S T A T E O F N E W Y O R K

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2009-2010 Regular Sessions

I N A S S E M B L Y

February 10, 2009

Introduced by M. of A. ESPAILLAT, V. LOPEZ -- Multi-Sponsored by -- M. of A. LATIMER -- read once and referred to the Committee on Housing

AN ACT to amend the emergency tenant protection act of nineteen seventy-four and the administrative code of the city of New York, in relation to the regulation of rents

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

Section 1. Subdivision a-2 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 added by chapter 82 of the laws of 2003, is amended and a new subdivision (a-3) is added to read as follows:

[a-2.] (A-2) Provides that where the amount of rent charged to and paid by the tenant is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing accommodation which may be charged [upon renewal or] upon vacancy thereof may, at the option of the owner, be based upon such previously established legal regulated rent, as adjusted by [the most recent] ALL applicable guidelines increases and other increases authorized by law. Where, subsequent to vacancy, such legal regulated rent, as adjusted by the most recent applicable guidelines increases and any other increases authorized by law is two thousand dollars or more per month, such housing accommodation shall be excluded from the provisions of this act pursuant to paragraph thirteen of subdivision a of section five of this act.

(A-3) (1) PROVIDES THAT WHERE THE AMOUNT OF RENT CHARGED TO AND PAID BY THE TENANT IS LESS THAN THE LEGAL REGULATED RENT FOR THE HOUSING ACCOMMODATION AND SUCH REDUCTION IN RENT REPRESENTS CONSIDERATION PAID BY THE OWNER FOR (A) GOODS OR SERVICES RECEIVED FROM THE TENANT OR (B) AN AGREEMENT BY THE TENANT TO FORGO SERVICES WHICH ARE CUSTOMARILY PROVIDED IN CONNECTION WITH THE LEASING OF A HOUSING ACCOMMODATION OR (C) OTHER CONSIDERATION GIVEN BY THE TENANT, THE RENT AMOUNT UPON WHICH THE RENEWAL RENT SHALL BE CALCULATED MAY, AT THE OPTION OF THE OWNER,

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

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INCLUDE THE AMOUNT OF ANY SUCH RENT REDUCTION PROVIDED THAT THE PROVISIONS OF PARAGRAPH TWO OF THIS SUBDIVISION ARE COMPLIED WITH.

(2) THE REDUCTION REFERRED TO IN PARAGRAPH ONE OF THIS SUBDIVISION SHALL (A) BE REFLECTED IN A WRITTEN AGREEMENT BETWEEN THE OWNER AND THE TENANT WHICH (I) SPECIFIES THE TOTAL AMOUNT OF THE RENT REDUCTION AND THE TERM DURING WHICH THE REDUCTION SHALL APPLY, (II) SPECIFIES THE GOODS, SERVICES OR OTHER CONSIDERATION GIVEN BY THE TENANT, AND (III) DISCLOSES THE METHOD BY WHICH THE NEW RENT SHALL BE CALCULATED FOR ANY SUBSEQUENT RENEWAL;

(B) THE OBLIGATION FOR WHICH THE RENT REDUCTION WAS GRANTED MUST HAVE BEEN SATISFIED OR THE BENEFIT RECEIVED BY THE OWNER IN EXCHANGE FOR THE RENT REDUCTION MUST HAVE TERMINATED; AND

(C) THE RENT FOR THE RENEWAL TERM MAY NOT EXCEED THE LEGAL REGULATED RENT AS ADJUSTED BY ANY LAWFUL INCREASES.

S 2. Paragraph 14 of subdivision c of section 26-511 of the administrative code of the city of New York, as added by chapter 82 of the laws of 2003, is amended to read as follows:

(14) provides that where the amount of rent charged to and paid by the tenant is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing accommodation which may be charged [upon renewal or] upon vacancy thereof may, at the option of the owner, be based upon such previously established legal regulated rent, as adjusted by the most recent applicable guidelines increases and any other increases authorized by law. Where, subsequent to vacancy, such legal regulated rent, as adjusted by [the most recent] ALL applicable guidelines increases and any other increases authorized by law is two thousand dollars or more per month, such housing accommodation shall be excluded from the provisions of this law pursuant to section 26-504.2 of this chapter.

S 3. This act shall take effect immediately; provided, however, that the amendments to section 10 of the emergency tenant protection act of nineteen seventy-four made by section one 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 provided, further, that the amendments to section 26-511 of the rent stabilization law of nineteen hundred sixty-nine made by section two 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.