

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

2674--A

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I N A S S E M B L Y

January 19, 2011

Introduced by M. of A. V. LOPEZ, SILVER, FARRELL, GLICK, PRETLOW, WRIGHT, BING, O'DONNELL, ROSENTHAL, JEFFRIES, SPANO -- Multi-Sponsored by -- M. of A. ABINANTI, ARROYO, BENEDETTO, BOYLAND, BROOK-KRASNY, COLTON, CYMBROWITZ, DenDEKKER, DINOWITZ, GIBSON, GOTTFRIED, JAFFEE, KELLNER, LANCMAN, LENTOL, LINARES, MAISEL, MILLMAN, PERRY, PHEFFER, ROBINSON, STEVENSON, TITUS, WEPRIN -- read once and referred to the Committee on Housing -- reported and referred to the Committee on Codes -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 administra-

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

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tive 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 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, the administrative code of the city of New York and the tax law, 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

1 sixty-two years of age or older, has been a tenant in a housing accommo-
2 dation in that building for twenty years or more, or has an impairment
3 which results from anatomical, physiological or psychological condi-
4 tions, other than addiction to alcohol, gambling, or any controlled
5 substance, which are demonstrable by medically acceptable clinical and
6 laboratory diagnostic techniques, and which are expected to be permanent
7 and which prevent the tenant from engaging in any substantial gainful
8 employment; or

9 S 2. Subparagraph (b) of paragraph 9 of subdivision c of section
10 26-511 of the administrative code of the city of New York is amended to
11 read as follows:

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

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

48 a. For cities having a population of less than one million and towns
49 and villages, the state division of housing and community renewal shall
50 be empowered to implement this act by appropriate regulations. Such
51 regulations may encompass such speculative or manipulative practices or
52 renting or leasing practices as the state division of housing and commu-
53 nity renewal determines constitute or are likely to cause circumvention
54 of this act. Such regulations shall prohibit practices which are likely
55 to prevent any person from asserting any right or remedy granted by this
56 act, including but not limited to retaliatory termination of periodic

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

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

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

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

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

1 b. the amendments to section 26-511 of the rent stabilization law of
2 nineteen hundred sixty-nine made by section two of this act shall expire
3 on the same date as such law expires and shall not affect the expiration
4 of such law as provided under section 26-520 of such law;
5 c. the amendments to subdivision a of section 10 of section 4 of the
6 emergency tenant protection act of nineteen seventy-four made by section
7 three of this act shall expire on the same date as such act expires and
8 shall not affect the expiration of such act as provided in section 17 of
9 chapter 576 of the laws of 1974; and
10 d. the amendments to paragraph (a) of subdivision 2 of section 5 of
11 the emergency housing rent control law made by section four of this act
12 shall expire on the same date as such law expires and shall not affect
13 the expiration of such law as provided in subdivision 2 of section 1 of
14 chapter 274 of the laws of 1946.

15

PART B

16 Section 1. Paragraph 5-a of subdivision c of section 26-511 of the
17 administrative code of the city of New York, as added by chapter 116 of
18 the laws of 1997, is amended to read as follows:
19 (5-a) provides that, notwithstanding any provision of this chapter,
20 the legal regulated rent for any vacancy lease entered into after the
21 effective date of this paragraph shall be as hereinafter provided in
22 this paragraph. The previous legal regulated rent for such housing
23 accommodation shall be increased by the following: (i) if the vacancy
24 lease is for a term of two years, [twenty] TEN percent of the previous
25 legal regulated rent; or (ii) if the vacancy lease is for a term of one
26 year the increase shall be [twenty] TEN percent of the previous legal
27 regulated rent less an amount equal to the difference between (a) the
28 two year renewal lease guideline promulgated by the guidelines board of
29 the city of New York applied to the previous legal regulated rent and
30 (b) the one year renewal lease guideline promulgated by the guidelines
31 board of the city of New York applied to the previous legal regulated
32 rent. In addition, if the legal regulated rent was not increased with
33 respect to such housing accommodation by a permanent vacancy allowance
34 within eight years prior to a vacancy lease executed on or after the
35 effective date of this paragraph, the legal regulated rent may be
36 further increased by an amount equal to the product resulting from
37 multiplying such previous legal regulated rent by six-tenths of one
38 percent and further multiplying the amount of rent increase resulting
39 therefrom by the greater of (A) the number of years since the imposition
40 of the last permanent vacancy allowance, or (B) if the rent was not
41 increased by a permanent vacancy allowance since the housing accommo-
42 dation became subject to this chapter, the number of years that such
43 housing accommodation has been subject to this chapter. Provided that if
44 the previous legal regulated rent was less than three hundred dollars
45 the total increase shall be as calculated above plus one hundred dollars
46 per month. Provided, further, that if the previous legal regulated rent
47 was at least three hundred dollars and no more than five hundred dollars
48 in no event shall the total increase pursuant to this paragraph be less
49 than one hundred dollars per month. Such increase shall be in lieu of
50 any allowance authorized for the one or two year renewal component ther-
51 eof, but shall be in addition to any other increases authorized pursuant
52 to this chapter including an adjustment based upon a major capital
53 improvement, or a substantial modification or increase of dwelling space
54 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 nineteen seventy-four, as added by chapter 116 of the laws of 1997, 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 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 provided, further, that the amendments to section 4 of the emergency tenant protection act of nineteen seventy-four made by section two of this act

1 shall expire on the same date as such act expires and shall not affect
2 the expiration of such act as provided in section 17 of chapter 576 of
3 the laws of 1974.

4

PART C

5 Section 1. Subdivision a of section 26-504 of the administrative code
6 of the city of New York, subparagraph (f) of paragraph 1 as amended by
7 chapter 422 of the laws of 2010, is amended to read as follows:
8 a. Class A multiple dwellings not owned as a cooperative or as a
9 condominium, except as provided in section three hundred fifty-two-eeee
10 of the general business law, containing six or more dwelling units
11 which: (1) were completed after February first, nineteen hundred
12 forty-seven, except dwelling units (a) owned or leased by, or financed
13 by loans from, a public agency or public benefit corporation, (b)
14 subject to rent regulation under the private housing finance law or any
15 other state law, (c) aided by government insurance under any provision
16 of the national housing act, to the extent this chapter or any regu-
17 lation or order issued thereunder is inconsistent therewith, or (d)
18 located in a building for which a certificate of occupancy is obtained
19 after March tenth, nineteen hundred sixty-nine[;], or (e) any class A
20 multiple dwelling which on June first, nineteen hundred sixty-eight was
21 and still is commonly regarded as a hotel, transient hotel or residen-
22 tial hotel, and which customarily provides hotel service such as maid
23 service, furnishing and laundering of linen, telephone and bell boy
24 service, secretarial or desk service and use and upkeep of furniture and
25 fixtures, or (f) not occupied by the tenant, not including subtenants or
26 occupants, as his or her primary residence, as determined by a court of
27 competent jurisdiction, provided, however that no action or proceeding
28 shall be commenced seeking to recover possession on the ground that a
29 housing accommodation is not occupied by the tenant as his or her prima-
30 ry residence unless the owner or lessor shall have given thirty days
31 notice to the tenant of his or her intention to commence such action or
32 proceeding on such grounds. For the purposes of determining primary
33 residency, a tenant who is a victim of domestic violence, as defined in
34 section four hundred fifty-nine-a of the social services law, who has
35 left the unit because of such violence, and who asserts an intent to
36 return to the housing accommodation shall be deemed to be occupying the
37 unit as his or her primary residence. For the purposes of this subpara-
38 graph where a housing accommodation is rented to a not-for-profit hospi-
39 tal for residential use, affiliated subtenants authorized to use such
40 accommodations by such hospital shall be deemed to be tenants, or (g)
41 became vacant on or after June thirtieth, nineteen hundred seventy-one,
42 or become vacant, provided however, that this exemption shall not apply
43 or become effective with respect to housing accommodations which the
44 commissioner determines or finds became vacant because the landlord or
45 any person acting on his or her behalf, with intent to cause the tenant
46 to vacate, engaged in any course of conduct (including but not limited
47 to, interruption or discontinuance of essential services) which inter-
48 fered with or disturbed or was intended to interfere with or disturb the
49 comfort, repose, peace or quiet of the tenant in his or her use or occu-
50 pancy of the housing accommodations and provided further that any hous-
51 ing accommodations exempted by this paragraph shall be subject to this
52 law to the extent provided in subdivision b of this section; or (2) were
53 decontrolled by the city rent agency pursuant to section 26-414 of this
54 title; or (3) are exempt from control by virtue of item one, two, six or

1 seven of subparagraph (i) of paragraph two of subdivision e of section
2 26-403 of this title; OR (4) WERE COVERED BY A PROJECT BASED ASSISTANCE
3 CONTRACT PURSUANT TO SECTION EIGHT OF THE UNITED STATES HOUSING ACT OF
4 1937 WHICH CONTRACT IS NO LONGER IN EFFECT, NOTWITHSTANDING THE
5 PROVISIONS OF SUBPARAGRAPH (D) OR (G) OF PARAGRAPH ONE OF THIS SUBDIVI-
6 SION OR PARAGRAPH FIVE OF SUBDIVISION A OF SECTION FIVE OF THE EMERGENCY
7 TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR PROVIDED HOWEVER, THAT
8 ANY DWELLING UNIT WHICH BECOMES SUBJECT TO THIS LAW PURSUANT TO THIS
9 PARAGRAPH SHALL NOT BE SUBJECT TO THE PROVISIONS OF SUBDIVISION A OF
10 SECTION 26-513 OF THIS CHAPTER; and

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

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

24 S 3. This act shall take effect immediately and shall apply to all
25 buildings which are covered by a project based assistance contract
26 pursuant to section eight of the United States housing act of 1937 which
27 contract ceased to be effective on or after such date; provided, howev-
28 er, that the amendment to subdivision a of section 26-504 of the admin-
29 istrative code of the city of New York made by section one of this act
30 shall not affect the expiration of such section pursuant to section
31 26-520 of such code and shall expire therewith; and provided, further,
32 that the amendment to section 5 of the emergency tenant protection act
33 of nineteen seventy-four made by section two of this act shall not
34 affect the expiration of such act as provided in section 17 of chapter
35 576 of the laws of 1974, as amended, and shall expire therewith.

36

PART D

37 Section 1. Subdivision 5 of section 1 of chapter 21 of the laws of
38 1962, constituting the local emergency housing rent control act, as
39 amended by chapter 82 of the laws of 2003 and the closing paragraph as
40 amended by chapter 422 of the laws of 2010, is amended to read as
41 follows:

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

lations promulgated in accordance therewith, shall not be affected by and need not be consistent with the state emergency housing rent control law or with rules and regulations of the state division of housing and community renewal.

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

The term "immediate family" shall include a husband, wife, son, daughter, stepson, stepdaughter, father, mother, father-in-law or mother-in-law.

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

Notwithstanding any other provision of law, on and after the effective date of this paragraph, a city having a population of one million or more shall not, either through its local legislative body or otherwise, adopt or amend local laws or ordinances with respect to the regulation and control of residential rents and eviction, including but not limited to provision for the establishment and adjustment of rents, the classification of housing accommodations, the regulation of evictions, and the enforcement of such local laws or ordinances, or otherwise adopt laws or

1 ordinances pursuant to the provisions of this act, the emergency tenant
2 protection act of nineteen seventy-four, the New York city rent and
3 rehabilitation law or the New York city rent stabilization law, except
4 to the extent that such city for the purpose of reviewing the continued
5 need for the existing regulation and control of residential rents or to
6 remove a classification of housing accommodation from such regulation
7 and control adopts or amends local laws or ordinances pursuant to subdivi-
8 sion three of section one of this act, section three of the emergency
9 tenant protection act of nineteen seventy-four, section 26-415 of the
10 New York city rent and rehabilitation law, and sections 26-502 and
11 26-520 of the New York city rent stabilization law of nineteen hundred
12 sixty-nine.]

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

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

46 S 2. This act shall take effect immediately; provided, however, that
47 the amendments to subdivision 5 of section 1 of chapter 21 of the laws
48 of 1962 made by section one of this act shall remain in full force and
49 effect only so long as the public emergency requiring the regulation and
50 control of residential rents and evictions continues, as provided in
51 subdivision 3 of section 1 of the local emergency housing rent control
52 act; provided further, however, that the amendment to the second undes-
53 ignated paragraph of subdivision 5 of section 1 of chapter 21 of the
54 laws of 1962 made by section one of this act shall not affect the expi-
55 ration of such paragraph and shall be deemed to expire therewith.

1

PART E

2 Section 1. Section 17 of chapter 576 of the laws of 1974 amending the
3 emergency housing rent control law relating to the control of and
4 stabilization of rent in certain cases, as amended by chapter 82 of the
5 laws of 2003, is amended to read as follows:

6 S 17. Effective date. This act shall take effect immediately and
7 shall remain in full force and effect until and including the fifteenth
8 day of June [2011] 2016; except that sections two and three shall take
9 effect with respect to any city having a population of one million or
10 more and section one shall take effect with respect to any other city,
11 or any town or village whenever the local legislative body of a city,
12 town or village determines the existence of a public emergency pursuant
13 to section three of the emergency tenant protection act of nineteen
14 seventy-four, as enacted by section four of this act, and provided that
15 the housing accommodations subject on the effective date of this act to
16 stabilization pursuant to the New York city rent stabilization law of
17 nineteen hundred sixty-nine shall remain subject to such law upon the
18 expiration of this act.

19 S 2. Subdivision 2 of section 1 of chapter 274 of the laws of 1946
20 constituting the emergency housing rent control law, as amended by chap-
21 ter 82 of the laws of 2003, is amended to 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, [2011] 2016.

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 chapter 82 of the laws of 2003, is amended to read as
28 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, [2011] 2016.

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 chapter 82 of
37 the laws of 2003, 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, [2011] 2016;
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

1 of law on or before the effective date of this act shall continue to be
2 governed by the provisions of section 352-eeee of the general business
3 law as they had existed immediately prior to the effective date of this
4 act.

5 S 5. Section 4 of chapter 402 of the laws of 1983 amending the general
6 business law relating to conversion of rental residential property to
7 cooperative or condominium ownership in certain municipalities in the
8 counties of Nassau, Westchester and Rockland, as amended by chapter 82
9 of the laws of 2003, is amended to read as follows:

10 S 4. This act shall take effect immediately; provided, that the
11 provisions of sections one and three of this act shall remain in full
12 force and effect only until and including June 15, [2011] 2016; and
13 provided further that any plan accepted for filing by the department of
14 law on or before the effective date of this act shall continue to be
15 governed by the provisions of section 352-eee of the general business
16 law as they had existed immediately prior to the effective date of this
17 act.

18 S 6. Subdivision 6 of section 46 of chapter 116 of the laws of 1997
19 constituting the rent regulation reform act of 1997, as amended by chap-
20 ter 82 of the laws of 2003, is amended to read as follows:

21 6. sections twenty-eight, twenty-eight-a, twenty-eight-b and twenty-
22 eight-c of this act shall expire and be deemed repealed after June 15,
23 [2011] 2016;

24 S 7. This act shall take effect immediately.

25

PART F

26 Section 1. Subparagraph (e) of paragraph 1 of subdivision g of section
27 26-405 of the administrative code of the city of New York, as amended by
28 chapter 253 of the laws of 1993, is amended to read as follows:

29 (e) The landlord and tenant by mutual voluntary written agreement
30 agree to a substantial increase or decrease in dwelling space or a
31 change in the services, furniture, furnishings or equipment provided in
32 the housing accommodations. An adjustment under this subparagraph shall
33 be equal to [one-fortieth] ONE-SIXTIETH of the total cost incurred by
34 the landlord in providing such modification or increase in dwelling
35 space, services, furniture, furnishings or equipment, including the cost
36 of installation, but excluding finance charges, provided further [than]
37 THAT an owner who is entitled to a rent increase pursuant to this
38 subparagraph shall not be entitled to a further rent increase based upon
39 the installation of similar equipment, or new furniture or furnishings
40 within the useful life of such new equipment, or new furniture or
41 furnishings. The owner shall give written notice to the city rent agency
42 of any such adjustment pursuant to this subparagraph[.]; or

43 S 2. Paragraph 13 of subdivision c of section 26-511 of the adminis-
44 trative code of the city of New York, as added by chapter 253 of the
45 laws of 1993, is amended to read as follows:

46 (13) provides that an owner is entitled to a rent increase where there
47 has been a substantial modification or increase of dwelling space or an
48 increase in the services, or installation of new equipment or improve-
49 ments or new furniture or furnishings provided in or to a tenant's hous-
50 ing accommodation, on written tenant consent to the rent increase. In
51 the case of a vacant housing accommodation, tenant consent shall not be
52 required.

53 (A) The permanent increase in the legal regulated rent for the
54 affected housing accommodation shall be [one-fortieth] ONE-SIXTIETH of

1 the total cost incurred by the landlord in providing such modification
2 or increase in dwelling space, services, furniture, furnishings or
3 equipment, including the cost of installation, but excluding finance
4 charges. [Provided further that an]

5 (B) AN owner who is entitled to a rent increase pursuant to this para-
6 graph shall not be entitled to a further rent increase based upon the
7 installation of similar equipment, or new furniture or furnishings with-
8 in the useful life of such new equipment, or new furniture or
9 furnishings.

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

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

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

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

41 (G) THE NEXT ANNUAL REGISTRATION STATEMENT FILED FOR ANY HOUSING
42 ACCOMMODATION SUBJECT TO AN INCREASE UNDER THIS PARAGRAPH, WHETHER OR
43 NOT SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (E) OF THIS PARAGRAPH
44 SHALL CONTAIN A DETAILED BREAKDOWN OF THE COSTS OF ALL IMPROVEMENTS
45 UNDERLYING SUCH INCREASE.

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

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

1 S 4. Paragraph 1 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 added by chapter 253 of the laws of
4 1993, is amended to read as follows:

5 (1) there has been a substantial modification or increase of dwelling
6 space or an increase in the services, or installation of new equipment
7 or improvements or new furniture or furnishings, provided in or to a
8 tenant's housing accommodation, on written tenant consent to the rent
9 increase. In the case of a vacant housing accommodation, tenant consent
10 shall not be required. (A) The permanent increase in the legal regulated
11 rent for the affected housing accommodation shall be [one-fortieth]
12 ONE-SIXTIETH of the total cost incurred by the landlord in providing
13 such modification or increase in dwelling space, services, furniture,
14 furnishings or equipment, including the cost of installation, but
15 excluding finance charges. [Provided further than an] (B) AN owner who
16 is entitled to a rent increase pursuant to this paragraph shall not be
17 entitled to a further rent increase based upon the installation of simi-
18 lar equipment, or new furniture or furnishings within the useful life of
19 such new equipment, or new furniture or furnishings. (C) THE OWNER
20 SHALL GIVE WRITTEN NOTICE TO THE DIVISION OF HOUSING AND COMMUNITY
21 RENEWAL AND THE TENANT NAMED IN A VACANCY LEASE ON FORMS PRESCRIBED BY
22 THE DIVISION OF ANY SUCH ADJUSTMENT PURSUANT TO THIS PARAGRAPH AND THE
23 FAILURE TO PROVIDE SUCH WRITTEN NOTICE AS PROVIDED HEREIN SHALL PRECLUDE
24 THE COLLECTION OF ANY SUCH ADJUSTMENT. SUCH NOTICE MUST INCLUDE A
25 DETAILED BREAKDOWN OF THE NATURE AND COST OF ANY IMPROVEMENTS UNDERLYING
26 AN INCREASE IN RENT UNDER THIS PARAGRAPH AND A STATEMENT THAT ANY
27 INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS
28 PERMITTED BY LAW. (D) NO INCREASE SHALL BE COLLECTIBLE UNDER THIS PARA-
29 GRAPH WHERE THE DIVISION OF HOUSING AND COMMUNITY RENEWAL HAS DETERMINED
30 THAT THE OWNER IS NOT MAINTAINING ALL BUILDING-WIDE REQUIRED SERVICES OR
31 ALL REQUIRED SERVICES WITH RESPECT TO THE AFFECTED HOUSING ACCOMMO-
32 DATION, OR WHERE THERE ARE CURRENT HAZARDOUS VIOLATIONS OF ANY MUNICI-
33 PAL, COUNTY, STATE OR FEDERAL LAW WHICH RELATE TO THE MAINTENANCE OF
34 SUCH SERVICES. (E) WITHIN THIRTY DAYS OF THE SIGNING OF A VACANCY LEASE
35 INCLUDING A RENT INCREASE PURSUANT TO THIS PARAGRAPH THAT EXCEEDS TEN
36 PERCENT OF THE RENT CHARGED TO THE PREVIOUS TENANT, THE OWNER WILL FILE
37 WITH THE DIVISION AN EXPLANATION OF HOW THE VACANCY RENT WAS COMPUTED,
38 AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE,
39 INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED
40 CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED, AND CONTRAC-
41 TOR'S AFFIDAVITS INDICATING THAT THE INSTALLATION WAS COMPLETED AND PAID
42 IN FULL. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE OWNER AND AFTER
43 GIVING THE TENANT NAMED IN THE VACANCY LEASE AN OPPORTUNITY TO RESPOND,
44 THE DIVISION SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH
45 INCREASE IN WHOLE OR IN PART. BASED UPON SUCH DETERMINATION, THE DIVI-
46 SION SHALL ORDER A REFUND TO THE TENANT EQUAL TO THE AMOUNT COLLECTED IN
47 EXCESS OF THE LEGAL REGULATED RENT APPROVED BY THE DIVISION. (F) IF THE
48 OWNER FAILS TO ESTABLISH BY A PREPONDERANCE OF THE EVIDENCE THAT THE
49 OVERCHARGE WAS NOT WILLFUL, THE DIVISION SHALL ORDER THE OWNER TO PAY TO
50 THE TENANT AN ADDITIONAL AMOUNT EQUAL TO THREE TIMES THE EXCESS CHARGED.
51 (G) THE NEXT ANNUAL REGISTRATION STATEMENT FILED FOR ANY HOUSING ACCOM-
52 MODATION SUBJECT TO AN INCREASE UNDER THIS PARAGRAPH, WHETHER OR NOT
53 SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (E) OF THIS PARAGRAPH SHALL
54 CONTAIN A DETAILED BREAKDOWN OF THE COSTS OF ALL IMPROVEMENTS UNDERLYING
55 SUCH INCREASE.

1 S 5. Clause 5 of the second undesignated paragraph of paragraph (a) of
2 subdivision 4 of section 4 of chapter 274 of the laws of 1946, consti-
3 tuting the emergency housing rent control law, as amended by chapter 253
4 of the laws of 1993, is amended to read as follows:

5 (5) the landlord and tenant by mutual voluntary written agreement
6 agree to a substantial increase or decrease in dwelling space or a
7 change in the services, furniture, furnishings or equipment provided in
8 the housing accommodations; provided that an owner shall be entitled to
9 a rent increase where there has been a substantial modification or
10 increase of dwelling space or an increase in the services, or installa-
11 tion of new equipment or improvements or new furniture or furnishings
12 provided in or to a tenant's housing accommodation. The permanent
13 increase in the maximum rent for the affected housing accommodation
14 shall be [one-fortieth] ONE-SIXTIETH of the total cost incurred by the
15 landlord in providing such modification or increase in dwelling space,
16 services, furniture, furnishings or equipment, including the cost of
17 installation, but excluding finance charges provided further that an
18 owner who is entitled to a rent increase pursuant to this clause shall
19 not be entitled to a further rent increase based upon the installation
20 of similar equipment, or new furniture or furnishings within the useful
21 life of such new equipment, or new furniture or furnishings. The owner
22 shall give written notice to the commission of any such adjustment
23 pursuant to this clause; or

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

26 (a) the amendments to section 26-405 of the city rent and rehabili-
27 tation law made by section one of this act shall remain in full force
28 and effect only as long as the public emergency requiring the regulation
29 and control of residential rents and evictions continues, as provided in
30 subdivision 3 of section 1 of the local emergency housing rent control
31 act;

32 (b) the amendments to chapter 4 of title 26 of the administrative code
33 of the city of New York made by sections two and three of this act shall
34 expire on the same date as such law expires and shall not affect the
35 expiration of such law as provided under section 26-520 of such law;

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

40 (d) the amendments to section 4 of the emergency housing rent control
41 law made by section five of this act shall expire on the same date as
42 such law expires and shall not affect the expiration of such law as
43 provided in subdivision 2 of section 1 of chapter 274 of the laws of
44 1946; and

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

48

PART G

49 Section 1. Legislative findings and declaration of emergency. The
50 legislature hereby finds and declares that the serious public emergency
51 which led to the enactment of the existing laws regulating residential
52 rents and evictions continues to exist; that such laws would better
53 serve the public interest if certain changes were made thereto, includ-
54 ing the continued regulation of certain housing accommodations that

1 become vacant and the reinstatement of regulation of certain housing
2 accommodations that have been deregulated upon vacancy.

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

10 The legislature therefore declares that in order to prevent uncertain-
11 ty, potential hardship and dislocation of tenants living in housing
12 accommodations subject to government regulations as to rentals and
13 continued occupancy as well as those not subject to such regulation, the
14 provisions of this act are necessary to protect the public health, safe-
15 ty and general welfare. The necessity in the public interest for the
16 provisions hereinafter enacted is hereby declared as a matter of legis-
17 lative determination.

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

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

24 S 4. Subparagraph (k) of paragraph 2 of subdivision e of section
25 26-403 of the administrative code of the city of New York is REPEALED.

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

28 S 6. Any housing accommodations that on or after January 1, 2007 were
29 excluded from coverage from the emergency tenant protection act of nine-
30 teen seventy-four, the emergency housing rent control law or the admin-
31 istrative code of the city of New York pursuant to the provisions of law
32 repealed by sections two, three, four and five of this act shall be
33 subject to the provisions of such act, law or administrative code,
34 respectively. Notwithstanding the provisions of any lease or rental
35 agreement, the legal regulated rent or maximum collectible rent of any
36 housing accommodation excluded from regulation on or after January 1,
37 2007 by reason of the provisions repealed by sections two, three, four
38 and five of this act shall be the legal regulated rent or maximum
39 collectible rent applicable to such accommodation on December 31, 2006,
40 subject to further adjustment in accordance with applicable provisions
41 of law.

42 S 7. Any housing accommodations that prior to January 1, 2007 were
43 excluded from coverage from the emergency tenant protection act of nine-
44 teen seventy-four, the emergency housing rent control law or the admin-
45 istrative code of the city of New York pursuant to the provisions of law
46 repealed by sections two, three, four, and five of this act, and where
47 such housing accommodations were located outside the city of New York
48 and were rented to a tenant on or after January 1, 2007 for less than
49 \$3,500 per month or were located within the city of New York and were
50 rented to a tenant on or after January 1, 2007 for less than \$5,000.00
51 per month, shall be subject to the provisions of such act, law or admin-
52 istrative code, respectively. Notwithstanding the provisions of any
53 lease or rental agreement, the legal regulated rent or maximum collect-
54 ible rent of any housing accommodation excluded from regulation prior to
55 January 1, 2007 by reason of the provisions repealed by sections two,
56 three, four and five of this act and made subject to regulation shall be

1 the actual rent applicable to such accommodations on January 1, 2007 or
2 the first rent applicable to such accommodation after January 1, 2007,
3 subject to further adjustment in accordance with applicable provisions
4 of law.

5 S 8. This act shall take effect immediately.

6 PART H

7 Section 1. Subdivision a-2 of section 10 of section 4 of chapter 576
8 of the laws of 1974, constituting the emergency tenant protection act of
9 nineteen seventy-four, as added by chapter 82 of the laws of 2003, is
10 amended to read as follows:

11 [a-2.] (A-2) Provides that where the amount of rent charged to and
12 paid by the tenant is less than the legal regulated rent for the housing
13 accommodation, the amount of rent for such housing accommodation which
14 may be charged [upon renewal or] upon vacancy thereof may, at the option
15 of the owner, be based upon such previously established legal regulated
16 rent, as adjusted by [the most recent] ALL applicable guidelines
17 increases and other increases authorized by law; PROVIDED, HOWEVER, THAT
18 SUCH VACANCY SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT
19 OF THE OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH
20 THE WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO
21 HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. [Where, subsequent to
22 vacancy, such legal regulated rent, as adjusted by the most recent
23 applicable guidelines increases and any other increases authorized by
24 law is two thousand dollars or more per month, such housing accommo-
25 dation shall be excluded from the provisions of this act pursuant to
26 paragraph thirteen of subdivision a of section five of this act.]

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

30 (14) provides that where the amount of rent charged to and paid by the
31 tenant is less than the legal regulated rent for the housing accommo-
32 dation, the amount of rent for such housing accommodation which may be
33 charged [upon renewal or] upon vacancy thereof may, at the option of the
34 owner, be based upon such previously established legal regulated rent,
35 as adjusted by the most recent applicable guidelines increases and any
36 other increases authorized by law; PROVIDED, HOWEVER, THAT SUCH VACANCY
37 SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT OF THE
38 OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH THE
39 WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO
40 HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. [Where, subsequent to
41 vacancy, such legal regulated rent, as adjusted by the most recent
42 applicable guidelines increases and any other increases authorized by
43 law is two thousand dollars or more per month, such housing accommo-
44 dation shall be excluded from the provisions of this law pursuant to
45 section 26-504.2 of this chapter.]

46 S 3. This act shall take effect immediately; provided, however, that
47 the amendments to section 10 of the emergency tenant protection act of
48 nineteen seventy-four made by section one of this act shall expire on
49 the same date as such act expires and shall not affect the expiration of
50 such act as provided in section 17 of chapter 576 of the laws of 1974;
51 and provided, further, that the amendments to section 26-511 of the rent
52 stabilization law of nineteen hundred sixty-nine made by section two of
53 this act shall expire on the same date as such law expires and shall not

1 affect the expiration of such law as provided under section 26-520 of
2 such law.

3 PART I

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

7 (6-a) provides criteria whereby as an alternative to the hardship
8 application provided under paragraph six of this subdivision owners of
9 buildings acquired by the same owner or a related entity owned by the
10 same principals [three] SIX years prior to the date of application may
11 apply to the division for increases in excess of the level of applicable
12 guideline increases established under this law based on a finding by the
13 commissioner that such guideline increases are not sufficient to enable
14 the owner to maintain an annual gross rent income for such building
15 which exceeds the annual operating expenses of such building by a sum
16 equal to at least five percent of such gross rent. For the purposes of
17 this paragraph, operating expenses shall consist of the actual, reason-
18 able, costs of fuel, labor, utilities, taxes, other than income or
19 corporate franchise taxes, fees, permits, necessary contracted services
20 and non-capital repairs, insurance, parts and supplies, management fees
21 and other administrative costs and mortgage interest. For the purposes
22 of this paragraph, mortgage interest shall be deemed to mean interest on
23 a bona fide mortgage including an allocable portion of charges related
24 thereto. Criteria to be considered in determining a bona fide mortgage
25 other than an institutional mortgage shall include; condition of the
26 property, location of the property, the existing mortgage market at the
27 time the mortgage is placed, the term of the mortgage, the amortization
28 rate, the principal amount of the mortgage, security and other terms and
29 conditions of the mortgage. The commissioner shall set a rental value
30 for any unit occupied by the owner or a person related to the owner or
31 unoccupied at the owner's choice for more than one month at the last
32 regulated rent plus the minimum number of guidelines increases or, if no
33 such regulated rent existed or is known, the commissioner shall impute a
34 rent consistent with other rents in the building. The amount of hardship
35 increase shall be such as may be required to maintain the annual gross
36 rent income as provided by this paragraph. The division shall not grant
37 a hardship application under this paragraph or paragraph six of this
38 subdivision for a period of three years subsequent to granting a hard-
39 ship application under the provisions of this paragraph. The collection
40 of any increase in the rent for any housing accommodation pursuant to
41 this paragraph shall not exceed six percent in any year from the effec-
42 tive date of the order granting the increase over the rent set forth in
43 the schedule of gross rents, with collectability of any dollar excess
44 above said sum to be spread forward in similar increments and added to
45 the rent as established or set in future years. No application shall be
46 approved unless the owner's equity in such building exceeds five percent
47 of: (i) the arms length purchase price of the property; (ii) the cost of
48 any capital improvements for which the owner has not collected a
49 surcharge; (iii) any repayment of principal of any mortgage or loan used
50 to finance the purchase of the property or any capital improvements for
51 which the owner has not collected a surcharge and (iv) any increase in
52 the equalized assessed value of the property which occurred subsequent
53 to the first valuation of the property after purchase by the owner. For
54 the purposes of this paragraph, owner's equity shall mean the sum of (i)

1 the purchase price of the property less the principal of any mortgage or
2 loan used to finance the purchase of the property, (ii) the cost of any
3 capital improvement for which the owner has not collected a surcharge
4 less the principal of any mortgage or loan used to finance said improve-
5 ment, (iii) any repayment of the principal of any mortgage or loan used
6 to finance the purchase of the property or any capital improvement for
7 which the owner has not collected a surcharge, and (iv) any increase in
8 the equalized assessed value of the property which occurred subsequent
9 to the first valuation of the property after purchase by the owner.

10 S 2. Paragraph 5 of subdivision d of section 6 of section 4 of chapter
11 576 of the laws of 1974 enacting the emergency tenant protection act of
12 nineteen seventy-four, as amended by chapter 102 of the laws of 1984, is
13 amended to read as follows:

14 (5) as an alternative to the hardship application provided under para-
15 graph four of this subdivision, owners of buildings acquired by the same
16 owner or a related entity owned by the same principals [three] SIX years
17 prior to the date of application may apply to the division for increases
18 in excess of the level of applicable guideline increases established
19 under this law based on a finding by the commissioner that such guide-
20 line increases are not sufficient to enable the owner to maintain an
21 annual gross rent income for such building which exceeds the annual
22 operating expenses of such building by a sum equal to at least five
23 percent of such gross rent. For the purposes of this paragraph, operat-
24 ing expenses shall consist of the actual, reasonable, costs of fuel,
25 labor, utilities, taxes, other than income or corporate franchise taxes,
26 fees, permits, necessary contracted services and non-capital repairs,
27 insurance, parts and supplies, management fees and other administrative
28 costs and mortgage interest. For the purposes of this paragraph, mort-
29 gage interest shall be deemed to mean interest on a bona fide mortgage
30 including an allocable portion of charges related thereto. Criteria to
31 be considered in determining a bona fide mortgage other than an institu-
32 tional mortgage shall include; condition of the property, location of
33 the property, the existing mortgage market at the time the mortgage is
34 placed, the term of the mortgage, the amortization rate, the principal
35 amount of the mortgage, security and other terms and conditions of the
36 mortgage. The commissioner shall set a rental value for any unit occu-
37 pied by the owner or a person related to the owner or unoccupied at the
38 owner's choice for more than one month at the last regulated rent plus
39 the minimum number of guidelines increases or, if no such regulated rent
40 existed or is known, the commissioner shall impute a rent consistent
41 with other rents in the building. The amount of hardship increase shall
42 be such as may be required to maintain the annual gross rent income as
43 provided by this paragraph. The division shall not grant a hardship
44 application under this paragraph or paragraph four of this subdivision
45 for a period of three years subsequent to granting a hardship applica-
46 tion under the provisions of this paragraph. The collection of any
47 increase in the rent for any housing accommodation pursuant to this
48 paragraph shall not exceed six percent in any year from the effective
49 date of the order granting the increase over the rent set forth in the
50 schedule of gross rents, with collectability of any dollar excess above
51 said sum to be spread forward in similar increments and added to the
52 rent as established or set in future years. No application shall be
53 approved unless the owner's equity in such building exceeds five percent
54 of: (i) the arms length purchase price of the property; (ii) the cost of
55 any capital improvements for which the owner has not collected a
56 surcharge; (iii) any repayment of principal of any mortgage or loan used

1 to finance the purchase of the property or any capital improvements for
2 which the owner has not collected a surcharge; and (iv) any increase in
3 the equalized assessed value of the property which occurred subsequent
4 to the first valuation of the property after purchase by the owner. For
5 the purposes of this paragraph, owner's equity shall mean the sum of (i)
6 the purchase price of the property less the principal of any mortgage or
7 loan used to finance the purchase of the property, (ii) the cost of any
8 capital improvement for which the owner has not collected a surcharge
9 less the principal of any mortgage or loan used to finance said improve-
10 ment, (iii) any repayment of the principal of any mortgage or loan used
11 to finance the purchase of the property or any capital improvement for
12 which the owner has not collected a surcharge, and (iv) any increase in
13 the equalized assessed value of the property which occurred subsequent
14 to the first valuation of the property after purchase by the owner.

15 S 3. This act shall take effect immediately; provided that the amend-
16 ments to section 26-511 of chapter 4 of title 26 of the administrative
17 code of the city of New York made by section one of this act shall
18 expire on the same date as such law expires and shall not affect the
19 expiration of such law as provided under section 26-520 of such law; and
20 provided that the amendments to section 6 of the emergency tenant
21 protection act of nineteen seventy-four made by section two of this act
22 shall expire on the same date as such act expires and shall not affect
23 the expiration of such act as provided in section 17 of chapter 576 of
24 the laws of 1974.

25

PART J

26 Section 1. Subparagraph (g) of paragraph 1 of subdivision g of section
27 26-405 of the administrative code of the city of New York, as amended by
28 chapter 749 of the laws of 1990, is amended to read as follows:

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

32 (II) There has been since July first, nineteen hundred seventy, a
33 major capital improvement [required for the operation, preservation or
34 maintenance of the structure. An adjustment under this subparagraph (g)
35 shall be in an amount sufficient to amortize the cost of the improve-
36 ments pursuant to this subparagraph (g) over a seven-year period];
37 PROVIDED THAT THE COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED
38 DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE
39 REQUIRED FOR THE OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUC-
40 TURE. THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE
41 COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPA-
42 RATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY
43 OTHER ADJUSTMENT TO THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH
44 APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT
45 DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING,
46 AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED
47 THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT
48 EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY
49 THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS
50 RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND
51 COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDI-
52 TIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE
53 EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT
54 LIMITATION DID NOT APPLY; or

1 S 2. Subparagraph (k) 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 (k) The landlord has incurred, since January first, nineteen hundred
5 seventy, in connection with and in addition to a concurrent major capi-
6 tal improvement pursuant to subparagraph (g) of this paragraph, other
7 expenditures to improve, restore or preserve the quality of the struc-
8 ture. An adjustment under this subparagraph shall be granted only if
9 such improvements represent an expenditure equal to at least ten per
10 centum of the total operating and maintenance expenses for the preceding
11 year. An adjustment under this subparagraph shall be in addition to any
12 adjustment granted for the concurrent major capital improvement and
13 shall be [in an amount sufficient to amortize the cost of the improve-
14 ments pursuant to this subparagraph over a seven-year period] IMPLE-
15 MENTED IN THE SAME MANNER AS SUCH MAJOR CAPITAL IMPROVEMENT AS A FURTHER
16 SURCHARGE TO THE MAXIMUM RENT.

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

20 (6) provides criteria whereby the commissioner may act upon applica-
21 tions by owners for increases in excess of the level of fair rent
22 increase established under this law provided, however, that such crite-
23 ria shall provide [(a)] as to hardship applications, for a finding that
24 the level of fair rent increase is not sufficient to enable the owner to
25 maintain approximately the same average annual net income (which shall
26 be computed without regard to debt service, financing costs or manage-
27 ment fees) for the three year period ending on or within six months of
28 the date of an application pursuant to such criteria as compared with
29 annual net income, which prevailed on the average over the period nine-
30 teen hundred sixty-eight through nineteen hundred seventy, or for the
31 first three years of operation if the building was completed since nine-
32 teen hundred sixty-eight or for the first three fiscal years after a
33 transfer of title to a new owner provided the new owner can establish to
34 the satisfaction of the commissioner that he or she acquired title to
35 the building as a result of a bona fide sale of the entire building and
36 that the new owner is unable to obtain requisite records for the fiscal
37 years nineteen hundred sixty-eight through nineteen hundred seventy
38 despite diligent efforts to obtain same from predecessors in title and
39 further provided that the new owner can provide financial data covering
40 a minimum of six years under his or her continuous and uninterrupted
41 operation of the building to meet the three year to three year compar-
42 ative test periods herein provided[; and (b) as to completed building-
43 wide major capital improvements, for a finding that such improvements
44 are deemed depreciable under the Internal Revenue Code and that the cost
45 is to be amortized over a seven-year period, based upon cash purchase
46 price exclusive of interest or service charges]. Notwithstanding
47 anything to the contrary contained herein, no hardship increase granted
48 pursuant to this paragraph shall, when added to the annual gross rents,
49 as determined by the commissioner, exceed the sum of, (i) the annual
50 operating expenses, (ii) an allowance for management services as deter-
51 mined by the commissioner, (iii) actual annual mortgage debt service
52 (interest and amortization) on its indebtedness to a lending institu-
53 tion, an insurance company, a retirement fund or welfare fund which is
54 operated under the supervision of the banking or insurance laws of the
55 state of New York or the United States, and (iv) eight and one-half
56 percent of that portion of the fair market value of the property which

1 exceeds the unpaid principal amount of the mortgage indebtedness
2 referred to in subparagraph (iii) of this paragraph. Fair market value
3 for the purposes of this paragraph shall be six times the annual gross
4 rent. The collection of any increase in the stabilized rent for any
5 apartment pursuant to this paragraph shall not exceed six percent in any
6 year from the effective date of the order granting the increase over the
7 rent set forth in the schedule of gross rents, with collectability of
8 any dollar excess above said sum to be spread forward in similar incre-
9 ments and added to the stabilized rent as established or set in future
10 years;

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

14 (6-B) PROVIDES CRITERIA WHEREBY THE COMMISSIONER MAY ACT UPON APPLICA-
15 TION BY OWNERS FOR INCREASES IN EXCESS OF THE LEVEL OF FAIR RENT
16 INCREASE ESTABLISHED UNDER THIS LAW PROVIDED, HOWEVER, THAT SUCH CRITE-
17 RIA SHALL PROVIDE AS TO COMPLETED BUILDING-WIDE MAJOR CAPITAL IMPROVE-
18 MENTS, FOR A FINDING THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER
19 THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE
20 OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE
21 PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY
22 SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED
23 AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL ADJUSTMENT
24 OF THE LEVEL OF FAIR RENT PROVIDED FOR UNDER SUBDIVISION B OF SECTION
25 26-510 OF THIS LAW. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE
26 AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR,
27 DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY
28 THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLO-
29 CABLE TO ANY APARTMENT, IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL
30 TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH
31 APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE
32 SAID SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS
33 AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY
34 ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD
35 HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY.

36 (6-C) COLLECTION OF SURCHARGES IN EXCESS OF THE LEVEL OF FAIR RENT
37 AUTHORIZED PURSUANT TO PARAGRAPH SIX-B OF THIS SUBDIVISION SHALL CEASE
38 WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL IMPROVEMENT.

39 S 5. Paragraph 3 of subdivision d of section 6 of section 4 of chapter
40 576 of the laws of 1974, constituting the emergency tenant protection
41 act of nineteen seventy-four, as amended by chapter 749 of the laws of
42 1990, is amended to read as follows:

43 (3) (I) COLLECTION OF SURCHARGES IN ADDITION TO THE LEGAL REGULATED
44 RENT AUTHORIZED PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL
45 CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL
46 IMPROVEMENT;

47 (II) there has been since January first, nineteen hundred seventy-four
48 a major capital improvement [required for the operation, preservation or
49 maintenance of the structure. An adjustment under this paragraph shall
50 be in an amount sufficient to amortize the cost of the improvements
51 pursuant to this paragraph over a seven-year period]; PROVIDED THAT THE
52 COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER
53 THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE
54 OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE
55 PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY
56 SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED

1 AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL RENT
2 ADJUSTMENT AUTHORIZED BY THE RENT GUIDELINES BOARD UNDER THIS ACT. THE
3 SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE
4 COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF
5 ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN
6 SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT
7 IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE
8 MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET FORTH IN
9 THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE
10 CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT
11 TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE
12 TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMEN-
13 TIONED SIX PERCENT LIMITATION DID NOT APPLY, or

14 S 6. The second undesignated paragraph of paragraph (a) of subdivision
15 4 of section 4 of chapter 274 of the laws of 1946, constituting the
16 emergency housing rent control law, as amended by chapter 21 of the laws
17 of 1962, clause 5 as amended by chapter 253 of the laws of 1993, is
18 amended to read as follows:

19 No application for adjustment of maximum rent based upon a sales price
20 valuation shall be filed by the landlord under this subparagraph prior
21 to six months from the date of such sale of the property. In addition,
22 no adjustment ordered by the commission based upon such sales price
23 valuation shall be effective prior to one year from the date of such
24 sale. Where, however, the assessed valuation of the land exceeds four
25 times the assessed valuation of the buildings thereon, the commission
26 may determine a valuation of the property equal to five times the equal-
27 ized assessed valuation of the buildings, for the purposes of this
28 subparagraph. The commission may make a determination that the valu-
29 ation of the property is an amount different from such equalized
30 assessed valuation where there is a request for a reduction in such
31 assessed valuation currently pending; or where there has been a
32 reduction in the assessed valuation for the year next preceding the
33 effective date of the current assessed valuation in effect at the time
34 of the filing of the application. Net annual return shall be the amount
35 by which the earned income exceeds the operating expenses of the proper-
36 ty, excluding mortgage interest and amortization, and excluding allow-
37 ances for obsolescence and reserves, but including an allowance for
38 depreciation of two per centum of the value of the buildings exclusive
39 of the land, or the amount shown for depreciation of the buildings in
40 the latest required federal income tax return, whichever is lower;
41 provided, however, that (1) no allowance for depreciation of the build-
42 ings shall be included where the buildings have been fully depreciated
43 for federal income tax purposes or on the books of the owner; or (2) the
44 landlord who owns no more than four rental units within the state has
45 not been fully compensated by increases in rental income sufficient to
46 offset unavoidable increases in property taxes, fuel, utilities, insur-
47 ance and repairs and maintenance, excluding mortgage interest and amor-
48 tization, and excluding allowances for depreciation, obsolescence and
49 reserves, which have occurred since the federal date determining the
50 maximum rent or the date the property was acquired by the present owner,
51 whichever is later; or (3) the landlord operates a hotel or rooming
52 house or owns a cooperative apartment and has not been fully compensated
53 by increases in rental income from the controlled housing accommodations
54 sufficient to offset unavoidable increases in property taxes and other
55 costs as are allocable to such controlled housing accommodations,
56 including costs of operation of such hotel or rooming house, but exclud-

1 ing mortgage interest and amortization, and excluding allowances for
2 depreciation, obsolescence and reserves, which have occurred since the
3 federal date determining the maximum rent or the date the landlord
4 commenced the operation of the property, whichever is later; or (4) the
5 landlord and tenant voluntarily enter into a valid written lease in good
6 faith with respect to any housing accommodation, which lease provides
7 for an increase in the maximum rent not in excess of fifteen per centum
8 and for a term of not less than two years, except that where such lease
9 provides for an increase in excess of fifteen per centum, the increase
10 shall be automatically reduced to fifteen per centum; or (5) the land-
11 lord and tenant by mutual voluntary written agreement agree to a
12 substantial increase or decrease in dwelling space or a change in the
13 services, furniture, furnishings or equipment provided in the housing
14 accommodations; provided that an owner shall be entitled to a rent
15 increase where there has been a substantial modification or increase of
16 dwelling space or an increase in the services, or installation of new
17 equipment or improvements or new furniture or furnishings provided in or
18 to a tenant's housing accommodation. The permanent increase in the maxi-
19 mum rent for the affected housing accommodation shall be one-fortieth of
20 the total cost incurred by the landlord in providing such modification
21 or increase in dwelling space, services, furniture, furnishings or
22 equipment, including the cost of installation, but excluding finance
23 charges provided further that an owner who is entitled to a rent
24 increase pursuant to this clause shall not be entitled to a further rent
25 increase based upon the installation of similar equipment, or new furni-
26 ture or furnishings within the useful life of such new equipment, or new
27 furniture or furnishings. The owner shall give written notice to the
28 commission of any such adjustment pursuant to this clause; or (6) there
29 has been, since March first, nineteen hundred fifty, an increase in the
30 rental value of the housing accommodations as a result of a substantial
31 rehabilitation of the building or housing accommodation therein which
32 materially adds to the value of the property or appreciably prolongs its
33 life, excluding ordinary repairs, maintenance and replacements; or (7)
34 (I) COLLECTION OF SURCHARGES TO THE MAXIMUM RENT AUTHORIZED PURSUANT TO
35 ITEM (II) OF THIS CLAUSE SHALL CEASE WHEN THE OWNER HAS RECOVERED THE
36 COST OF THE MAJOR CAPITAL IMPROVEMENT; (II) there has been since March
37 first, nineteen hundred fifty, a major capital improvement [required for
38 the operation, preservation or maintenance of the structure]; PROVIDED
39 THAT THE COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIA-
40 BLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED
41 FOR THE OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE
42 INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A
43 MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED
44 AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT
45 TO THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE
46 AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR,
47 DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY
48 THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLO-
49 CABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO
50 SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APART-
51 MENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID
52 SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A
53 FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE
54 YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE
55 BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY; or (8)
56 there has been since March first, nineteen hundred fifty, in structures

1 containing more than four housing accommodations, other improvements
2 made with the express consent of the tenants in occupancy of at least
3 seventy-five per centum of the housing accommodations, provided, howev-
4 er, that no adjustment granted hereunder shall exceed fifteen per centum
5 unless the tenants have agreed to a higher percentage of increase, as
6 herein provided; or (9) there has been, since March first, nineteen
7 hundred fifty, a subletting without written consent from the landlord or
8 an increase in the number of adult occupants who are not members of the
9 immediate family of the tenant, and the landlord has not been compen-
10 sated therefor by adjustment of the maximum rent by lease or order of
11 the commission or pursuant to the federal act; or (10) the presence of
12 unique or peculiar circumstances materially affecting the maximum rent
13 has resulted in a maximum rent which is substantially lower than the
14 rents generally prevailing in the same area for substantially similar
15 housing accommodations.

16 S 7. This act shall take effect immediately; provided that the amend-
17 ments to section 26-405 of the city rent and rehabilitation law made by
18 sections one and two of this act shall remain in full force and effect
19 only so long as the public emergency requiring the regulation and
20 control of residential rents and evictions continues, as provided in
21 subdivision 3 of section 1 of the local emergency housing rent control
22 act; and provided further that the amendments to section 26-511 of the
23 rent stabilization law of nineteen hundred sixty-nine made by sections
24 three and four of this act shall expire on the same date as such law
25 expires and shall not affect the expiration of such law as provided
26 under section 26-520 of such law, as from time to time amended; and
27 provided further that the amendment to section 6 of the emergency tenant
28 protection act of nineteen seventy-four made by section five of this act
29 shall expire on the same date as such act expires and shall not affect
30 the expiration of such act as provided in section 17 of chapter 576 of
31 the laws of 1974, as from time to time amended; and further provided
32 that the amendment to section 4 of the emergency housing rent control
33 law made by section six of this act shall expire on the same date as
34 such law expires and shall not affect the expiration of such law as
35 provided in subdivision 2 of section 1 of chapter 274 of the laws of
36 1946.

37

PART K

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

41 D. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH THREE OR FIVE OF SUBDI-
42 VISION A OF THIS SECTION BUT SUBJECT TO ANY OTHER APPLICABLE EXCEPTIONS
43 IN SUCH SUBDIVISION, NOTHING SHALL PREVENT THE DECLARATION OF AN EMER-
44 GENCY PURSUANT TO SECTION THREE OF THIS ACT FOR RENTAL HOUSING ACCOMMO-
45 DATIONS LOCATED IN BUILDINGS WHICH WERE OWNED BY A COMPANY ESTABLISHED
46 UNDER ARTICLE 2 OF THE PRIVATE HOUSING FINANCE LAW, OTHER THAN A MUTUAL
47 COMPANY, BY REASON OF A VOLUNTARY DISSOLUTION PURSUANT TO SECTION 35 OF
48 SUCH LAW. THE PROVISION OF SUBDIVISION A OF SECTION NINE OF THIS ACT
49 SHALL NOT APPLY TO ANY HOUSING ACCOMMODATION WHICH BECAME SUBJECT TO
50 THIS ACT PURSUANT TO THIS SUBDIVISION.

51 S 2. This act shall take effect immediately and shall apply to housing
52 companies that dissolve before, on or after such date; provided, howev-
53 er, that the amendments to the emergency tenant protection act of nine-
54 teen seventy-four made by this act shall not affect the expiration of

1 such act as provided in section 17 of chapter 576 of the laws of 1974,
2 as amended and shall be deemed to expire therewith.

3 PART L

4 Section 1. Paragraph 12 of subdivision a of section 5 of section 4 of
5 chapter 576 of the laws of 1974, constituting the emergency tenant
6 protection act of nineteen seventy-four, as amended by chapter 116 of
7 the laws of 1997, is amended to read as follows:

8 (12) upon issuance of an order by the division, housing accommodations
9 which are: (1) occupied by persons who have a total annual income [in
10 excess of one hundred seventy-five thousand dollars per annum], AS
11 DEFINED IN AND SUBJECT TO THE LIMITATIONS AND PROCESS SET FORTH IN
12 SECTION FIVE-A OF THIS ACT, THAT EXCEEDS THE DEREGULATION INCOME THRESH-
13 OLD, AS DEFINED IN SECTION FIVE-A OF THIS ACT in each of the two preced-
14 ing calendar years[, as defined in and subject to the limitations and
15 process set forth in section five-a of this act]; and (2) have a legal
16 regulated rent [of two thousand dollars or more per month] THAT EQUALS
17 OR EXCEEDS THE DEREGULATION RENT THRESHOLD, AS DEFINED IN SECTION FIVE-A
18 OF THIS ACT. Provided however, that this exclusion shall not apply to
19 housing accommodations which became or become subject to this act (a) by
20 virtue of receiving tax benefits pursuant to section four hundred twen-
21 ty-one-a or four hundred eighty-nine of the real property tax law,
22 except as otherwise provided in subparagraph (i) of paragraph (f) of
23 subdivision two of section four hundred twenty-one-a of the real proper-
24 ty tax law, or (b) by virtue of article seven-C of the multiple dwelling
25 law.

26 S 2. Section 5-a of section 4 of chapter 576 of the laws of 1974,
27 constituting the emergency tenant protection act of nineteen seventy-
28 four, as added by chapter 253 of the laws of 1993, subdivision (b) and
29 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as
30 added by chapter 116 of the laws of 1997, is amended to read as follows:

31 S 5-a. High income rent [decontrol] DEREGULATION. (a) 1. For purposes
32 of this section, annual income shall mean the federal adjusted gross
33 income as reported on the New York state income tax return. Total annual
34 income means the sum of the annual incomes of all persons whose names
35 are recited as the tenant or co-tenant on a lease who occupy the housing
36 accommodation and all other persons that occupy the housing accommo-
37 dation as their primary residence on other than a temporary basis,
38 excluding bona fide employees of such occupants residing therein in
39 connection with such employment and excluding bona fide subtenants in
40 occupancy pursuant to the provisions of section two hundred twenty-six-b
41 of the real property law. In the case where a housing accommodation is
42 sublet, the annual income of the tenant or co-tenant recited on the
43 lease who will reoccupy the housing accommodation upon the expiration of
44 the sublease shall be considered.

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

52 3. DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND DOLLARS. FOR
53 PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE,
54 THE DEREGULATION RENT THRESHOLD SHALL BE ADJUSTED ANNUALLY ON THE FIRST

1 DAY OF OCTOBER EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT YEAR BY THE
2 CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, NEW
3 YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS ESTABLISHED THE
4 PRECEDING AUGUST.

5 (b) On or before the first day of May in each calendar year, the owner
6 of each housing accommodation for which the legal regulated MONTHLY rent
7 [is two thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREG-
8 ULATION RENT THRESHOLD may provide the tenant or tenants residing there-
9 in with an income certification form prepared by the division of housing
10 and community renewal on which such tenant or tenants shall identify all
11 persons referred to in subdivision (a) of this section and shall certify
12 whether the total annual income is in excess of [one hundred seventy-
13 five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each of the
14 two preceding calendar years. Such income certification form shall state
15 that the income level certified to by the tenant may be subject to
16 verification by the department of taxation and finance pursuant to
17 section one hundred seventy-one-b of the tax law, and shall not require
18 disclosure of any information other than whether the aforementioned
19 threshold has been exceeded. Such income certification form shall clear-
20 ly state that: (i) only tenants residing in housing accommodations which
21 had a legal regulated MONTHLY rent [of two thousand dollars or more per
22 month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD are
23 required to complete the certification form; (ii) that tenants have
24 protections available to them which are designed to prevent harassment;
25 (iii) that tenants are not required to provide any information regarding
26 their income except that which is requested on the form and may contain
27 such other information the division deems appropriate. The tenant or
28 tenants shall return the completed certification to the owner within
29 thirty days after service upon the tenant or tenants. In the event that
30 the total annual income as certified is in excess of [one hundred seven-
31 ty-five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each such
32 year, the owner may file the certification with the state division of
33 housing and community renewal on or before June thirtieth of such year.
34 Upon filing such certification with the division, the division shall,
35 within thirty days after the filing, issue an order providing that such
36 housing accommodation shall not be subject to the provisions of this act
37 upon the expiration of the existing lease. A copy of such order shall be
38 mailed by regular and certified mail, return receipt requested, to the
39 tenant or tenants and a copy thereof shall be mailed to the owner.

40 (c) 1. In the event that the tenant or tenants either fail to return
41 the completed certification to the owner on or before the date required
42 by subdivision (b) of this section or the owner disputes the certif-
43 ication returned by the tenant or tenants, the owner may, on or before
44 June thirtieth of such year, petition the state division of housing and
45 community renewal to verify, pursuant to section one hundred seventy-
46 one-b of the tax law, whether the total annual income exceeds [one
47 hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD
48 in each of the two preceding calendar years. Within twenty days after
49 the filing of such request with the division, the division shall notify
50 the tenant or tenants that such tenant or tenants named on the lease
51 must provide the division with such information as the division and the
52 department of taxation and finance shall require to verify whether the
53 total annual income exceeds [one hundred seventy-five thousand dollars]
54 THE DEREGULATION INCOME THRESHOLD in each such year. The division's
55 notification shall require the tenant or tenants to provide the informa-
56 tion to the division within sixty days of service upon such tenant or

1 tenants and shall include a warning in bold faced type that failure to
2 respond will result in an order being issued by the division providing
3 that such housing accommodations shall not be subject to the provisions
4 of this act.

5 2. If the department of taxation and finance determines that the total
6 annual income is in excess of [one hundred seventy-five thousand
7 dollars] THE DEREGULATION INCOME THRESHOLD in each of the two preceding
8 calendar years, the division shall, on or before November fifteenth of
9 such year, notify the owner and tenants of the results of such verifica-
10 tion. Both the owner and the tenants shall have thirty days within which
11 to comment on such verification results. Within forty-five days after
12 the expiration of the comment period, the division shall, where appro-
13 priate, issue an order providing that such housing accommodation shall
14 not be subject to the provisions of this act upon expiration of the
15 existing lease. A copy of such order shall be mailed by regular and
16 certified mail, return receipt requested, to the tenant or tenants and a
17 copy thereof shall be sent to the owner.

18 3. In the event the tenant or tenants fail to provide the information
19 required pursuant to paragraph one of this subdivision, the division
20 shall issue, on or before December first of such year, an order provid-
21 ing that such housing accommodation shall not be subject to the
22 provisions of this act upon the expiration [or] OF the current lease. A
23 copy of such order shall be mailed by regular and certified mail, return
24 receipt requested, to the tenant or tenants and a copy thereof shall be
25 sent to the owner.

26 4. The provisions of the state freedom of information act shall not
27 apply to any income information obtained by the division pursuant to
28 this section.

29 (d) This section shall apply only to paragraph twelve of subdivision a
30 of section five of this act.

31 (e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to
32 this section, an owner shall offer the housing accommodation subject to
33 such order to the tenant at a rent not in excess of the market rent,
34 which for the purposes of this section means a rent obtainable in an
35 arm's length transaction. Such rental offer shall be made by the owner
36 in writing to the tenant by certified and regular mail and shall inform
37 the tenant that such offer must be accepted in writing within ten days
38 of receipt. The tenant shall respond within ten days after receipt of
39 such offer. If the tenant declines the offer or fails to respond within
40 such period, the owner may commence an action or proceeding for the
41 eviction of such tenant.

42 S 3. Paragraph (m) of subdivision 2 of section 2 of chapter 274 of the
43 laws of 1946, constituting the emergency housing rent control law, as
44 amended by chapter 116 of the laws of 1997, is amended to read as
45 follows:

46 (m) upon the issuance of an order of [decontrol] DEREGULATION by the
47 division, housing accommodations which: (1) are occupied by persons who
48 have a total annual income, AS DEFINED IN AND SUBJECT TO THE LIMITATIONS
49 AND PROCESS SET FORTH IN SECTION TWO-A OF THIS LAW, in excess of [one
50 hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD
51 AS DEFINED IN SECTION TWO-A OF THIS LAW in each of the two preceding
52 calendar years[, as defined in and subject to the limitations and proc-
53 ess set forth in section two-a of this law]; and (2) have a maximum rent
54 [of two thousand dollars or more per month].

55 S 4. Section 2-a of chapter 274 of the laws of 1946, constituting the
56 emergency housing rent control law, as added by chapter 253 of the laws

1 of 1993, subdivision (b) and paragraphs 1 and 2 of subdivision (c) as
2 amended and subdivision (e) as added by chapter 116 of the laws of 1997,
3 is amended to read as follows:

4 S 2-a. (a) 1. For purposes of this section, annual income shall mean
5 the federal adjusted gross income as reported on the New York state
6 income tax return. Total annual income means the sum of the annual
7 incomes of all persons who occupy the housing accommodation as their
8 primary residence on other than a temporary basis, excluding bona fide
9 employees of such occupants residing therein in connection with such
10 employment and excluding bona fide subtenants in occupancy pursuant to
11 the provisions of section two hundred twenty-six-b of the real property
12 law. In the case where a housing accommodation is sublet, the annual
13 income of the sublessor shall be considered.

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

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

28 (b) On or before the first day of May in each calendar year, the owner
29 of each housing accommodation for which the maximum MONTHLY rent [is two
30 thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION
31 RENT THRESHOLD may provide the tenant or tenants residing therein with
32 an income certification form prepared by the division of housing and
33 community renewal on which such tenant or tenants shall identify all
34 persons referred to in subdivision (a) of this section and shall certify
35 whether the total annual income is in excess of [one hundred seventy-
36 five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each of the
37 two preceding calendar years. Such income certification form shall state
38 that the income level certified to by the tenant may be subject to
39 verification by the department of taxation and finance pursuant to
40 section one hundred seventy-one-b of the tax law and shall not require
41 disclosure of any income information other than whether the aforemen-
42 tioned threshold has been exceeded. Such income certification form shall
43 clearly state that: (i) only tenants residing in housing accommodations
44 which had a maximum MONTHLY rent EQUAL TO OR IN EXCESS of [two thousand
45 dollars or more per month] THE DEREGULATION RENT THRESHOLD are required
46 to complete the certification form; (ii) that tenants have protections
47 available to them which are designed to prevent harassment; (iii) that
48 tenants are not required to provide any information regarding their
49 income except that which is requested on the form and may contain such
50 other information the division deems appropriate. The tenant or tenants
51 shall return the completed certification to the owner within thirty days
52 after service upon the tenant or tenants. In the event that the total
53 annual income as certified is in excess of [one hundred seventy-five
54 thousand dollars in each such year] THE DEREGULATION INCOME THRESHOLD,
55 the owner may file the certification with the state division of housing
56 and community renewal on or before June thirtieth of such year. Upon

1 filing such certification with the division, the division shall, within
2 thirty days after the filing, issue an order of [decontrol] DEREGULATION
3 providing that such housing accommodations shall not be subject to the
4 provisions of this law as of the first day of June in the year next
5 succeeding the filing of the certification by the owner. A copy of such
6 order shall be mailed by regular and certified mail, return receipt
7 requested, to the tenant or tenants and a copy thereof shall be mailed
8 to the owner.

9 (c) 1. In the event that the tenant or tenants either fail to return
10 the completed certification to the owner on or before the date required
11 by subdivision (b) of this section or the owner disputes the certifi-
12 cation returned by the tenant or tenants, the owner may, on or before
13 June thirtieth of such year, petition the state division of housing and
14 community renewal to verify, pursuant to section one hundred seventy-
15 one-b of the tax law, whether the total annual income exceeds [one
16 hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD
17 in each of the two preceding calendar years. Within twenty days after
18 the filing of such request with the division, the division shall notify
19 the tenant or tenants that such tenant or tenants must provide the divi-
20 sion with such information as the division and the department of taxa-
21 tion and finance shall require to verify whether the total annual income
22 exceeds [one hundred seventy-five thousand dollars] THE DEREGULATION
23 INCOME THRESHOLD in each such year. The division's notification shall
24 require the tenant or tenants to provide the information to the division
25 within sixty days of service upon such tenant or tenants and shall
26 include a warning in bold faced type that failure to respond will result
27 in an order of [decontrol] DEREGULATION being issued by the division for
28 such housing accommodation.

29 2. If the department of taxation and finance determines that the total
30 annual income is in excess of [one hundred seventy-five thousand
31 dollars] THE DEREGULATION INCOME THRESHOLD in each of the two preceding
32 calendar years, the division shall, on or before November fifteenth of
33 such year, notify the owner and tenants of the results of such verifica-
34 tion. Both the owner and the tenants shall have thirty days within which
35 to comment on such verification results. Within forty-five days after
36 the expiration of the comment period, the division shall, where appro-
37 priate, issue an order of [decontrol] DEREGULATION providing that such
38 housing accommodation shall not be subject to the provisions of this law
39 as of the first day of March in the year next succeeding the filing of
40 the owner's petition with the division. A copy of such order shall be
41 mailed by regular and certified mail, return receipt requested, to the
42 tenant or tenants and a copy thereof shall be sent to the owner.

43 3. In the event the tenant or tenants fail to provide the information
44 required pursuant to paragraph one of this subdivision, the division
45 shall issue, on or before December first of such year, an order of
46 [decontrol] DEREGULATION providing that such housing accommodation shall
47 not be subject to the provisions of this law as of the first day of
48 March in the year next succeeding the last day on which the tenant or
49 tenants were required to provide the information required by such para-
50 graph. A copy of such order shall be mailed by regular and certified
51 mail, return receipt requested, to the tenant or tenants and a copy
52 thereof shall be sent to the owner.

53 4. The provisions of the state freedom of information act shall not
54 apply to any income information obtained by the division pursuant to
55 this section.

(d) This section shall apply only to paragraph (m) of subdivision two of section two of this law.

(e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to this section, an owner shall offer the housing accommodation subject to such order to the tenant at a rent not in excess of the market rent, which for the purposes of this section means a rent obtainable in an arm's length transaction. Such rental offer shall be made by the owner in writing to the tenant by certified and regular mail and shall inform the tenant that such offer must be accepted in writing within ten days of receipt. The tenant shall respond within ten days after receipt of such offer. If the tenant declines the offer or fails to respond within such period, the owner may commence an action or proceeding for the eviction of such tenant.

S 5. Subparagraph (j) of paragraph 2 of subdivision e of section 26-403 of the administrative code of the city of New York, as amended by chapter 116 of the laws of 1997, is amended to read as follows:

(j) Upon the issuance of an order of [decontrol] DEREGULATION by the division, housing accommodations which: (1) are occupied by persons who have a total annual income, AS DEFINED IN AND SUBJECT TO THE LIMITATIONS AND PROCESS SET FORTH IN SECTION 26-403.1 OF THIS CHAPTER, in excess of [one hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD, AS DEFINED IN SECTION 26-403.1 OF THIS CHAPTER, per annum in each of the two preceding calendar years[, as defined in and subject to the limitations and process set forth in section 26-403.1 of this chapter]; and (2) have a maximum rent [of two thousand dollars or more per month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD, AS DEFINED IN SECTION 26-403.1 OF THIS CHAPTER. Provided however, that this exclusion shall not apply to housing accommodations which became or become subject to this law by virtue of receiving tax benefits pursuant to section four hundred eighty-nine of the real property tax law.

S 6. Section 26-403.1 of the administrative code of the city of New York, as added by chapter 253 of the laws of 1993, subdivision (b) and paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as added by chapter 116 of the laws of 1997, is amended to read as follows:

S 26-403.1 High income rent [decontrol] DEREGULATION. (a) 1. For purposes of this section, annual income shall mean the federal adjusted gross income as reported on the New York state income tax return. Total annual income means the sum of the annual incomes of all persons who occupy the housing accommodation as their primary residence other than on a temporary basis, excluding bona fide employees of such occupants residing therein in connection with such employment and excluding bona fide subtenants in occupancy pursuant to the provisions of section two hundred twenty-six-b of the real property law. In the case where a housing accommodation is sublet, the annual income of the sublessor shall be considered.

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

3. DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND DOLLARS. FOR PROCEEDINGS COMMENCED ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE, THE DEREGULATION RENT THRESHOLD SHALL BE ADJUSTED ANNUALLY ON THE FIRST DAY OF OCTOBER OF EACH YEAR FOR PROCEEDINGS IN EACH SUBSEQUENT YEAR BY

1 THE CHANGE IN THE REGIONAL CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS,
2 NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA, AS ESTABLISHED
3 THE PRECEDING AUGUST.

4 (b) On or before the first day of May in each calendar year, the owner
5 of each housing accommodation for which the maximum rent [is two thou-
6 sand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION RENT
7 THRESHOLD may provide the tenant or tenants residing therein with an
8 income certification form prepared by the division of housing and commu-
9 nity renewal on which such tenant or tenants shall identify all persons
10 referred to in subdivision (a) of this section and shall certify whether
11 the total annual income is in excess of [one hundred seventy-five thou-
12 sand dollars] THE DEREGULATION INCOME THRESHOLD in each of the two
13 preceding calendar years. Such income certification form shall state
14 that the income level certified to by the tenant may be subject to
15 verification by the department of taxation and finance pursuant to
16 section one hundred seventy-one-b of the tax law and shall not require
17 disclosure of any income information other than whether the aforemen-
18 tioned threshold has been exceeded. Such income certification form shall
19 clearly state that: (i) only tenants residing in housing accommodations
20 which have a maximum MONTHLY rent [of two thousand dollars or more per
21 month] THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD are
22 required to complete the certification form; (ii) that tenants have
23 protections available to them which are designed to prevent harassment;
24 (iii) that tenants are not required to provide any information regarding
25 their income except that which is requested on the form and may contain
26 such other information the division deems appropriate. The tenant or
27 tenants shall return the completed certification to the owner within
28 thirty days after service upon the tenant or tenants. In the event that
29 the total annual income as certified is in excess of [one hundred seven-
30 ty-five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each such
31 year, the owner may file the certification with the state division of
32 housing and community renewal on or before June thirtieth of such year.
33 Upon filing such certification with the division, the division shall,
34 within thirty days after the filing, issue an order of [decontrol]
35 DEREGULATION providing that such housing accommodations shall not be
36 subject to the provisions of this law as of the first day of June in the
37 year next succeeding the filing of the certification by the owner. A
38 copy of such order shall be mailed by regular and certified mail, return
39 receipt requested, to the tenant or tenants and a copy thereof shall be
40 mailed to the owner.

41 (c) 1. In the event that the tenant or tenants either fail to return
42 the completed certification to the owner on or before the date required
43 by subdivision (b) of this section or the owner disputes the certif-
44 ication returned by the tenant or tenants, the owner may, on or before
45 June thirtieth of such year, petition the state division of housing and
46 community renewal to verify, pursuant to section one hundred seventy-
47 one-b of the tax law, whether the total annual income exceeds [one
48 hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD
49 in each of the two preceding calendar years. Within twenty days after
50 the filing of such request with the division, the division shall notify
51 the tenant or tenants that such tenant or tenants must provide the divi-
52 sion with such information as the division and the department of taxa-
53 tion and finance shall require to verify whether the total annual income
54 exceeds [one hundred seventy-five thousand dollars] THE DEREGULATION
55 INCOME THRESHOLD in each such year. The division's notification shall
56 require the tenant or tenants to provide the information to the division

1 within sixty days of service upon such tenant or tenants and shall
2 include a warning in bold faced type that failure to respond will result
3 in an order of [decontrol] DEREGULATION being issued by the division for
4 such housing accommodation.

5 2. If the department of taxation and finance determines that the total
6 annual income is in excess of [one hundred seventy-five thousand
7 dollars] THE DEREGULATION INCOME THRESHOLD in each of the two preceding
8 calendar years, the division shall, on or before November fifteenth of
9 such year, notify the owner and tenants of the results of such verifica-
10 tion. Both the owner and the tenants shall have thirty days within which
11 to comment on such verification results. Within forty-five days after
12 the expiration of the comment period, the division shall, where appro-
13 priate, issue an order of [decontrol] DEREGULATION providing that such
14 housing accommodation shall not be subject to the provisions of this law
15 as of the first day of March in the year next succeeding the filing of
16 the owner's petition with the division. A copy of such order shall be
17 mailed by regular and certified mail, return receipt requested, to the
18 tenant or tenants and a copy thereof shall be sent to the owner.

19 3. In the event the tenant or tenants fail to provide the information
20 required pursuant to paragraph one of this subdivision, the division
21 shall issue, on or before December first of such year, an order of
22 [decontrol] DEREGULATION providing that such housing accommodation shall
23 not be subject to the provisions of this law as of the first day of
24 March in the year next succeeding the last day on which the tenant or
25 tenants were required to provide the information required by such para-
26 graph. A copy of such order shall be mailed by regular and certified
27 mail, return receipt requested, to the tenant or tenants and a copy
28 thereof shall be sent to the owner.

29 4. The provisions of the state freedom of information act shall not
30 apply to any income information obtained by the division pursuant to
31 this section.

32 (d) This section shall apply only to subparagraph (j) of paragraph two
33 of subdivision e of section 26-403 of this [code] CHAPTER.

34 (e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to
35 this section, an owner shall offer the housing accommodation subject to
36 such order to the tenant at a rent not in excess of the market rent,
37 which for the purposes of this section means a rent obtainable in an
38 arm's length transaction. Such rental offer shall be made by the owner
39 in writing to the tenant by certified and regular mail and shall inform
40 the tenant that such offer must be accepted in writing within ten days
41 of receipt. The tenant shall respond within ten days after receipt of
42 such offer. If the tenant declines the offer or fails to respond within
43 such period, the owner may commence an action or proceeding for the
44 eviction of such tenant.

45 S 7. Section 26-504.1 of the administrative code of the city of New
46 York, as amended by chapter 116 of the laws of 1997, is amended to read
47 as follows:

48 S 26-504.1 Exclusion of accommodations of high income renters. Upon
49 the issuance of an order by the division, "housing accommodations" shall
50 not include housing accommodations which: (1) are occupied by persons
51 who have a total annual income, AS DEFINED IN AND SUBJECT TO THE LIMITA-
52 TIONS AND PROCESS SET FORTH IN SECTION 26-504.3 OF THIS CHAPTER, in
53 excess of [one hundred seventy-five thousand dollars per annum] THE
54 DEREGULATION INCOME THRESHOLD, AS DEFINED IN SECTION 26-504.3 OF THIS
55 CHAPTER, for each of the two preceding calendar years[, as defined in
56 and subject to the limitations and process set forth in section 26-504.3

1 of this chapter]; and (2) have a legal regulated MONTHLY rent [of two
2 thousand dollars or more per month] THAT EQUALS OR EXCEEDS THE DEREGU-
3 LATION RENT THRESHOLD, AS DEFINED IN SECTION 26-504.3 OF THIS CHAPTER.
4 Provided, however, that this exclusion shall not apply to housing accom-
5 modations which became or become subject to this law (a) by virtue of
6 receiving tax benefits pursuant to section four hundred twenty-one-a or
7 four hundred eighty-nine of the real property tax law, except as other-
8 wise provided in subparagraph (i) of paragraph (f) of subdivision two of
9 section four hundred twenty-one-a of the real property tax law, or (b)
10 by virtue of article seven-C of the multiple dwelling law.

11 S 8. Section 26-504.3 of the administrative code of the city of New
12 York, as added by chapter 253 of the laws of 1993, subdivision (b) and
13 paragraphs 1 and 2 of subdivision (c) as amended and subdivision (e) as
14 added by chapter 116 of the laws of 1997, is amended to read as follows:

15 S 26-504.3 High income rent [decontrol] DEREGULATION. (a) 1. For
16 purposes of this section, annual income shall mean the federal adjusted
17 gross income as reported on the New York state income tax return. Total
18 annual income means the sum of the annual incomes of all persons whose
19 names are recited as the tenant or co-tenant on a lease who occupy the
20 housing accommodation and all other persons that occupy the housing
21 accommodation as their primary residence on other than a temporary
22 basis, excluding bona fide employees of such occupants residing therein
23 in connection with such employment and excluding bona fide subtenants in
24 occupancy pursuant to the provisions of section two hundred twenty-six-b
25 of the real property law. In the case where a housing accommodation is
26 sublet, the annual income of the tenant or co-tenant recited on the
27 lease who will reoccupy the housing accommodation upon the expiration of
28 the sublease shall be considered.

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

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

43 (b) On or before the first day of May in each calendar year, the owner
44 of each housing accommodation for which the legal regulated rent [is two
45 thousand dollars or more per month] EQUALS OR EXCEEDS THE DEREGULATION
46 RENT THRESHOLD may provide the tenant or tenants residing therein with
47 an income certification form prepared by the division of housing and
48 community renewal on which such tenant or tenants shall identify all
49 persons referred to in subdivision (a) of this section and shall certify
50 whether the total annual income is in excess of [one hundred seventy-
51 five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each of the
52 two preceding calendar years. Such income certification form shall state
53 that the income level certified to by the tenant may be subject to
54 verification by the department of taxation and finance pursuant to
55 section one hundred seventy-one-b of the tax law and shall not require
56 disclosure of any income information other than whether the aforemen-

tioned threshold has been exceeded. Such income certification form shall clearly state that: (i) only tenants residing in housing accommodations which have a legal regulated MONTHLY rent [of two thousand dollars or more per month], THAT EQUALS OR EXCEEDS THE DEREGULATION RENT THRESHOLD are required to complete the certification form; (ii) that tenants have protections available to them which are designed to prevent harassment; (iii) that tenants are not required to provide any information regarding their income except that which is requested on the form and may contain such other information the division deems appropriate. The tenant or tenants shall return the completed certification to the owner within thirty days after service upon the tenant or tenants. In the event that the total annual income as certified is in excess of [one hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each such year, the owner may file the certification with the state division of housing and community renewal on or before June thirtieth of such year. Upon filing such certification with the division, the division shall, within thirty days after the filing, issue an order providing that such housing accommodation shall not be subject to the provisions of this act upon the expiration of the existing lease. A copy of such order shall be mailed by regular and certified mail, return receipt requested, to the tenant or tenants and a copy thereof shall be mailed to the owner.

(c) 1. In the event that the tenant or tenants either fail to return the completed certification to the owner on or before the date required by subdivision (b) of this section or the owner disputes the certification returned by the tenant or tenants, the owner may, on or before June thirtieth of such year, petition the state division of housing and community renewal to verify, pursuant to section one hundred seventy-one-b of the tax law, whether the total annual income exceeds [one hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each of the two preceding calendar years. Within twenty days after the filing of such request with the division, the division shall notify the tenant or tenants named on the lease that such tenant or tenants must provide the division with such information as the division and the department of taxation and finance shall require to verify whether the total annual income exceeds [one hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each such year. The division's notification shall require the tenant or tenants to provide the information to the division within sixty days of service upon such tenant or tenants and shall include a warning in bold faced type that failure to respond will result in an order being issued by the division providing that such housing accommodation shall not be subject to the provisions of this law.

2. If the department of taxation and finance determines that the total annual income is in excess of [one hundred seventy-five thousand dollars] THE DEREGULATION INCOME THRESHOLD in each of the two preceding calendar years, the division shall, on or before November fifteenth of such year, notify the owner and tenants of the results of such verification. Both the owner and the tenants shall have thirty days within which to comment on such verification results. Within forty-five days after the expiration of the comment period, the division shall, where appropriate, issue an order providing that such housing accommodation shall not be subject to the provisions of this law upon the expiration of the existing lease. A copy of such order shall be mailed by regular and certified mail, return receipt requested, to the tenant or tenants and a copy thereof shall be sent to the owner.

1 3. In the event the tenant or tenants fail to provide the information
2 required pursuant to paragraph one of this subdivision, the division
3 shall issue, on or before December first of such year, an order provid-
4 ing that such housing accommodation shall not be subject to the
5 provisions of this law upon the expiration of the current lease. A copy
6 of such order shall be mailed by regular and certified mail, return
7 receipt requested, to the tenant or tenants and a copy thereof shall be
8 sent to the owner.

9 4. The provisions of the state freedom of information act shall not
10 apply to any income information obtained by the division pursuant to
11 this section.

12 (d) This section shall apply only to section 26-504.1 of this [code]
13 CHAPTER.

14 (e) Upon receipt of such order of [decontrol] DEREGULATION pursuant to
15 this section, an owner shall offer the housing accommodation subject to
16 such order to the tenant at a rent not in excess of the market rent,
17 which for the purposes of this section means a rent obtainable in an
18 arm's length transaction. Such rental offer shall be made by the owner
19 in writing to the tenant by certified and regular mail and shall inform
20 the tenant that such offer must be accepted in writing within ten days
21 of receipt. The tenant shall respond within ten days after receipt of
22 such offer. If the tenant declines the offer or fails to respond within
23 such period, the owner may commence an action or proceeding for the
24 eviction of such tenant.

25 S 9. Paragraph (b) of subdivision 3 of section 171-b of the tax law,
26 as amended by chapter 116 of the laws of 1997, is amended to read as
27 follows:

28 (b) The department, when requested by the division of housing and
29 community renewal, shall verify the total annual income of all persons
30 residing in housing accommodations as their primary residence subject to
31 rent regulation and shall notify the commissioner of the division of
32 housing and community renewal as may be appropriate whether the total
33 annual income exceeds [one hundred seventy-five thousand dollars per
34 annum] THE APPLICABLE DEREGULATION INCOME THRESHOLD in each of the two
35 preceding calendar years. No other information regarding the annual
36 income of such persons shall be provided.

37 S 10. This act shall take effect immediately, provided, however, that:

38 (a) the amendments to paragraph 12 of subdivision a of section 5 and
39 section 5-a of section 4 of the emergency tenant protection act of nine-
40 teen seventy-four made by sections one and two of this act, respective-
41 ly, shall expire on the same date as such act expires and shall not
42 affect the expiration of such act as provided in section 17 of chapter
43 576 of the laws of 1974;

44 (b) the amendments to paragraph (m) of subdivision 2 of section 2 and
45 section 2-a of the emergency housing rent control law made by sections
46 three and four of this act, respectively, shall expire on the same date
47 as such law expires and shall not affect the expiration of such law as
48 provided in subdivision 2 of section 1 of chapter 274 of the laws of
49 1946;

50 (c) the amendments to sections 26-403 and 26-403.1 of the city rent
51 and rehabilitation law made by sections five and six of this act,
52 respectively, shall remain in full force and effect only as long as the
53 public emergency requiring the regulation and control of residential
54 rents and evictions continues, as provided in subdivision 3 of section 1
55 of the local emergency housing rent control act; and

1 (d) the amendments to sections 26-504.1 and 26-504.3 of chapter 4 of
2 title 26 of the administrative code of the city of New York made by
3 sections seven and eight of this act, respectively, shall expire on the
4 same date as such law expires and shall not affect the expiration of
5 such law as provided under section 26-520 of such law.

6 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-
7 sion, section or part of this act shall be adjudged by any court of
8 competent jurisdiction to be invalid, such judgment shall not affect,
9 impair, or invalidate the remainder thereof, but shall be confined in
10 its operation to the clause, sentence, paragraph, subdivision, section
11 or part thereof directly involved in the controversy in which such judg-
12 ment shall have been rendered. It is hereby declared to be the intent
13 of the legislature that this act would have been enacted even if such
14 invalid provisions had not been included herein.

15 S 3. This act shall take effect immediately provided, however, that
16 the applicable effective date of Parts A through L of this act shall be
17 as specifically set forth in the last section of such Parts.