

1443

2009-2010 Regular Sessions

I N S E N A T E

February 2, 2009

Introduced by Sens. DUANE, KRUEGER -- 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 and the
emergency tenant protection act of nineteen seventy-four, in relation
to inspection of major capital improvements for which rent increases
are requested and in relation to extending the provisions of the rent
stabilization law

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

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) There has been since July first, nineteen hundred seventy, a major
5 capital improvement required for the operation, preservation or mainte-
6 nance of the structure. An adjustment under this subparagraph [(g)]
7 shall be in an amount sufficient to amortize the cost of the improve-
8 ments pursuant to this subparagraph [(g)] over a seven-year period. NO
9 LANDLORD SHALL DENY ACCESS TO A PROFESSIONAL ENGINEER LICENSED TO PRAC-
10 TICE IN THE STATE OF NEW YORK OR A REGISTERED ARCHITECT LICENSED TO
11 PRACTICE IN THE STATE OF NEW YORK HIRED BY ANY TENANT, TENANTS OR TENANT
12 ASSOCIATION REPRESENTING TENANTS OF A MULTIPLE DWELLING OF SIX UNITS OR
13 MORE FOR THE PURPOSE OF CONDUCTING AN INSPECTION OF A MAJOR CAPITAL
14 IMPROVEMENT FOR WHICH AN APPLICATION FOR ADJUSTMENT OF MAXIMUM RENT HAS
15 BEEN FILED. SUCH INSPECTION SHALL BE CONDUCTED AFTER NOTICE TO THE LAND-
16 LORD AND DURING NORMAL BUSINESS HOURS. SUCH TENANT MAY FILE THE REPORT
17 OF THE INSPECTION WITH THE CITY RENT AGENCY FOR CONSIDERATION IN THE
18 DETERMINATION OF SUCH APPLICATION; or
19 S 2. Paragraph 6 of subdivision c of section 26-511 of the administra-
20 tive code of the city of New York, as amended by chapter 116 of the laws
21 of 1997, is amended to read as follows:

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

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(6) provides criteria whereby the commissioner may act upon applications by owners for increases in excess of the level of fair rent increase established under this law provided, however, that such criteria shall provide (a) as to hardship applications, for a finding that the level of fair rent increase is not sufficient to enable the owner to maintain approximately the same average annual net income (which shall be computed without regard to debt service, financing costs or management fees) for the three year period ending on or within six months of the date of an application pursuant to such criteria as compared with annual net income, which prevailed on the average over the period nineteen hundred sixty-eight through nineteen hundred seventy, or for the first three years of operation if the building was completed since nineteen hundred sixty-eight or for the first three fiscal years after a transfer of title to a new owner provided the new owner can establish to the satisfaction of the commissioner that he or she acquired title to the building as a result of a bona fide sale of the entire building and that the new owner is unable to obtain requisite records for the fiscal years nineteen hundred sixty-eight through nineteen hundred seventy despite diligent efforts to obtain same from predecessors in title and further provided that the new owner can provide financial data covering a minimum of six years under his or her continuous and uninterrupted operation of the building to meet the three year to three year comparative test periods herein provided; and (b) as to completed building-wide major capital improvements, for a finding that such improvements are deemed depreciable under the Internal Revenue Code and that the cost is to be amortized over a seven-year period, based upon cash purchase price exclusive of interest or service charges. NO LANDLORD SHALL DENY ACCESS TO A PROFESSIONAL ENGINEER LICENSED TO PRACTICE IN THE STATE OF NEW YORK OR A REGISTERED ARCHITECT LICENSED TO PRACTICE IN THE STATE OF NEW YORK HIRED BY ANY TENANT, TENANTS OR TENANT ASSOCIATION REPRESENTING TENANTS OF A MULTIPLE DWELLING OF SIX UNITS OR MORE FOR THE PURPOSE OF CONDUCTING AN INSPECTION OF A MAJOR CAPITAL IMPROVEMENT FOR WHICH AN APPLICATION FOR ADJUSTMENT OF MAXIMUM RENT HAS BEEN FILED. SUCH INSPECTION SHALL BE CONDUCTED AFTER NOTICE TO THE LANDLORD AND DURING NORMAL BUSINESS HOURS. SUCH TENANT MAY FILE THE REPORT OF THE INSPECTION WITH THE CITY RENT AGENCY FOR CONSIDERATION IN THE DETERMINATION OF SUCH APPLICATION. Notwithstanding anything to the contrary contained herein, no hardship increase granted pursuant to this paragraph shall, when added to the annual gross rents, as determined by the commissioner, exceed the sum of, (i) the annual operating expenses, (ii) an allowance for management services as determined by the commissioner, (iii) actual annual mortgage debt service (interest and amortization) on its indebtedness to a lending institution, an insurance company, a retirement fund or welfare fund which is operated under the supervision of the banking or insurance laws of the state of New York or the United States, and (iv) eight and one-half percent of that portion of the fair market value of the property which exceeds the unpaid principal amount of the mortgage indebtedness referred to in subparagraph (iii) of this paragraph. Fair market value for the purposes of this paragraph shall be six times the annual gross rent. The collection of any increase in the stabilized rent for any apartment pursuant to this paragraph shall not exceed six percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the stabilized rent as established or set in future years;

1 S 3. Paragraph 3 of subdivision d of section 6 of section 4 of chapter
2 576 of the laws of 1974, constituting the emergency tenant protection
3 act of nineteen seventy-four, as amended by chapter 749 of the laws of
4 1990, is amended to read as follows:

5 (3) there has been since January first, nineteen hundred seventy-four
6 a major capital improvement required for the operation, preservation or
7 maintenance of the structure. An adjustment under this paragraph shall
8 be in an amount sufficient to amortize the cost of the improvements
9 pursuant to this paragraph over a seven-year period. NO LANDLORD SHALL
10 DENY ACCESS TO A PROFESSIONAL ENGINEER LICENSED TO PRACTICE IN THE STATE
11 OF NEW YORK OR A REGISTERED ARCHITECT LICENSED TO PRACTICE IN THE STATE
12 OF NEW YORK HIRED BY ANY TENANT, TENANTS OR TENANT ASSOCIATION REPRES-
13 ENTING TENANTS OF A MULTIPLE DWELLING OF SIX UNITS OR MORE FOR THE
14 PURPOSE OF CONDUCTING AN INSPECTION OF A MAJOR CAPITAL IMPROVEMENT FOR
15 WHICH AN APPLICATION FOR ADJUSTMENT OF MAXIMUM RENT HAS BEEN FILED. SUCH
16 INSPECTION SHALL BE CONDUCTED AFTER NOTICE TO THE LANDLORD AND DURING
17 NORMAL BUSINESS HOURS. SUCH TENANT MAY FILE THE REPORT OF THE INSPECTION
18 WITH THE CITY RENT AGENCY FOR CONSIDERATION IN THE DETERMINATION OF SUCH
19 APPLICATION, or

20 S 4. Section 26-520 of the administrative code of the city of New
21 York, as amended by local law number 3 of the city of New York for the
22 year 2006, is amended to read as follows:

23 S 26-520 Expiration date. This chapter shall expire on April first,
24 two thousand [nine] TWELVE unless rent control shall sooner terminate as
25 provided in subdivision three of section one of the local emergency
26 housing rent control law.

27 S 5. This act shall take effect on the one hundred twentieth day after
28 it shall have become a law, except that any rules and regulations neces-
29 sary for the timely implementation of this act on its effective date
30 shall be promulgated on or before such date; provided that the amendment
31 to section 26-405 of the city rent and rehabilitation law made by
32 section one of this act shall remain in full force and effect only so
33 long as the public emergency requiring the regulation and control of
34 residential rents and evictions continues, as provided in subdivision 3
35 of section 1 of the local emergency housing rent control act and
36 provided further that the amendment to section 26-511 of the rent
37 stabilization law of nineteen hundred sixty-nine made by section two of
38 this act shall expire on the same date as such law expires and shall not
39 affect the expiration of such law as provided under section 26-520 of
40 such law and provided further that the amendment to section 6 of the
41 emergency tenant protection act of nineteen seventy-four made by section
42 three of this act shall expire on the same date as such act expires and
43 shall not affect the expiration of such act as provided in section 17 of
44 chapter 576 of the laws of 1974, as amended.