 federal adjusted gross income as reported on the New York state income  
45 tax return. Total annual income means the sum of the annual incomes of  
46 all persons who occupy the housing accommodation as their primary resi-  
47 dence other than on a temporary basis, excluding bona fide employees of  
48 such occupants residing therein in connection with such employment and  
49 excluding bona fide subtenants in occupancy pursuant to the provisions  
50 of section two hundred twenty-six-b of the real property law. In the  
51 case where a housing accommodation is sublet, the annual income of the  
52 sublessor shall be considered.

53 2. [Deregulation income threshold means total annual income equal to  
54 one hundred seventy-five thousand dollars in each of the two preceding  
55 calendar years for proceedings commenced prior to July first, two thou-  
56 sand eleven. For proceedings commenced on or after July first, two thou-

1 sand eleven, the deregulation income threshold means the total annual  
2 income equal to two hundred thousand dollars in each of the two preced-  
3 ing calendar years.

4 3. Deregulation rent threshold means two thousand dollars for  
5 proceedings commenced before July first, two thousand eleven. For  
6 proceedings commenced on or after July first, two thousand eleven, the  
7 deregulation rent threshold means two thousand five hundred dollars.]

8 DEREGULATION INCOME THRESHOLD MEANS THREE HUNDRED THOUSAND DOLLARS.  
9 FOR PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND  
10 SIXTEEN, THE DEREGULATION INCOME THRESHOLD SHALL BE ADJUSTED ANNUALLY ON  
11 THE FIRST DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT  
12 YEAR BY THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN  
13 CONSUMERS, NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS  
14 ESTABLISHED THE PRECEDING AUGUST.

15 3. DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND DOLLARS. FOR  
16 PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN,  
17 THE DEREGULATION RENT THRESHOLD SHALL BE ADJUSTED ANNUALLY ON THE FIRST  
18 DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT YEAR BY  
19 THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS,  
20 NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS ESTABLISHED  
21 THE PRECEDING AUGUST.

22 S 6. Paragraphs 2 and 3 of subdivision (a) of section 26-504.3 of the  
23 administrative code of the city of New York, as added by section 36 of  
24 part B of chapter 97 of the laws of 2011, are amended to read as  
25 follows:

26 2. [Deregulation income threshold means total annual income equal to  
27 one hundred seventy-five thousand dollars in each of the two preceding  
28 calendar years for proceedings commenced before July first, two thousand  
29 eleven. For proceedings commenced on or after July first, two thousand  
30 eleven, the deregulation income threshold means the total annual income  
31 equal to two hundred thousand dollars in each of the two preceding  
32 calendar years.

33 3. Deregulation rent threshold means two thousand dollars for  
34 proceedings commenced before July first, two thousand eleven. For  
35 proceedings commenced on or after July first, two thousand eleven, the  
36 deregulation rent threshold means two thousand five hundred dollars.]

37 DEREGULATION INCOME THRESHOLD MEANS THREE HUNDRED THOUSAND DOLLARS.  
38 FOR PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND  
39 SIXTEEN, THE DEREGULATION INCOME THRESHOLD SHALL BE ADJUSTED ANNUALLY ON  
40 THE FIRST DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT  
41 YEAR BY THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN  
42 CONSUMERS, NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS  
43 ESTABLISHED THE PRECEDING AUGUST.

44 3. DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND DOLLARS. FOR  
45 PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN,  
46 THE DEREGULATION RENT THRESHOLD SHALL BE ADJUSTED ANNUALLY ON THE FIRST  
47 DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT YEAR BY  
48 THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS,  
49 NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS ESTABLISHED  
50 THE PRECEDING AUGUST.

51 S 7. This act shall take effect immediately, provided, however, that:

52 a. the amendments to paragraph 12 of subdivision a of section 5 and  
53 section 5-a of section 4 of the emergency tenant protection act of nine-  
54 teen seventy-four made by sections one and two of this act, respective-  
55 ly, shall expire on the same date as such act expires and shall not

1 affect the expiration of such act as provided in section 17 of chapter  
2 576 of the laws of 1974;

3 b. the amendments to paragraph (m) of subdivision 2 of section 2 and  
4 section 2-a of the emergency housing rent control law made by sections  
5 three and four of this act, respectively, shall expire on the same date  
6 as such law expires and shall not affect the expiration of such law as  
7 provided in subdivision 2 of section 1 of chapter 274 of the laws of  
8 1946;

9 c. the amendments to section 26-403.1 of the city rent and rehabili-  
10 tation law made by section five of this act shall remain in full force  
11 and effect only as long as the public emergency requiring the regulation  
12 and control of residential rents and evictions continues, as provided in  
13 subdivision 3 of section 1 of the local emergency housing rent control  
14 act; and

15 d. the amendments to section 26-504.3 of chapter 4 of title 26 of the  
16 administrative code of the city of New York made by section six of this  
17 act shall expire on the same date as such law expires and shall not  
18 affect the expiration of such law as provided under section 26-520 of  
19 such law.

20 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
21 sion, section or part of this act shall be adjudged by any court of  
22 competent jurisdiction to be invalid, such judgment shall not affect,  
23 impair, or invalidate the remainder thereof, but shall be confined in  
24 its operation to the clause, sentence, paragraph, subdivision, section  
25 or part thereof directly involved in the controversy in which such judg-  
26 ment shall have been rendered. It is hereby declared to be the intent  
27 of the legislature that this act would have been enacted even if such  
28 invalid provisions had not been included herein.

29 S 3. This act shall take effect immediately provided, however, that  
30 the applicable effective dates of Parts A through L of this act shall be  
31 as specifically set forth in the last section of such Parts.