

5057--A

2011-2012 Regular Sessions

I N S E N A T E

May 3, 2011

Introduced by Sen. DUANE -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- recommitted to the Committee on Housing, Construction and Community Development in accordance with Senate Rule 6, sec. 8 -- 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 the establishment of rent adjustments; and to repeal paragraph 5-a of subdivision c of section 25-511 of the administrative code of the city of New York and 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, relating to vacancy leases

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "rent board reform act of 2012".
3 S 2. Legislative findings and declaration. The legislature hereby
4 finds and declares that the public emergency which led to the enactment
5 of the laws regulating residential rents and evictions continues to
6 exist, that such emergency continues to necessitate the intervention of
7 state and local governments in order to prevent speculative, unwarranted
8 and abnormal increases in rents and unjust and arbitrary evictions so
9 long as such emergency exists, without further periodic authorization by
10 the legislature; that because of the shortage of decent, safe and avail-
11 able housing, market forces do not operate properly, and it is necessary
12 therefor to prevent the exaction of unjust or unreasonable rents and
13 rental agreements, and to forestall eviction and other disruptive prac-
14 tices tending to produce threats to the public health, safety and gener-
15 al welfare; that the general welfare depends in part on the maintenance

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

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1 and preservation of the existing stock of privately owned rental hous-
2 ing, and to assure such maintenance and preservation, responsible owners
3 should be encouraged to own, invest in and maintain such housing without
4 exacting unwarranted rent increases or rental agreements; that the
5 existing laws regulating residential rents and evictions would better
6 promote equity and serve the public interest if certain amendments were
7 made thereto, including the restructuring of the system of promulgating
8 general rent adjustments, repeal of the statutory vacancy bonus and the
9 substitution of statutory tenancies for the current renewal lease system
10 for rent stabilized housing accommodations.

11 The legislature therefore declares that the provisions of this act are
12 necessary to protect the public health, safety and general welfare. The
13 necessity in the public interest for the provisions hereinafter enacted
14 is hereby declared as a matter of legislative determination.

15 S 3. Paragraph 1 of subdivision b of section 26-509 of the administra-
16 tive code of the city of New York is amended and a new paragraph 10 is
17 added to read as follows:

18 (1) No increase in the legal regulated rent shall be collectible from
19 a tenant to whom there has been issued a currently valid rent exemption
20 order pursuant to this subdivision, except as provided in such order, if
21 such increase is a lawful increase in the monthly legal regulated rent
22 over the rent legally payable on the eligibility date which is provided
23 under a two year lease, or under such other term as regards dwelling
24 units subject to the hotel stabilization provisions of this chapter, for
25 an increase in rent:

26 (i) pursuant to an order of the New York city rent [guidelines] board,
27 or

28 (ii) based upon an owner hardship rent increase order issued by the
29 state division of housing and community renewal.

30 (10) NOTWITHSTANDING ANY PROVISIONS OF PARAGRAPHS ONE AND SIX OF THIS
31 SUBDIVISION TO THE CONTRARY, EFFECTIVE JANUARY FIRST, TWO THOUSAND THIR-
32 TEEN, A TWO YEAR RENEWAL LEASE SHALL NOT BE A PREREQUISITE FOR A TENANT
33 TO BE ELIGIBLE FOR A RENT EXEMPTION UNDER THIS SUBDIVISION WHO OTHERWISE
34 QUALIFIES FOR SUCH RENT EXEMPTION. A RENT EXEMPTION ORDER SHALL NO LONG-
35 ER CONTAIN A PROVISION GIVING NOTICE THAT A TENANT MUST ENTER INTO A TWO
36 YEAR RENEWAL LEASE FOR CONTINUED ELIGIBILITY FOR A RENT EXEMPTION UNDER
37 THIS SUBDIVISION.

38 S 4. Section 26-510 of the administrative code of the city of New York
39 is amended to read as follows:

40 S 26-510 Rent [guidelines] board. a. There shall be a rent [guide-
41 lines] board to consist of nine members, appointed by the mayor UPON THE
42 ADVICE AND CONSENT OF THE CITY COUNCIL. [Two] THREE members shall be
43 representative of tenants, [two] THREE shall be representative of owners
44 of property, and [five] THREE shall be public members [each of whom].
45 EACH OF THE PUBLIC MEMBERS shall have had at least five years experience
46 in [either] PUBLIC SERVICE, PHILANTHROPY, SOCIAL SERVICES, URBAN PLAN-
47 NING, ARCHITECTURE, SOCIAL SCIENCES, SERVICE WITH NOT-FOR-PROFIT ORGAN-
48 IZATIONS, finance, economics or housing. One public member shall be
49 designated by the mayor UPON THE ADVICE AND CONSENT OF THE CITY COUNCIL
50 to serve as [chairman] CHAIR and shall hold no other public office. No
51 [member, officer or] employee of THE CITY OF NEW YORK OR OF any [munici-
52 pal rent regulation] MAYORAL OR NON-MAYORAL agency THEREOF or the state
53 division of housing and community renewal and no person who owns or
54 manages real estate covered by THE EMERGENCY TENANT PROTECTION ACT OF
55 NINETEEN SEVENTY-FOUR OR this law or [who is an officer of any owner or
56 tenant organization] THE CITY RENT AND REHABILITATION LAW OR WHO OWNS

1 MORE THAN TWO RENTAL HOUSING ACCOMMODATIONS NOT COVERED BY THE EMERGENCY
2 TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS LAW shall serve
3 on [a] THE rent [guidelines] board. [One public member, one member
4 representative of tenants and one member representative of owners shall
5 serve for a term ending two years from January first next succeeding the
6 date of their appointment; one public member, one member representative
7 of tenants and one member representative of owners shall serve for terms
8 ending three years from the January first next succeeding the date of
9 their appointment and two public members shall serve for terms ending
10 four years from January first next succeeding the dates of their
11 appointment. The chairman shall serve at the pleasure of the mayor.] ALL
12 MEMBERS OF THE BOARD SHALL SERVE TWO YEAR TERMS, BEGINNING THE LATER OF
13 THE DATE OF APPOINTMENT OR THE EXPIRATION OF THE TERM OF THE MEMBER WHOM
14 THE APPOINTEE IS SUCCEEDING. Thereafter, all members shall continue in
15 office until their successors have been appointed and qualified. The
16 mayor, UPON THE ADVICE AND CONSENT OF THE CITY COUNCIL, shall fill any
17 vacancy which may occur by reason of death, resignation or otherwise in
18 a manner consistent with the [original appointment] PROVISIONS OF THIS
19 SUBDIVISION. A member may be removed by the [mayor] COUNCIL for cause,
20 but not without an opportunity to be heard in person or by counsel, in
21 his or her defense, upon not less than ten days notice. A SUCCESSOR TO
22 SUCH MEMBER SHALL BE APPOINTED IN ACCORDANCE WITH THE PROVISIONS OF THIS
23 SUBDIVISION TO SERVE THE BALANCE OF THE TERM OF THE MEMBER WHO WAS
24 REMOVED.

25 b. The rent [guidelines] board shall establish annually [guidelines
26 for] rent adjustments, and in determining whether rents for housing
27 accommodations subject to the emergency tenant protection act of nine-
28 teen seventy-four or this law shall be adjusted shall consider, among
29 other things (1) THE STATE OF THE RENTAL REAL ESTATE MARKET AND SUBMAR-
30 KETS WITHIN THE CITY OF NEW YORK, INCLUDING THE AVAILABILITY OF AFFORDA-
31 BLE, HABITABLE RENTAL HOUSING ACCOMMODATIONS; (2) the economic condition
32 of the residential real estate industry in the [affected area] CITY OF
33 NEW YORK including CHANGES IN THE VALUE OF RESIDENTIAL REAL ESTATE, THE
34 PROFITABILITY OF OWNERSHIP OF RENTAL HOUSING AND such factors as the
35 prevailing and projected (i) INCREASES OR DECREASES IN RENTS AND GROSS
36 RENTAL INCOME, INCLUDING INCOME FROM OTHER THAN RESIDENTIAL RENTS, AS
37 WELL AS THE IMPUTED RENTAL VALUE FOR APARTMENTS OCCUPIED BY OWNERS OR
38 MEMBERS OR THEIR FAMILIES OR ASSOCIATES OF OWNERS, FOR BUILDINGS SUBJECT
39 TO THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS
40 LAW, (II) INCREASES OR DECREASES IN OPERATION AND MAINTENANCE COSTS OF
41 BUILDINGS SUBJECT TO THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN
42 SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND REHABILITATION LAW,
43 INCLUDING real estate taxes [and], sewer and water rates, [(ii) gross
44 operating maintenance costs (including] insurance rates, ADMINISTRATIVE
45 COSTS, governmental fees, [cost of] fuel, UTILITIES, and labor [costs)],
46 (iii) costs and availability of financing (including effective rates of
47 interest) AND COSTS, AVAILABILITY AND PROFITABILITY OF REFINANCING, (iv)
48 ECONOMIC BENEFITS, OTHER THAN RENTAL INCOME, DERIVED FROM OWNERSHIP AND
49 UPGRADING OF RENTAL PROPERTY, (V) RETURNS ON CAPITAL PLACED AT RISK BY
50 OWNERS, (VI) over-all supply of housing accommodations and over-all
51 vacancy rates, [(2)] (VII) INCREASES OR DECREASES IN NET OPERATING
52 INCOME OF BUILDINGS SUBJECT TO THE EMERGENCY TENANT PROTECTION ACT OF
53 NINETEEN SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND REHABILITATION
54 LAW, (3) relevant data from the current and projected cost of living
55 indices for the affected area, [(3)] AND (4) such other data as may be
56 made available to it. NET OPERATING INCOME SHALL MEAN THE PERCENTAGE OF

1 EACH DOLLAR OF GROSS RENTAL INCOME REMAINING AFTER PAYMENT OF ALL COSTS
2 OF OPERATION AND MAINTENANCE. DEBT SERVICE PAYMENTS, CAPITAL EXPENDI-
3 TURES AND DEPRECIATION SHALL NOT BE CONSIDERED TO BE OPERATION AND MAIN-
4 TENANCE COSTS, AND THE RENT BOARD SHALL NOT CONSIDER DEBT SERVICE
5 PAYMENTS, CAPITAL EXPENDITURES OR DEPRECIATION IN DETERMINING ANNUAL
6 RENT ADJUSTMENTS. THE RENT BOARD SHALL NOT CONSIDER A PRICE INDEX OF
7 OPERATING COSTS. IN CALCULATING LABOR AND ADMINISTRATIVE COSTS, THE RENT
8 BOARD SHALL CONSIDER THE FEASIBILITY OF IMPUTING A VALUE TO THE ACTUAL,
9 VERIFIABLE UNSALARIED LABOR AND ADMINISTRATIVE TASKS PERFORMED BY BUILD-
10 ING OWNERS OR MEMBERS OF THEIR IMMEDIATE FAMILY WHO RESIDE WITH THEM IN
11 A HOUSING ACCOMMODATION IN A BUILDING SUBJECT TO THE EMERGENCY TENANT
12 PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND
13 REHABILITATION LAW WITHIN THE CITY OF NEW YORK. IF THE INCLUSION OF THE
14 VALUE OF SUCH LABOR AND ADMINISTRATIVE TASKS IS DEEMED FEASIBLE BY THE
15 BOARD, IT SHALL BE INCLUDED AS ONE OF THE FACTORS CONSIDERED HEREIN.
16 ALL OWNERS OF HOUSING ACCOMMODATIONS WITHIN THE CITY OF NEW YORK SUBJECT
17 TO THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS
18 LAW OR THE CITY RENT AND REHABILITATION LAW SHALL ANNUALLY SUBMIT INCOME
19 AND EXPENDITURE REPORTS TO THE RENT BOARD ON A FORM TO BE PROMULGATED BY
20 THE BOARD. OWNERS WHO FAIL TO SUBMIT SUCH REPORTS TO THE RENT BOARD
21 SHALL BE BARRED FROM APPLYING FOR OR COLLECTING ANY RENT INCREASE TO
22 WHICH THE OWNER MIGHT OTHERWISE BE ENTITLED UNDER THE EMERGENCY TENANT
23 PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND
24 REHABILITATION LAW DURING THE TWELVE-MONTH PERIOD BEGINNING THE NEXT
25 JANUARY FIRST. THE RENT BOARD SHALL ANNUALLY REQUIRE A SAMPLE OF LAND-
26 LORDS SUBJECT TO REGULATION UNDER THE EMERGENCY TENANT PROTECTION ACT OF
27 NINETEEN SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND REHABILITATION
28 LAW TO MAKE AVAILABLE THEIR BOOKS AND RECORDS REGARDING INCOME, EXPENDI-
29 TURES, TAX BENEFITS AND FINANCING ARRANGEMENTS FOR EXAMINATION BY THE
30 BOARD AND THE BOARD SHALL UTILIZE THE RESULTS OF THE ANALYSIS OF SUCH
31 SAMPLE AS ONE OF THE CRITERIA UPON WHICH ITS FINDINGS ARE BASED. SUCH
32 SAMPLE SHALL BE DESIGNED TO BE REASONABLY REPRESENTATIVE OF THE TYPES OF
33 BUILDINGS, EXCLUDING BUILDINGS THAT HAVE BEEN CONVERTED TO CO-OPERATIVE
34 OR CONDOMINIUM STATUS, THAT ARE SUBJECT TO REGULATION UNDER THE EMERGEN-
35 CY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS LAW OR THE
36 CITY RENT AND REHABILITATION LAW. ANY INFORMATION PROVIDED BY LANDLORDS
37 PURSUANT TO THIS SUBDIVISION REGARDING AN INDIVIDUAL BUILDING OR GROUP
38 OF BUILDINGS SHALL NOT BE AVAILABLE TO THE PUBLIC UNDER THE FREEDOM OF
39 INFORMATION LAW AND THE RENT BOARD SHALL SAFEGUARD THE CONFIDENTIALITY
40 OF SUCH INFORMATION PROVIDED HOWEVER THAT THE BOARD SHALL MAKE AVAILABLE
41 TO THE PUBLIC CUMULATIVE AND STATISTICAL RESULTS OF THE REPRESENTATIVE
42 SAMPLE OF BOOKS AND RECORDS REQUIRED HEREIN. Not later than [July]
43 OCTOBER first of each year, the rent [guidelines] board shall file with
44 the city clerk AND THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL
45 its findings for the preceding calendar year, and shall accompany such
46 findings with a statement of the maximum rate or rates of rent adjust-
47 ment, if any, for one or more classes of HOUSING accommodations subject
48 to THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR this
49 law OR THE CITY RENT AND REHABILITATION LAW, authorized for [leases or
50 other rental agreements] VACANCY LEASES OR ANNUAL RENT ADJUSTMENTS
51 commencing on the next succeeding [October] JANUARY first or within the
52 twelve months thereafter. Such findings and statement shall be published
53 in the City Record AND THE RENT BOARD SHALL DISSEMINATE SUCH FINDINGS
54 AND STATEMENTS TO CITYWIDE AND LOCAL NEWSPAPERS, RADIO AND TELEVISION
55 STATIONS AND OTHER MEDIA. THE ADDITIONAL ALLOWANCE, IF ANY, FOR LEASES
56 ON VACANT APARTMENTS SHALL NOT EXCEED FIVE PERCENT. ANY SUCH VACANCY

1 ALLOWANCE SHALL NOT BE IMPLEMENTED FOR A HOUSING ACCOMMODATION MORE THAN
2 ONE TIME IN ANY CALENDAR YEAR, NOTWITHSTANDING THE NUMBER OF VACANCY
3 LEASES ENTERED INTO FOR SUCH HOUSING ACCOMMODATION IN SUCH CALENDAR
4 YEAR.

5 c. Such members shall be compensated on a per diem basis of one
6 hundred FIFTY dollars per day for no more than twenty-five days a year
7 except that the [chairman] CHAIR shall be compensated at THE RATE OF one
8 hundred [twenty-five] SEVENTY-FIVE dollars a day for no more than fifty
9 days a year. The [chairman] CHAIR shall be chief administrative officer
10 of the rent [guidelines] board and among his or her powers and duties he
11 or she shall have the authority to employ, assign and supervise the
12 employees of the rent [guidelines] board and SHALL, WITH THE ADVICE AND
13 CONSENT OF FOUR OR MORE OTHER MEMBERS OF THE RENT BOARD, enter into
14 contracts for consultant services. The department of housing preserva-
15 tion and development shall cooperate with the rent [guidelines] board
16 and [may] SHALL assign personnel and perform such services in connection
17 with the duties of the rent [guidelines] board as may reasonably be
18 required by the [chairman] BOARD.

19 d. [Any housing accommodation covered by this law owned by a member in
20 good standing of an association registered with the department of hous-
21 ing preservation and development pursuant to section 26-511 of this
22 chapter which becomes vacant for any reason, other than harassment of
23 the prior tenant, may be offered for rental at any price notwithstanding
24 any guideline level established by the guidelines board for renewal
25 leases, provided the offering price does not exceed the rental then
26 authorized by the guidelines board for such dwelling unit plus five
27 percent for a new lease not exceeding two years and a further five
28 percent for a new lease having a minimum term of three years, until July
29 first, nineteen hundred seventy, at which time the guidelines board
30 shall determine what the rental for a vacancy shall be.

31 e.] With respect to hotel dwelling units, covered by this law pursuant
32 to section 26-506 of this chapter, the council, after receipt of a study
33 from the rent [guidelines] board, shall establish a guideline for rent
34 increases, irrespective of the limitations on amount of increase [in
35 subdivision d hereof], which guideline shall apply only to permanent
36 tenants. A permanent tenant is an individual or family who at any time
37 since May thirty-first, nineteen hundred sixty-eight, or hereafter, has
38 continuously resided in the same hotel as a principal residence for a
39 period of at least six months. On January first, nineteen hundred seven-
40 ty-one and once annually each succeeding year the rent [guidelines]
41 board shall cause a review to be made of the levels of [fair] rent
42 [increases] ADJUSTMENTS provided under this subdivision and may estab-
43 lish different levels of [fair] rent [increases] ADJUSTMENTS for hotel
44 dwelling units renting within different rental ranges based upon the
45 board's consideration of conditions in the market for hotel accommo-
46 dations and the economics of hotel real estate. Any hotel dwelling unit
47 which is voluntarily vacated by the tenant thereof may be offered for
48 rental at the [guideline] RENT level [for vacancies] ADJUSTED BY A
49 VACANCY ALLOWANCE established by the rent [guidelines] board. If a hotel
50 dwelling unit becomes vacant because the prior tenant was evicted there-
51 from, there shall be no increase in the rental thereof except for such
52 increases in rental that the prior tenant would have had to pay had he
53 or she continued in occupancy.

54 [g.] E. From September twenty-fifth, nineteen hundred sixty-nine until
55 the rate of permissible increase is established by the council pursuant
56 to subdivision [e] D of this section, there shall not be collected from

1 any permanent hotel tenant any rent increase in excess of ten percent
2 over the rent payable for his or her dwelling unit on May thirty-first,
3 nineteen hundred sixty-eight, except for hardship increases authorized
4 by the conciliation and appeals board. Any owner who collects or permits
5 any rent to be collected in excess of the amount authorized by this
6 subdivision shall not be eligible to be a member in good standing of a
7 hotel industry stabilization association.

8 [h.] F. The rent [guidelines] board, prior to the annual adjustment of
9 the level of [fair] rents provided for under subdivision b of this
10 section for dwelling units and hotel dwelling units covered by this law,
11 shall hold a public hearing or hearings for the purpose of collecting
12 information relating to all factors set forth in subdivision b of this
13 section. Notice of the date, time, location and summary of subject
14 matter for the public hearing or hearings shall be published in the City
15 Record daily for a period of not less than eight days and at least once
16 in one or more newspapers of general circulation at least eight days
17 immediately preceding each hearing date, at the expense of the city of
18 New York, and the hearing shall be open for testimony from any individ-
19 ual, group, association or representative thereof who wants to testify.

20 [i.] G. IN FURTHERANCE OF ITS RESPONSIBILITIES TO ENFORCE THIS LAW,
21 THE RENT BOARD SHALL BE EMPOWERED TO ADMINISTER OATHS, ISSUE SUBPOENAS,
22 CONDUCT INVESTIGATIONS AND MAKE INSPECTIONS.

23 H. Maximum rates of rent adjustment shall not be established more than
24 once annually for any housing accommodation within the board's jurisdic-
25 tion. Once established, no such rate shall[, within the one-year peri-
26 od,] be adjusted by any surcharge, supplementary adjustment or other
27 modification. NO RENT ADJUSTMENT SHALL BE ESTABLISHED BASED ON THE RENT
28 LEVEL OF HOUSING ACCOMMODATIONS SUBJECT TO THE EMERGENCY TENANT
29 PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND
30 REHABILITATION LAW OR THE NUMBER OF HOUSING ACCOMMODATIONS IN AFFECTED
31 BUILDINGS.

32 I. NO OWNER OF ANY HOUSING ACCOMMODATION SUBJECT TO THIS LAW OR THE
33 NEW YORK CITY RENT AND REHABILITATION LAW MAY IMPOSE OR COLLECT DURING
34 CALENDAR YEAR TWO THOUSAND TWELVE AN ANNUAL RENT ADJUSTMENT AS ADOPTED
35 PURSUANT TO THE PROVISIONS OF SUBDIVISION B OF THIS SECTION IF THERE
36 EXIST OF RECORD WITH REGARD TO THE PROPERTY CONTAINING SUCH HOUSING
37 ACCOMMODATION ON JANUARY FIRST OF SUCH YEAR ANY OUTSTANDING RENT IMPAIR-
38 ING VIOLATIONS, AS DEFINED BY SECTION THREE HUNDRED TWO-A OF THE MULTI-
39 PLE DWELLING LAW, OF RECORD AS OF JULY FIRST, TWO THOUSAND TWELVE OR
40 MORE THAN TWENTY PERCENT OF ALL OTHER VIOLATIONS OF RECORD AS OF JULY
41 FIRST, TWO THOUSAND TWELVE; OR DURING A SUBSEQUENT CALENDAR YEAR IF
42 THERE EXIST OF RECORD WITH REGARD TO SUCH PROPERTY ON JANUARY FIRST OF
43 SUCH YEAR ANY OUTSTANDING RENT IMPAIRING VIOLATIONS OF RECORD AS OF JULY
44 FIRST OF THE PRIOR YEAR OR MORE THAN TWENTY PERCENT OF ALL OTHER
45 VIOLATIONS OF RECORD AS OF JULY FIRST OF THE PRIOR YEAR.

46 J. NOTWITHSTANDING ANY PROVISIONS OF THIS LAW TO THE CONTRARY:

47 (1) EFFECTIVE ON AND AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN THE
48 RENT ADJUSTMENTS ESTABLISHED PURSUANT TO THIS SECTION SHALL BE APPLICA-
49 BLE TO VACANCY LEASES WHICH COMMENCE DURING THE CALENDAR YEAR FOLLOWING
50 THE YEAR IN WHICH THE ADJUSTMENT IS ESTABLISHED AND UPON EXPIRATION SUCH
51 VACANCY LEASES SHALL BE FURTHER ADJUSTED BY THE RENT ADJUSTMENTS
52 PROVIDED FOR IN SUBDIVISION F OF SECTION 26-511 OF THIS CHAPTER EFFEC-
53 TIVE THE FIRST DAY OF JANUARY FOLLOWING THE YEAR IN WHICH THE ADJUSTMENT
54 IS ESTABLISHED.

55 (2) NO LATER THAN OCTOBER FIRST, TWO THOUSAND TWELVE THE RENT BOARD
56 SHALL ESTABLISH TRANSITIONAL RENT ADJUSTMENTS APPLICABLE TO LEASES WHICH

1 EXPIRE BETWEEN JANUARY FIRST, TWO THOUSAND THIRTEEN AND DECEMBER THIR-
2 TY-FIRST, TWO THOUSAND THIRTEEN. NO LATER THAN OCTOBER FIRST, TWO THOU-
3 SAND THIRTEEN THE BOARD SHALL ESTABLISH TRANSITIONAL RENT ADJUSTMENTS
4 APPLICABLE TO LEASES WHICH EXPIRE BETWEEN JANUARY FIRST, TWO THOUSAND
5 FOURTEEN AND DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN. SUCH TRANSI-
6 TIONAL ADJUSTMENT SHALL BE A PRO-RATA PORTION OF THE ONE OR TWO YEAR
7 RENEWAL ADJUSTMENTS.

8 S 5. Paragraph 5-a of subdivision c of section 26-511 of the adminis-
9 trative code of the city of New York is REPEALED.

10 S 6. Paragraph 12 of subdivision c of section 26-511 of the adminis-
11 trative code of the city of New York is amended and a new subdivision f
12 is added to read as follows:

13 (12) permits subletting of units subject to this law pursuant to
14 section two hundred twenty-six-b of the real property law provided that
15 (a) the rental charged to the subtenant does not exceed the stabilized
16 rent plus a ten percent surcharge payable to the tenant if the unit
17 sublet was furnished with the tenant's furniture; (b) the tenant can
18 establish that at all times he or she has maintained the unit as his or
19 her primary residence and intends to occupy it as such at the expiration
20 of the sublease; (c) an owner may terminate the tenancy of a tenant who
21 sublets or assigns contrary to the terms of this paragraph [but no
22 action or proceeding based on the non-primary residence of a tenant may
23 be commenced prior to the expiration date of his or her lease]; (d)
24 where an apartment is sublet the prime tenant shall retain the right to
25 a [renewal lease] STATUTORY TENANCY and the rights and status of a
26 tenant in occupancy as they relate to conversion to condominium or coop-
27 erative ownership; (e) where a tenant violates the provisions of subpar-
28 agraph (a) of this paragraph the subtenant shall be entitled to damages
29 of three times the overcharge and may also be awarded attorneys fees and
30 interest from the date of the overcharge at the rate of interest payable
31 on a judgment pursuant to section five thousand four of the civil prac-
32 tice law and rules; AND (f) the tenant may not sublet the unit for more
33 than a total of two years, including the term of the proposed sublease,
34 out of the four-year period preceding the termination date of the
35 proposed sublease. The provisions of this subparagraph shall only apply
36 to subleases commencing on and after July first, nineteen hundred eight-
37 y-three[; (g) for the purposes of this paragraph only, the term of the
38 proposed sublease may extend beyond the term of the tenant's lease]. In
39 such event, such sublease shall be subject to the tenant's right to a
40 [renewal lease] STATUTORY TENANCY PURSUANT TO THIS LAW. The subtenant
41 shall have no right to a renewal lease. It shall be unreasonable for an
42 owner to refuse to consent to a sublease solely because such sublease
43 extends beyond the tenant's lease[; and (h) notwithstanding the
44 provisions of section two hundred twenty-six-b of the real property law,
45 a not-for-profit hospital shall have the right to sublet any housing
46 accommodation leased by it to its affiliated personnel without requiring
47 the landlord's consent to any such sublease and without being bound by
48 the provisions of subparagraphs (b), (c) and (f) of this paragraph.
49 Commencing with the effective date of this subparagraph, whenever a
50 not-for-profit hospital executes a renewal lease for a housing accommo-
51 dation, the legal regulated rent shall be increased by a sum equal to
52 fifteen percent of the previous lease rental for such housing accommo-
53 dation, hereinafter referred to as a vacancy surcharge, unless the land-
54 lord shall have received within the seven year period prior to the
55 commencement date of such renewal lease any vacancy increases or vacancy
56 surcharges allocable to the said housing accommodation. In the event the

1 landlord shall have received any such vacancy increases or vacancy
2 surcharges during such seven year period, the vacancy surcharge shall be
3 reduced by the amount received by any such vacancy increase or vacancy
4 surcharges].

5 NOTWITHSTANDING ANY PROVISIONS OF THIS PARAGRAPH OR SECTION TWO
6 HUNDRED TWENTY-SIX-B OF THE REAL PROPERTY LAW TO THE CONTRARY RELATING
7 TO THE RIGHT TO SUBLEASE OR ASSIGN ANY TENANT OF A HOUSING ACCOMMODATION
8 COVERED BY THE PROVISIONS OF THIS LAW SHALL BE ENTITLED TO THE BENEFITS
9 OF THIS PARAGRAPH EVEN IF THE TENANT DOES NOT HAVE A WRITTEN LEASE. THE
10 PROVISIONS OF THIS PARAGRAPH AND SECTION TWO HUNDRED TWENTY-SIX-B OF THE
11 REAL PROPERTY LAW SHALL BE APPLIED ACCORDINGLY.

12 F. NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS CHAPTER, ON OR
13 AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN:

14 (1) NO TENANT, SO LONG AS HE OR SHE CONTINUES TO PAY THE RENT TO WHICH
15 THE OWNER IS ENTITLED, SHALL BE REMOVED FROM ANY HOUSING ACCOMMODATION
16 WHICH IS SUBJECT TO REGULATION UNDER THIS CHAPTER BY ACTION TO EVICT OR
17 TO RECOVER POSSESSION, OR OTHERWISE, NOR SHALL ANY PERSON ATTEMPT SUCH
18 REMOVAL OR EXCLUSION FROM POSSESSION NOTWITHSTANDING THE FACT THAT THE
19 TENANT HAS NO LEASE OR THAT HIS OR HER LEASE, OR OTHER RENTAL AGREEMENT,
20 HAS EXPIRED OR OTHERWISE TERMINATED, AND NOTWITHSTANDING ANY CONTRACT,
21 LEASE AGREEMENTS, OR OBLIGATION HERETOFORE OR HEREAFTER ENTERED INTO
22 WHICH CONFLICTS WITH THE PROVISIONS OF THIS CHAPTER, EXCEPT ON ONE OR
23 MORE OF THE GROUNDS SET FORTH IN THIS CHAPTER, OR THE CODE OR REGU-
24 LATIONS PROMULGATED PURSUANT TO THIS CHAPTER, INCLUDING THE PROVISIONS
25 OF THIS CHAPTER WHICH PERMIT AN OWNER TO REFUSE TO RENEW A LEASE.

26 (2) NO OWNER SHALL, IN THE ABSENCE OF AN EXISTING LEASE, COMMENCE AN
27 ACTION OR PROCEEDING SEEKING TO REMOVE A TENANT FROM ANY HOUSING ACCOM-
28 MODATION WHICH IS SUBJECT TO REGULATION UNDER THIS LAW BY ACTION TO
29 EVICT OR TO RECOVER POSSESSION, OR OTHERWISE, ON A GROUND SET FORTH IN
30 THIS LAW PERMITTING AN OWNER TO REFUSE TO RENEW A LEASE, UNLESS THE
31 OWNER SHALL HAVE GIVEN NINETY DAYS NOTICE TO THE TENANT OF HIS OR HER
32 INTENTION TO COMMENCE AN ACTION OR PROCEEDING ON SUCH GROUND.

33 (3) ANY ORDER OF THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL
34 AUTHORIZED BY PROVISIONS OF THIS LAW PROVIDING THAT A HOUSING ACCOMMO-
35 DATION SHALL NOT BE SUBJECT TO THE PROVISIONS OF THIS LAW UPON THE EXPI-
36 RATION OF THE EXISTING LEASE SHALL PROVIDE THAT SUCH ORDER, IN THE
37 ABSENCE OF AN EXISTING LEASE, SHALL TAKE EFFECT ONE HUNDRED EIGHTY DAYS
38 AFTER ITS ISSUANCE.

39 (4) PURSUANT TO THE PROVISIONS OF PARAGRAPH ONE OF THIS SUBDIVISION,
40 OWNERS SHALL NO LONGER OFFER OR ENTER INTO RENEWAL LEASES FOR ANY
41 RENEWAL WHICH WOULD COMMENCE ON OR AFTER JANUARY FIRST, TWO THOUSAND
42 THIRTEEN. HOWEVER, OWNERS SHALL BE REQUIRED TO GRANT AND FURNISH TO A
43 NEW TENANT A VACANCY LEASE, IN ACCORDANCE WITH SUBDIVISION E OF THIS
44 SECTION FOR A TERM WHICH SHALL EXPIRE ON DECEMBER THIRTY-FIRST OF THE
45 YEAR IN WHICH IT COMMENCES.

46 (5) WHERE A TENANT ENTERS INTO A VACANCY LEASE AS PROVIDED IN PARA-
47 GRAPH FOUR OF THIS SUBDIVISION, THE RENTAL PROVIDED THEREIN SHALL BE THE
48 LEGAL REGULATED RENT, AS ADJUSTED BY ANY APPLICABLE VACANCY ALLOWANCE,
49 UNLESS A VACANCY ALLOWANCE WAS PREVIOUSLY COLLECTED DURING THE PRIOR
50 TWELVE MONTH PERIOD.

51 (6) THE OWNER SHALL BE REQUIRED TO SERVE THE TENANT WITH A NOTICE OF
52 RIGHTS AND DUTIES OF OWNERS AND TENANTS PROMULGATED BY THE STATE DIVI-
53 SION OF HOUSING AND COMMUNITY RENEWAL AT THE TIME OF THE RENTAL OF THE
54 HOUSING ACCOMMODATION TO A NEW TENANT.

55 (7) ANY TENANT WHOSE LEASE IN EFFECT ON DECEMBER THIRTY-FIRST, TWO
56 THOUSAND TWELVE HAS EXPIRED, OR WHOSE VACANCY LEASE ENTERED INTO ON OR

1 AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN HAS EXPIRED AND WHO THEREAFT-
2 ER VACATES A HOUSING ACCOMMODATION WITHOUT GIVING THE OWNER AT LEAST
3 THIRTY DAYS' WRITTEN NOTICE BY REGISTERED OR CERTIFIED MAIL OF HIS OR
4 HER INTENTION TO VACATE SHALL BE LIABLE TO THE OWNER FOR THE LOSS OF
5 RENT SUFFERED BY THE OWNER, BUT NOT EXCEEDING ONE MONTH'S RENT, EXCEPT
6 WHERE THE TENANT VACATES PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION.
7 SUCH NOTICE SHALL BE POSTMARKED ON OR BEFORE THE LAST DAY OF THE RENTAL
8 PERIOD IMMEDIATELY PRIOR TO SUCH THIRTY DAY PERIOD.

9 (8) (A) THE LEGAL REGULATED RENT FOR ANY LEASE WHICH EXPIRES ON DECEM-
10 BER THIRTY-FIRST, TWO THOUSAND TWELVE SHALL BE ADJUSTED EFFECTIVE JANU-
11 ARY FIRST, TWO THOUSAND THIRTEEN AND ON THE FIRST DAY OF JANUARY OF EACH
12 YEAR THEREAFTER BY THE RENT ADJUSTMENT ESTABLISHED BY THE RENT BOARD.

13 (B) THE LEGAL REGULATED RENT FOR ANY LEASE ENTERED INTO PRIOR TO JANU-
14 ARY FIRST, TWO THOUSAND THIRTEEN WHICH EXPIRES BETWEEN JANUARY FIRST,
15 TWO THOUSAND THIRTEEN AND DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN
16 SHALL BE ADJUSTED EFFECTIVE THE FIRST DAY FOLLOWING ITS EXPIRATION BY
17 THE APPLICABLE TRANSITIONAL ADJUSTMENTS ESTABLISHED BY THE RENT BOARD
18 AND ON THE FIRST DAY OF JANUARY EACH YEAR THEREAFTER BY THE RENT ADJUST-
19 MENT ESTABLISHED BY THE RENT BOARD.

20 (C) THE LEGAL REGULATED RENT FOR ANY VACANCY LEASE ENTERED ON OR AFTER
21 JANUARY FIRST, TWO THOUSAND THIRTEEN SHALL, IN ADDITION TO ANY ADJUST-
22 MENT PROVIDED FOR IN PARAGRAPH FIVE OF THIS SUBDIVISION, BE ADJUSTED ON
23 THE FIRST DAY OF JANUARY EACH YEAR THEREAFTER BY THE RENT ADJUSTMENT
24 ESTABLISHED BY THE RENT BOARD.

25 S 7. Subdivision a of section 26-405 of the administrative code of the
26 city of New York is amended by adding a new paragraph 10 to read as
27 follows:

28 (10) (A) NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS SUBDIVISION,
29 EFFECTIVE JANUARY FIRST, TWO THOUSAND THIRTEEN, MAXIMUM RENTS FOR HOUS-
30 ING ACCOMMODATIONS SUBJECT TO THIS CHAPTER SHALL NO LONGER BE ESTAB-
31 LISHED PURSUANT TO PARAGRAPHS THREE AND FOUR OF THIS SUBDIVISION, OR
32 LIMITED BY PARAGRAPH FIVE OF THIS SUBDIVISION, OR ADJUSTED BY SUBPARA-
33 GRAPH (L) OR (N) OF PARAGRAPH ONE OF SUBDIVISION G OF THIS SECTION.

34 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH, THE RENT BOARD
35 ESTABLISHED PURSUANT TO SECTION 26-510 OF THIS TITLE SHALL ESTABLISH
36 ANNUAL RATES OF RENT ADJUSTMENT FOR THE CLASS OF HOUSING ACCOMMODATIONS
37 SUBJECT TO THIS CHAPTER, IN THE MANNER PROVIDED BY SUCH SECTION. THE
38 FACT THAT THE HOUSING ACCOMMODATION IS SUBJECT TO THIS CHAPTER MAY NOT
39 BE CONSIDERED AS A FACTOR IN DETERMINING THE RATE OF RENT ADJUSTMENT.
40 NOT LATER THAN OCTOBER FIRST, TWO THOUSAND TWELVE, AND NOT LATER THAN
41 OCTOBER FIRST ANNUALLY THEREAFTER, THE RENT BOARD SHALL FILE WITH THE
42 CITY CLERK AND THE DIVISION OF HOUSING AND COMMUNITY RENEWAL ITS FIND-
43 INGS ESTABLISHED IN CONSIDERATION OF THE ECONOMIC FACTORS LISTED IN
44 SUBDIVISION B OF SECTION 26-510 OF THIS TITLE, AND SHALL ACCOMPANY SUCH
45 FINDINGS WITH A STATEMENT OF THE MAXIMUM RATE OR RATES OF RENT ADJUST-
46 MENT, IF ANY, FOR ONE OR MORE CLASSES OF ACCOMMODATIONS SUBJECT TO THIS
47 CHAPTER AUTHORIZED FOR THE ADJUSTMENT OF THE MAXIMUM RENT OF THE HOUSING
48 ACCOMMODATION FOR THE TWELVE MONTH PERIOD COMMENCING JANUARY FIRST, TWO
49 THOUSAND THIRTEEN AND FOR EACH SUCCEEDING TWELVE MONTH PERIOD.

50 (C) EFFECTIVE JANUARY FIRST, TWO THOUSAND THIRTEEN, THE MAXIMUM RENT
51 COLLECTIBLE FROM THE TENANT SHALL BE THE MAXIMUM RENT COLLECTIBLE ON
52 DECEMBER THIRTY-FIRST, TWO THOUSAND TWELVE, INCLUDING ANY RENT ADJUST-
53 MENTS THEN COLLECTIBLE PURSUANT TO SUBPARAGRAPH (N) OF PARAGRAPH ONE OF
54 SUBDIVISION G OF THIS SECTION, AS SUCH RENT MAY BE ADJUSTED PURSUANT TO
55 SUBPARAGRAPH (B) OF THIS PARAGRAPH ANNUALLY, WITHOUT AN ORDER OF THE
56 CITY RENT AGENCY, OR AS ADJUSTED PURSUANT TO ANY OTHER PROVISION OF THIS

1 CHAPTER, PROVIDED THAT A LANDLORD SHALL NOT COLLECT ANY RENT INCREASE OR
2 ADJUSTMENT OTHERWISE COLLECTIBLE UNDER SUBPARAGRAPH (B) OF THIS PARA-
3 GRAPH UNLESS AND UNTIL THE FIRST RENT PAYMENT DATE AFTER THE LANDLORD
4 CERTIFIES TO THE CITY RENT AGENCY THAT ALL RENT IMPAIRING VIOLATIONS, AS
5 DEFINED BY SECTION THREE HUNDRED TWO-A OF THE MULTIPLE DWELLING LAW, AND
6 AT LEAST EIGHTY PER CENTUM OF ALL OTHER VIOLATIONS OF THE HOUSING MAIN-
7 TENANCE CODE OR OTHER STATE OR LOCAL LAWS THAT IMPOSE REQUIREMENTS ON
8 PROPERTY AND WHICH WERE RECORDED AGAINST THE PROPERTY ON JULY FIRST, TWO
9 THOUSAND TWELVE, OR JULY FIRST OF THE YEAR PRECEDING THE ADJUSTMENT,
10 WHICHEVER IS LATER, HAVE BEEN CLEARED, CORRECTED OR ABATED AND THE LAND-
11 LORD HAS RECEIVED A CERTIFICATE OF ELIGIBILITY FROM THE CITY RENT AGENCY
12 THAT THE VIOLATION CLEARING REQUIREMENTS SET FORTH ABOVE HAVE BEEN MET
13 AND FURTHER AUTHORIZING THE LANDLORD TO COLLECT ANY RENT INCREASE OR
14 ADJUSTMENT AUTHORIZED PURSUANT TO SUBPARAGRAPH (B) OF THIS PARAGRAPH,
15 AND THE LANDLORD HAS SERVED SUCH CERTIFICATE UPON THE TENANT RESIDING IN
16 THE HOUSING ACCOMMODATION.

17 (D) MAXIMUM RATES OF RENT ADJUSTMENT SHALL NOT BE ESTABLISHED MORE
18 THAN ONCE ANNUALLY FOR ANY HOUSING ACCOMMODATION SUBJECT TO THIS CHAPTER
19 WITHIN THE BOARD'S JURISDICTION. ONCE ESTABLISHED, NO SUCH RATE SHALL BE
20 ADJUSTED BY ANY SURCHARGE, SUPPLEMENTARY ADJUSTMENT, REOPENER OR OTHER
21 MODIFICATION.

22 (E) NOTHING CONTAINED IN THIS PARAGRAPH OR IN SUBDIVISION F OF SECTION
23 26-511 OF THIS TITLE SHALL ALTER, RESTRICT OR IMPAIR AN OWNER'S RIGHT TO
24 ESTABLISH THE INITIAL REGULATED RENT FOR ACCOMMODATIONS SUBJECT TO THIS
25 CHAPTER WHICH BECOME VACANT.

26 S 8. Section 4 of section 4 of chapter 576 of the laws of 1974,
27 constituting the emergency tenant protection act of nineteen seventy-
28 four, as amended by chapter 486 of the laws of 1976, subdivision a as
29 amended by chapter 349 of the laws of 1979, the opening paragraph of
30 subdivision b as amended and subdivision d as added by chapter 403 of
31 the laws of 1983, and the second and third undesignated paragraphs of
32 subdivision b as amended by chapter 330 of the laws of 1980, is amended
33 to read as follows:

34 S 4. Establishment of rent [guidelines] boards; duties. a. In each
35 county wherein any city having a population of less than one million or
36 any town or village has determined the existence of an emergency pursu-
37 ant to section three of this act, there shall be created a rent [guide-
38 lines] board to consist of nine members appointed by the [commissioner
39 of housing and community renewal upon recommendation of] COUNTY EXECU-
40 TIVE UPON THE ADVICE AND CONSENT OF the county legislature which [recom-
41 mendation] APPOINTMENT shall be made within thirty days after the first
42 local declaration of an emergency in such county; [two] THREE such
43 members shall be representative of tenants, [two] THREE shall be repre-
44 sentative of owners of property, and [five] THREE shall be public
45 members [each of whom]. EACH OF THE PUBLIC MEMBERS shall have had at
46 least five years experience in either PUBLIC SERVICE, PHILANTHROPY,
47 SOCIAL SERVICES, URBAN PLANNING, ARCHITECTURE, SOCIAL SCIENCES, SERVICE
48 WITH NOT-FOR-PROFIT ORGANIZATIONS, finance, economics or housing. One
49 public member shall be designated by the [commissioner] COUNTY EXECUTIVE
50 UPON THE ADVICE AND CONSENT OF THE COUNTY LEGISLATURE to serve as
51 [chairman] CHAIR and shall hold no other public office. No [member,
52 officer or] employee of THE COUNTY OR OF any [municipal rent regulation
53 agency] MUNICIPALITY WITHIN THE COUNTY or OF the state division of hous-
54 ing and community renewal and no person who owns or manages real estate
55 covered by this law or [who is an officer of any owner or tenant organ-
56 ization] MORE THAN TWO RENTAL HOUSING ACCOMMODATIONS NOT COVERED BY THIS

1 LAW shall serve on a rent [guidelines] board. [One public member, one
2 member representative of tenants and one member representative of owners
3 shall serve for a term ending two years from January first next succeed-
4 ing the date of their appointment; one public member, one member repre-
5 sentative of tenants and one member representative of owners shall serve
6 for terms ending three years from the January first next succeeding the
7 date of their appointment and three public members shall serve for terms
8 ending four years from January first next succeeding the dates of their
9 appointment.] ALL MEMBERS OF A COUNTY RENT BOARD SHALL SERVE TWO-YEAR
10 TERMS, BEGINNING THE LATER OF THE DATE OF APPOINTMENT OR THE EXPIRATION
11 OF THE TERM OF THE MEMBER WHOM THE APPOINTEE IS SUCCEEDING. Thereafter,
12 all members shall [serve for terms of four years each. Members shall]
13 continue in office until their successors have been appointed and quali-
14 fied. The [commissioner] COUNTY EXECUTIVE UPON THE ADVICE AND CONSENT OF
15 THE COUNTY LEGISLATURE shall fill any vacancy which may occur by reason
16 of death, resignation or otherwise in a manner consistent with the
17 [original appointment] PROVISIONS OF THIS SUBDIVISION. A member may be
18 removed by the [commissioner] COUNTY LEGISLATURE for cause, but not
19 without an opportunity to be heard in person or by counsel, in his OR
20 HER defense, upon not less than ten days notice. A SUCCESSOR TO SUCH
21 MEMBER SHALL BE APPOINTED IN ACCORDANCE WITH THIS SUBDIVISION TO SERVE
22 THE BALANCE OF THE TERM OF THE MEMBER WHO WAS REMOVED. Compensation for
23 the members of the board shall be ON A PER DIEM BASIS at the rate of one
24 hundred FIFTY dollars per day, for no more than [twenty] TWENTY-FIVE
25 days a year, except that the [chairman] CHAIR shall be compensated at
26 the rate of one hundred [twenty-five] SEVENTY-FIVE dollars a day for no
27 more than [thirty] FIFTY days a year. [The board shall be provided staff
28 assistance by the division of housing and community renewal.] THE CHAIR
29 SHALL BE THE CHIEF ADMINISTRATIVE OFFICER OF THE COUNTY RENT BOARD, AND
30 AMONG HIS OR HER POWERS AND DUTIES, HE OR SHE SHALL HAVE THE AUTHORITY
31 TO EMPLOY, ASSIGN AND SUPERVISE THE EMPLOYEES OF THE BOARD, AND HE OR
32 SHE SHALL, WITH THE ADVICE AND CONSENT OF FOUR OR MORE OF THE OTHER
33 MEMBERS OF THE BOARD, ENTER INTO CONTRACTS FOR CONSULTANT SERVICES. THE
34 DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL COOPERATE WITH THE RENT
35 BOARD AND SHALL ASSIGN SUCH PERSONNEL AND PERFORM SUCH SERVICES IN
36 CONNECTION WITH THE DUTIES OF THE RENT BOARD AS MAY BE REASONABLY
37 REQUIRED BY THE BOARD. The compensation of such members SHALL BE PAID BY
38 THE COUNTY and the costs of staff assistance PROVIDED BY THE DIVISION OF
39 HOUSING AND COMMUNITY RENEWAL shall be paid by the division of housing
40 and community renewal which shall be reimbursed in the manner prescribed
41 in THIS section [four of this act]. The local legislative body of each
42 city having a population of less than one million and each town and
43 village in which an emergency has been determined to exist as herein
44 provided shall be authorized to designate one person who shall be repre-
45 sentative of tenants and one person who shall be representative of
46 owners of property to serve at its pleasure and without compensation to
47 advise and assist the county rent [guidelines] board in matters affect-
48 ing the adjustment of rents for housing accommodations in such city,
49 town or village as the case may be.

50 b. A county rent [guidelines] board shall establish annually [guide-
51 lines for] rent adjustments which, at its sole discretion may be varied
52 and different for and within the several zones and jurisdictions of the
53 [board] COUNTY, and in determining whether rents for housing accommo-
54 dations as to which an emergency has been declared pursuant to this act
55 shall be adjusted, shall consider among other things (1) THE STATE OF
56 THE RENTAL REAL ESTATE MARKET AND SUBMARKETS WITHIN THOSE AREAS OF THE

1 COUNTY WITH HOUSING ACCOMMODATIONS SUBJECT TO THIS ACT, INCLUDING THE
2 AVAILABILITY OF AFFORDABLE, HABITABLE RENTAL HOUSING ACCOMMODATIONS; (2)
3 the economic condition of the residential real estate industry in [the
4 affected area including] THOSE AREAS OF THE COUNTY WITH HOUSING ACCOMMO-
5 DATIONS SUBJECT TO THIS ACT OR THE EMERGENCY HOUSING RENT CONTROL LAW,
6 INCLUDING CHANGES IN THE VALUE OF RESIDENTIAL REAL ESTATE, THE PROFIT-
7 ABILITY OF OWNERSHIP OF RENTAL HOUSING AND such factors as the prevail-
8 ing and projected (i) INCREASES OR DECREASES IN RENTS AND GROSS RENTAL
9 INCOME, INCLUDING INCOME FROM OTHER RESIDENTIAL RENTS, AS WELL AS THE
10 IMPUTED RENTAL VALUE FOR APARTMENTS OCCUPIED BY OWNERS OR MEMBERS OF
11 THEIR FAMILIES OR ASSOCIATES OF OWNERS, FOR BUILDINGS SUBJECT TO THIS
12 ACT OR THE EMERGENCY HOUSING RENT CONTROL LAW WITHIN THE COUNTY, (II)
13 INCREASES OR DECREASES IN OPERATION AND MAINTENANCE COSTS OF BUILDINGS
14 SUBJECT TO THIS ACT OR THE EMERGENCY HOUSING RENT CONTROL LAW WITHIN THE
15 COUNTY INCLUDING real estate taxes [and], sewer and water rates, [(ii)
16 gross operating maintenance costs (including] insurance rates, ADMINIS-
17 TRATIVE COSTS, governmental fees, [cost of] fuel, UTILITIES and labor
18 [costs]], (iii) costs and availability of financing (including effective
19 rates of interest), AND COSTS, AVAILABILITY AND PROFITABILITY OF REFI-
20 NANCING, (iv) ECONOMIC BENEFITS, OTHER THAN RENTAL INCOME, DERIVED FROM
21 OWNERSHIP AND UPGRADING OF RENTAL PROPERTY, (V) RETURNS ON CAPITAL
22 PLACED AT RISK BY OWNERS, (VI) over-all supply of housing accommodations
23 and over-all vacancy rates, [(2)] (VII) INCREASES OR DECREASES IN NET
24 OPERATING INCOME FROM BUILDINGS SUBJECT TO THIS ACT OR THE EMERGENCY
25 HOUSING RENT CONTROL LAW WITHIN THE COUNTY, (3) relevant data from the
26 current and projected cost of living indices for the affected area,
27 [(3)] AND (4) such other data as may be made available to it. NET OPER-
28 ATING INCOME SHALL MEAN THE PERCENTAGE OF EACH DOLLAR OF GROSS RENTAL
29 INCOME REMAINING AFTER PAYMENT OF ALL COSTS OF OPERATION AND MAINTEN-
30 NANCE. DEBT SERVICE PAYMENTS, CAPITAL EXPENDITURES AND DEPRECIATION
31 SHALL NOT BE CONSIDERED TO BE OPERATION AND MAINTENANCE COSTS, AND A
32 COUNTY RENT BOARD SHALL NOT CONSIDER DEBT SERVICE PAYMENTS, CAPITAL
33 EXPENDITURES OR DEPRECIATION IN DETERMINING ANNUAL RENT ADJUSTMENTS. A
34 COUNTY RENT BOARD SHALL NOT CONSIDER A PRICE INDEX OF OPERATING COSTS.
35 IN CALCULATING LABOR AND ADMINISTRATIVE COSTS, THE RENT BOARD SHALL
36 CONSIDER THE FEASIBILITY OF IMPUTING A VALUE TO THE ACTUAL, VERIFIABLE
37 UNSALARIED LABOR AND ADMINISTRATIVE TASKS PERFORMED BY BUILDING OWNERS
38 OR MEMBERS OF THEIR IMMEDIATE FAMILY WHO RESIDE WITH THEM IN A HOUSING
39 ACCOMMODATION IN A BUILDING SUBJECT TO THIS ACT OR THE EMERGENCY HOUSING
40 RENT CONTROL LAW WITHIN THE COUNTY. IF THE INCLUSION OF THE VALUE OF
41 SUCH LABOR AND ADMINISTRATIVE TASKS IS DEEMED FEASIBLE BY THE BOARD, IT
42 SHALL BE INCLUDED AS ONE OF THE FACTORS CONSIDERED HEREIN. ALL OWNERS
43 OF HOUSING ACCOMMODATIONS SUBJECT TO THIS ACT OR THE EMERGENCY HOUSING
44 RENT CONTROL LAW WITHIN THE COUNTY SHALL ANNUALLY SUBMIT INCOME AND
45 EXPENDITURE REPORTS TO THE COUNTY RENT BOARD ON A FORM TO BE PROMULGATED
46 BY THE BOARD. OWNERS WHO FAIL TO SUBMIT SUCH REPORTS TO THE COUNTY RENT
47 BOARD SHALL BE BARRED FROM APPLYING FOR OR COLLECTING ANY RENT INCREASE
48 TO WHICH THE OWNER MIGHT OTHERWISE BE ENTITLED UNDER THIS ACT OR THE
49 EMERGENCY HOUSING RENT CONTROL LAW DURING THE TWELVE MONTH PERIOD BEGIN-
50 NING THE NEXT JANUARY FIRST. THE COUNTY RENT BOARD SHALL ANNUALLY
51 REQUIRE A SAMPLE OF LANDLORDS SUBJECT TO REGULATION UNDER THIS ACT WITH-
52 IN THE COUNTY TO MAKE AVAILABLE THEIR BOOKS AND RECORDS REGARDING
53 INCOME, EXPENDITURES, TAX BENEFITS AND FINANCING ARRANGEMENTS FOR EXAM-
54 INATION BY THE BOARD AND THE BOARD SHALL UTILIZE THE RESULTS OF THE
55 ANALYSIS OF SUCH SAMPLE AS ONE OF THE CRITERIA UPON WHICH ITS FINDINGS
56 ARE BASED. SUCH SAMPLE SHALL BE DESIGNED TO BE REASONABLY REPRESENTATIVE

1 OF THE TYPES OF BUILDINGS, EXCLUDING BUILDINGS THAT HAVE BEEN CONVERTED
2 TO CO-OPERATIVE OR CONDOMINIUM STATUS, THAT ARE SUBJECT TO REGULATION
3 UNDER THIS ACT. ANY INFORMATION PROVIDED BY LANDLORDS PURSUANT TO THIS
4 SUBDIVISION REGARDING AN INDIVIDUAL BUILDING OR GROUP OF BUILDINGS SHALL
5 NOT BE AVAILABLE TO THE PUBLIC UNDER THE FREEDOM OF INFORMATION LAW AND
6 THE COUNTY RENT BOARD SHALL SAFEGUARD THE CONFIDENTIALITY OF SUCH INFOR-
7 MATION PROVIDED HOWEVER, THAT THE BOARD SHALL MAKE AVAILABLE TO THE
8 PUBLIC CUMULATIVE AND STATISTICAL RESULTS OF THE ANNUAL INCOME AND
9 EXPENDITURE SUBMISSIONS AND THE EXAMINATION OF THE REPRESENTATIVE SAMPLE
10 OF BOOKS AND RECORDS REQUIRED HEREIN. As soon as practicable after its
11 creation and thereafter not later than [July] OCTOBER first of each
12 year, a COUNTY rent [guidelines] board shall file with the state divi-
13 sion of housing and community renewal its findings for the preceding
14 calendar year, and shall accompany such findings with a statement of the
15 maximum rate or rates of rent adjustment, if any, for one or more class-
16 es of HOUSING accommodation subject to this act WITHIN THE COUNTY,
17 authorized for VACANCY leases or [other rental agreements] ANNUAL RENT
18 ADJUSTMENTS commencing [during] ON the next succeeding JANUARY FIRST OR
19 WITHIN THE twelve months THEREAFTER. The standards for rent adjustments
20 may be applicable for the entire county or may be varied according to
21 such zones or jurisdictions within such county as the board finds neces-
22 sary to achieve the purposes of this subdivision. THE ADDITIONAL ALLOW-
23 ANCE, IF ANY, FOR LEASES ON VACANT APARTMENTS SHALL NOT EXCEED FIVE
24 PERCENT. ANY SUCH VACANCY ALLOWANCE SHALL NOT BE IMPLEMENTED FOR A HOUS-
25 ING ACCOMMODATION MORE THAN ONE TIME IN ANY CALENDAR YEAR, NOTWITHSTAND-
26 ING THE NUMBER OF VACANCY LEASES ENTERED INTO FOR SUCH HOUSING ACCOMMO-
27 DATION IN SUCH CALENDAR YEAR. A COUNTY RENT BOARD SHALL DISSEMINATE
28 SUCH FINDINGS AND STATEMENT TO COUNTYWIDE AND LOCAL NEWSPAPERS, RADIO
29 AND TELEVISION STATIONS AND OTHER MEDIA.

30 The standards for rent adjustments established annually shall be
31 effective for [leases] VACANCY LEASES OR ANNUAL RENT ADJUSTMENTS
32 commencing on [October] JANUARY first of each year and during the next
33 succeeding twelve months whether or not the board has filed its findings
34 and statement of the maximum rate or rates of rent adjustment by [July]
35 OCTOBER first of each year. If such [lease] VACANCY LEASE is entered
36 into before such filing by the board, it may provide for the rent to be
37 adjusted by the rates then in effect, subject to change by the applica-
38 ble rates of rent adjustment when filed, such change to be effective as
39 of the date of the commencement of the lease. [Said lease must provide
40 that, if the new rates of rent adjustment differ for leases of different
41 terms, the tenant has the option of changing the original lease term to
42 any other term for which a rate of rent adjustment is set by the board,
43 with the rental to be adjusted accordingly.]

44 Where a city, town or village shall act to determine the existence of
45 A public emergency pursuant to section three of this act subsequent to
46 the establishment of annual [guidelines for] rent adjustments [of] FOR
47 the HOUSING accommodations subject to this act, the [rent guidelines
48 board as soon as practicable thereafter shall file its findings and
49 rates of rent adjustment for leases or other rental agreements for the
50 housing accommodations in] RENT ADJUSTMENTS THEN IN EFFECT IN THE COUNTY
51 SHALL APPLY TO such a city, town or village, which rates shall be effec-
52 tive for [leases or other rental agreements] VACANCY LEASES OR ANNUAL
53 RENT ADJUSTMENTS commencing on or after the effective date of the deter-
54 mination.

55 c. [In a city having a population of one million or more, the rent
56 guidelines board shall be the rent guidelines board established pursuant

1 to the New York city rent stabilization law of nineteen hundred sixty-
2 nine as amended, and such board shall have the powers granted pursuant
3 to the New York city rent stabilization law of nineteen hundred sixty-
4 nine as amended.] A COUNTY RENT BOARD, PRIOR TO THE ANNUAL ADJUSTMENT OF
5 THE LEVEL OF RENTS PROVIDED FOR UNDER SUBDIVISION B OF THIS SECTION FOR
6 HOUSING ACCOMMODATIONS SUBJECT TO THIS ACT OR THE EMERGENCY HOUSING RENT
7 CONTROL LAW, SHALL HOLD A PUBLIC HEARING OR HEARINGS FOR THE PURPOSE OF
8 COLLECTING INFORMATION RELATING TO ALL FACTORS SET FORTH IN SUBDIVISION
9 B OF THIS SECTION. NOTICE OF THE DATE, TIME, LOCATION AND SUMMARY OF
10 SUBJECT MATTER FOR THE PUBLIC HEARING OR HEARINGS SHALL BE PUBLISHED AT
11 LEAST ONCE IN ONE OR MORE NEWSPAPERS OF GENERAL CIRCULATION AT LEAST
12 EIGHT DAYS IMMEDIATELY PRECEDING EACH HEARING DATE, AT THE EXPENSE OF
13 THE COUNTY, AND THE HEARING OR HEARINGS SHALL BE OPEN FOR TESTIMONY FROM
14 ANY INDIVIDUAL, GROUP, ASSOCIATION OR REPRESENTATIVE THEREOF WHO WANTS
15 TO TESTIFY.

16 d. NO OWNER OF ANY HOUSING ACCOMMODATION SUBJECT TO THIS ACT OR THE
17 EMERGENCY HOUSING RENT CONTROL LAW MAY IMPOSE OR COLLECT DURING CALENDAR
18 YEAR TWO THOUSAND ELEVEN AN ANNUAL RENT ADJUSTMENT AS ADOPTED PURSUANT
19 TO THE PROVISIONS OF SUBDIVISION B OF THIS SECTION IF THERE EXIST OF
20 RECORD WITH REGARD TO THE PROPERTY CONTAINING SUCH HOUSING ACCOMMODATION
21 ON JANUARY FIRST OF SUCH YEAR ANY OUTSTANDING HAZARDOUS VIOLATIONS OF
22 RECORD AS OF JULY 1, 2012 OR MORE THAN TWENTY PERCENT OF ALL OTHER
23 VIOLATIONS OF RECORD AS OF JULY 1, 2012; OR DURING A SUBSEQUENT CALENDAR
24 YEAR IF THERE EXIST OF RECORD WITH REGARD TO SUCH PROPERTY ON JANUARY
25 FIRST OF SUCH YEAR ANY OUTSTANDING HAZARDOUS VIOLATIONS OF RECORD AS OF
26 JULY FIRST OF THE PRIOR YEAR OR MORE THAN TWENTY PERCENT OF ALL OTHER
27 VIOLATIONS OF RECORD AS OF JULY FIRST OF THE PRIOR YEAR, AS DETERMINED
28 PURSUANT TO REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL
29 OR ANY AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE OR HOUSING
30 MAINTENANCE CODE IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED.

31 E. IN FURTHERANCE OF ITS RESPONSIBILITY TO ENFORCE THIS ACT, A COUNTY
32 RENT BOARD SHALL BE EMPOWERED TO ADMINISTER OATHS, ISSUE SUBPOENAS,
33 CONDUCT INVESTIGATIONS AND MAKE INSPECTIONS.

34 F. Maximum rates of rent adjustment shall not be established more than
35 once annually for any housing accommodation within a COUNTY RENT board's
36 jurisdiction. Once established, no such rate shall[, within the one-year
37 period,] be adjusted by any surcharge, supplementary adjustment or other
38 modification. NO RENT ADJUSTMENT SHALL BE ESTABLISHED BASED ON THE RENT
39 LEVEL OF HOUSING ACCOMMODATIONS SUBJECT TO THIS ACT OR THE EMERGENCY
40 HOUSING RENT CONTROL LAW OR THE NUMBER OF HOUSING ACCOMMODATIONS IN
41 AFFECTED BUILDINGS.

42 G. A COUNTY RENT BOARD IS HEREBY EMPOWERED TO SEEK AND RECEIVE FUNDING
43 FROM ANY GOVERNMENT SOURCE FOR ITS OPERATIONS. NOTWITHSTANDING THIS
44 PROVISION, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL CONTINUE
45 TO PROVIDE STAFF ASSISTANCE TO THE COUNTY RENT BOARDS PURSUANT TO SUBDI-
46 VISION A OF THIS SECTION.

47 H. IN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, THE RENT
48 BOARD SHALL BE THE RENT BOARD ESTABLISHED PURSUANT TO THE NEW YORK CITY
49 RENT STABILIZATION LAW OF NINETEEN HUNDRED SIXTY-NINE AS AMENDED, AND
50 SUCH BOARD SHALL HAVE THE POWERS GRANTED PURSUANT TO THE NEW YORK CITY
51 RENT STABILIZATION LAW OF NINETEEN HUNDRED SIXTY-NINE AS AMENDED.

52 S 9. Subdivision (a-1) of section 10 of section 4 of chapter 576 of
53 the laws of 1974, constituting the emergency tenant protection act of
54 nineteen seventy-four, is REPEALED.

1 S 10. Section 10 of section 4 of chapter 576 of the laws of 1974,
2 constituting the emergency tenant protection act of nineteen seventy-
3 four, is amended by adding a new subdivision d to read as follows:

4 D. NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS ACT, ON OR AFTER
5 JANUARY 1, 2013:

6 (1) NO TENANT, SO LONG AS HE OR SHE CONTINUES TO PAY THE RENT TO WHICH
7 THE OWNER IS ENTITLED, SHALL BE REMOVED FROM ANY HOUSING ACCOMMODATION
8 WHICH IS SUBJECT TO REGULATION UNDER THIS ACT BY ACTION TO EVICT OR TO
9 RECOVER POSSESSION, OR OTHERWISE, NOR SHALL ANY PERSON ATTEMPT SUCH
10 REMOVAL OR EXCLUSION FROM POSSESSION NOTWITHSTANDING THE FACT THAT THE
11 TENANT HAS NO LEASE OR THAT HIS OR HER LEASE, OR OTHER RENTAL AGREEMENT,
12 HAS EXPIRED OR OTHERWISE TERMINATED, AND NOTWITHSTANDING ANY CONTRACT,
13 LEASE AGREEMENT OR OBLIGATION HERETOFORE OR HEREAFTER ENTERED INTO WHICH
14 CONFLICTS WITH THE PROVISIONS OF THIS ACT, EXCEPT ON ONE OR MORE OF THE
15 GROUNDS SET FORTH IN THIS ACT WHICH PERMITS AN OWNER TO REFUSE TO RENEW
16 A LEASE.

17 (2) NO OWNER SHALL, IN THE ABSENCE OF AN EXISTING LEASE, COMMENCE AN
18 ACTION OR PROCEEDING SEEKING TO REMOVE A TENANT FROM ANY HOUSING ACCOM-
19 MODATION WHICH IS SUBJECT TO REGULATION UNDER THIS LAW BY ACTION TO
20 EVICT OR TO RECOVER POSSESSION, OR OTHERWISE, ON A GROUND SET FORTH IN
21 THIS LAW PERMITTING AN OWNER TO REFUSE TO RENEW A LEASE, UNLESS THE
22 OWNER SHALL HAVE GIVEN NINETY DAYS NOTICE TO THE TENANT OF HIS OR HER
23 INTENTION TO COMMENCE AN ACTION OR PROCEEDING ON SUCH GROUND.

24 (3) ANY ORDER OF THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL
25 AUTHORIZED BY PROVISIONS OF THIS LAW PROVIDING THAT A HOUSING ACCOMMO-
26 DATION SHALL NOT BE SUBJECT TO THE PROVISIONS OF THIS LAW UPON THE EXPI-
27 RATION OF THE EXISTING LEASE SHALL PROVIDE THAT SUCH ORDER, IN THE
28 ABSENCE OF AN EXISTING LEASE, SHALL TAKE EFFECT ONE HUNDRED EIGHTY DAYS
29 AFTER ITS ISSUANCE.

30 (4) PURSUANT TO THE PROVISIONS OF PARAGRAPH ONE OF THIS SUBDIVISION,
31 OWNERS SHALL NO LONGER OFFER OR ENTER INTO RENEWAL LEASES FOR ANY
32 RENEWAL WHICH COMMENCED ON OR AFTER JANUARY 1, 2013; HOWEVER OWNERS
33 SHALL BE REQUIRED TO GRANT AND FURNISH TO A NEW TENANT A VACANCY LEASE,
34 IN ACCORDANCE WITH THE PROVISIONS OF SUBDIVISIONS A AND C OF THIS
35 SECTION, FOR A TERM WHICH SHALL EXPIRE ON THE THIRTY-FIRST DAY OF DECEM-
36 BER OF THE YEAR IN WHICH IT COMMENCED.

37 (5) WHERE A TENANT ENTERS INTO A VACANCY LEASE AS PROVIDED IN PARA-
38 GRAPH FOUR OF THIS SUBDIVISION, THE RENTAL PROVIDED THEREIN SHALL BE THE
39 LEGAL REGULATED RENT, AS ADJUSTED BY ANY APPLICABLE VACANCY ALLOWANCE,
40 UNLESS A VACANCY ALLOWANCE WAS PREVIOUSLY COLLECTED DURING THE PRIOR
41 TWELVE MONTH PERIOD.

42 (6) THE OWNER SHALL BE REQUIRED TO SERVE THE TENANT WITH A NOTICE OF
43 RIGHTS AND DUTIES OF OWNERS AND TENANTS PROMULGATED BY THE STATE DIVI-
44 SION OF HOUSING AND COMMUNITY RENEWAL AT THE TIME OF THE RENTAL OF THE
45 HOUSING ACCOMMODATION TO A NEW TENANT.

46 (7) ANY TENANT WHOSE LEASE IN EFFECT ON DECEMBER 31, 2013 HAS EXPIRED,
47 OR WHOSE VACANCY LEASE ENTERED INTO ON OR AFTER JANUARY 1, 2013 HAS
48 EXPIRED, AND WHO THEREAFTER VACATES A HOUSING ACCOMMODATION WITHOUT
49 GIVING THE OWNER AT LEAST THIRTY DAYS' WRITTEN NOTICE BY REGISTERED OR
50 CERTIFIED MAIL OF HIS OR HER INTENTION TO VACATE, SHALL BE LIABLE TO THE
51 OWNER FOR THE LOSS OF RENT SUFFERED BY THE OWNER, BUT NOT EXCEEDING ONE
52 MONTH'S RENT, WHERE THE TENANT VACATES PURSUANT TO THE PROVISIONS OF
53 THIS SECTION. SUCH NOTICE SHALL BE POSTMARKED ON OR BEFORE THE LAST DAY
54 OF THE RENTAL PERIOD IMMEDIATELY PRIOR TO THE THIRTY DAY PERIOD.

55 (8) (A) THE LEGAL REGULATED RENT FOR ANY LEASE WHICH EXPIRES ON DECEM-
56 BER 31, 2012 SHALL BE ADJUSTED EFFECTIVE JANUARY 1, 2013 AND ON THE

1 FIRST DAY OF JANUARY OF EACH YEAR THEREAFTER BY THE RENT ADJUSTMENT
2 ESTABLISHED BY THE RENT BOARD.

3 (B) THE LEGAL REGULATED RENT FOR ANY LEASE ENTERED INTO PRIOR TO JANU-
4 ARY 1, 2013 WHICH EXPIRES BETWEEN JANUARY 1, 2013 AND DECEMBER 31, 2014
5 SHALL BE ADJUSTED EFFECTIVE THE FIRST DAY FOLLOWING ITS EXPIRATION BY
6 THE APPLICABLE TRANSITIONAL ADJUSTMENTS ESTABLISHED BY THE RENT BOARD
7 AND ON THE FIRST DAY OF JANUARY OF EACH YEAR THEREAFTER BY THE RENT
8 ADJUSTMENT ESTABLISHED BY THE RENT BOARD.

9 (C) THE LEGAL REGULATED RENT FOR ANY VACANCY LEASE ENTERED INTO ON OR
10 AFTER JANUARY 1, 2013 SHALL, IN ADDITION TO ANY ADJUSTMENT PROVIDED FOR
11 IN PARAGRAPH FIVE OF THIS SUBDIVISION, BE ADJUSTED ON THE FIRST DAY OF
12 JANUARY OF EACH YEAR THEREAFTER BY THE RENT ADJUSTMENT ESTABLISHED BY
13 THE RENT BOARD.

14 S 11. Section 10-a of section 4 of chapter 576 of the laws of 1974,
15 constituting the emergency tenant protection act of nineteen seventy-
16 four, as amended by chapter 940 of the laws of 1984, is amended to read
17 as follows:

18 S 10-a. Right to sublease. Units subject to this law may be sublet
19 pursuant to section two hundred twenty-six-b of the real property law
20 provided that (a) the rental charged to the subtenant does not exceed
21 the legal regulated rent plus a ten percent surcharge payable to the
22 tenant if the unit sublet was furnished with the tenant's furniture; (b)
23 the tenant can establish that at all times he has maintained the unit as
24 his primary residence and intends to occupy it as such at the expiration
25 of the sublease; (c) an owner may terminate the tenancy of a tenant who
26 sublets or assigns contrary to the terms of this section [but no action
27 or proceeding based on the non-primary residence of a tenant may be
28 commenced prior to the expiration date of his lease]; (d) where an
29 apartment is sublet the prime tenant shall retain the right to a
30 [renewal lease] STATUTORY TENANCY and the rights and status of a tenant
31 in occupancy as they relate to conversion to condominium or cooperative
32 ownership; (e) where a tenant violates the provisions of subdivision (a)
33 of this section the subtenant shall be entitled to damages of three
34 times the overcharge and may also be awarded attorneys fees and interest
35 from the date of the overcharge at the rate of interest payable on a
36 judgment pursuant to section five thousand four of the civil practice
37 law and rules; AND (f) the tenant may not sublet the unit for more than
38 a total of two years, including the term of the proposed sublease, out
39 of the four-year period preceding the termination date of the proposed
40 sublease. The provisions of this subdivision (f) shall only apply to
41 subleases commencing on and after July first, nineteen hundred eighty-
42 three; (g) for the purposes of this section only, the term of the
43 proposed sublease may extend beyond the term of the tenant's lease]. In
44 such event, such sublease shall be subject to the tenant's right to a
45 [renewal lease] STATUTORY TENANCY PURSUANT TO THIS ACT. The subtenant
46 shall have no right to a renewal lease. It shall be unreasonable for an
47 owner to refuse to consent to a sublease solely because such sublease
48 extends beyond the tenant's lease; and (h) notwithstanding the
49 provisions of section two hundred twenty-six-b of the real property law,
50 a not-for-profit hospital shall have the right to sublet any housing
51 accommodation leased by it to its affiliated personnel without requiring
52 the landlord's consent to any such sublease and without being bound by
53 the provisions of subdivisions (b), (c) and (f) of this section.
54 Commencing with the effective date of this subdivision, whenever a not-
55 for-profit hospital executes a renewal lease for a housing accommo-
56 dation, the legal regulated rent shall be increased by a sum equal to

1 fifteen percent of the previous lease rental for such housing accommo-
2 dation, hereinafter referred to as a vacancy surcharge, unless the land-
3 lord shall have received within the seven year period prior to the
4 commencement date of such renewal lease any vacancy increases or vacancy
5 surcharges allocable to the said housing accommodation. In the event the
6 landlord shall have received any such vacancy increases or vacancy
7 surcharges during such seven year period, the vacancy surcharge shall be
8 reduced by the amount received by any such vacancy increase or vacancy
9 surcharges].

10 NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION OR SECTION 226-B OF THE
11 REAL PROPERTY LAW TO THE CONTRARY, ANY TENANT OF A HOUSING ACCOMMODATION
12 COVERED BY THE PROVISIONS OF THIS ACT SHALL BE ENTITLED TO THE BENEFITS
13 OF SECTION 226-B OF THE REAL PROPERTY LAW RELATING TO THE RIGHT TO
14 SUBLEASE OR ASSIGN EVEN IF THE TENANT DOES NOT HAVE A WRITTEN LEASE. THE
15 PROVISIONS OF THIS SECTION AND SECTION 226-B OF THE REAL PROPERTY LAW
16 SHALL BE APPLIED ACCORDINGLY.

17 S 12. Section 4 of chapter 274 of the laws of 1946, constituting the
18 emergency housing rent control law, is amended by adding a new subdivi-
19 sion 9 to read as follows:

20 9. NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS LAW, EFFECTIVE
21 JANUARY 1, 2013, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, THE
22 RENT FOR HOUSING ACCOMMODATIONS SUBJECT TO THIS CHAPTER LOCATED IN THE
23 COUNTIES OF WESTCHESTER AND NASSAU SHALL BE ADJUSTED AS FOLLOWS:

24 (A) THE COUNTY RENT BOARDS ESTABLISHED PURSUANT TO SECTION 4 OF THE
25 EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, SHALL ESTAB-
26 LISH ANNUAL RENT ADJUSTMENTS FOR THE CLASS OF HOUSING ACCOMMODATIONS
27 SUBJECT TO THIS CHAPTER LOCATED IN THE COUNTIES OF WESTCHESTER AND
28 NASSAU, IN THE MANNER PROVIDED BY SUCH SECTION. THE FACT THAT THE HOUS-
29 ING ACCOMMODATION IS SUBJECT TO THIS LAW MAY NOT BE CONSIDERED AS A
30 FACTOR IN DETERMINING THE RATE OF RENT ADJUSTMENT. NOT LATER THAN OCTO-
31 BER 1, 2012, AND NOT LATER THAN OCTOBER FIRST ANNUALLY THEREAFTER, THE
32 COUNTY RENT BOARDS SHALL FILE WITH THE COMMISSION THEIR FINDINGS ESTAB-
33 LISHED IN CONSIDERATION OF THE ECONOMIC FACTORS LISTED IN SUBDIVISION B
34 OF SECTION 4 OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVEN-
35 TY-FOUR, AND SHALL ACCOMPANY SUCH FINDINGS WITH A STATEMENT OF THE MAXI-
36 MUM RATE OR RATES OF RENT ADJUSTMENT, IF ANY, FOR ONE OR MORE CLASSES OF
37 ACCOMMODATIONS SUBJECT TO THIS LAW WITHIN SUCH COUNTIES AUTHORIZED FOR
38 THE ADJUSTMENT OF THE MAXIMUM RENT OF THE HOUSING ACCOMMODATION FOR THE
39 TWELVE MONTH PERIOD COMMENCING JANUARY 1, 2013, AND FOR EACH SUCCEEDING
40 TWELVE MONTH PERIOD.

41 (B) EFFECTIVE JANUARY 1, 2013, THE MAXIMUM RENT COLLECTIBLE FROM THE
42 TENANT SHALL BE THE MAXIMUM RENT COLLECTIBLE ON DECEMBER 31, 2012, AS
43 SUCH RENT MAY BE ADJUSTED PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION
44 ANNUALLY, WITHOUT AN ORDER OF THE COMMISSION, OR AS ADJUSTED PURSUANT TO
45 ANY OTHER PROVISION OF THIS LAW. HOWEVER, NO SUCH INCREASE PURSUANT TO
46 PARAGRAPH (A) OF THIS SUBDIVISION SHALL BE AUTHORIZED UNTIL THE EXPIRA-
47 TION OF TWELVE MONTHS FROM THE EFFECTIVE DATE OF ANY RENT ADJUSTMENT
48 AUTHORIZED PURSUANT TO REGULATIONS ADOPTED FOR RENT ADJUSTMENTS TO
49 COMPENSATE FOR UNAVOIDABLE INCREASED COSTS OF OPERATIONS AS PROVIDED FOR
50 UNDER THIS LAW.

51 (C) MAXIMUM RATES OF RENT ADJUSTMENT SHALL NOT BE ESTABLISHED MORE
52 THAN ONCE ANNUALLY FOR ANY HOUSING ACCOMMODATION SUBJECT TO THIS LAW
53 WITHIN A BOARD'S JURISDICTION. ONCE ESTABLISHED, NO SUCH RATE SHALL BE
54 ADJUSTED BY ANY SURCHARGE, SUPPLEMENTARY ADJUSTMENT, REOPENER OR OTHER
55 MODIFICATION.

(D) NOTHING CONTAINED IN THIS SUBDIVISION OR IN SUBDIVISION D OF SECTION 10 OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR SHALL ALTER, RESTRICT OR IMPAIR AN OWNER'S RIGHT TO ESTABLISH THE INITIAL REGULATED RENT FOR ACCOMMODATIONS SUBJECT TO THIS LAW WHICH BECOME VACANT.

S 13. Any reference in chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, the administrative code of the city of New York, section 421-c of the real property tax law or section 286 of the multiple dwelling law to "rent guidelines board" shall be deemed to refer to the rent board as provided in this act. Any reference in chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, or in the administrative code of the city of New York to "rent guidelines" shall be deemed to refer to rent adjustments as provided in this act. Any reference in chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, the administrative code of the city of New York, the real property tax law or the public housing law to "renewal lease" shall be deemed to refer to the statutory tenancy as provided in this act.

S 14. If any provision of this act or the application thereof shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such judgment shall not affect, impair or invalidate the remainder of this act, but shall be confined in its operation to the provision directly involved in the controversy in which the judgment shall have been rendered; provided, however, that in the event the entire system of rent control or stabilization shall be finally adjudged invalid or unconstitutional by a court of competent jurisdiction because of the operation of any provision of this act, such provision shall be null, void and without effect, and all other provisions of this act which can be given effect without such invalid provision, as well as provisions of any other law relating to the control or stabilization of rent, as in effect prior to the enactment of this act and as otherwise amended by this act, shall continue in full force and effect for the period of effectiveness set forth in section 26-520 of the rent stabilization law of nineteen hundred sixty-nine and in section 17 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended.

S 15. This act shall take effect immediately, provided that the amendments to sections 26-509, 26-510 and 26-511 of the rent stabilization law of nineteen hundred sixty-nine made by sections three, four and six of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law; and provided further that the amendments to sections 4, 10 and 10-a of the emergency tenant protection act of nineteen seventy-four made by sections eight, ten and eleven of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974, as amended; and provided further that the rent boards as reconstituted pursuant to sections four and eight of this act shall be appointed and confirmed within sixty days after the effective date of this act and the methodological and procedural changes made by sections four and eight of this act shall become operational on October 1, 2012; and provided further that the rent adjustments, if any, adopted in 2012 pursuant to the rent stabilization law of nineteen hundred sixty-nine or the emergency tenant protection act of nineteen seventy-four shall be effective for annual rent adjustments commencing on January 1, 2013 and during the

1 next twelve months through December 31, 2013; and provided further that
2 the rent adjustments, if any, adopted in subsequent years pursuant to
3 the rent stabilization law of nineteen hundred sixty-nine or the emer-
4 gency tenant protection act of nineteen seventy-four shall be effective
5 for annual rent adjustments commencing on January first of each subse-
6 quent year and during the next succeeding twelve months thereafter
7 through December thirty-first of each such year; provided that the
8 amendments to section 26-405 of the city rent and rehabilitation law
9 made by section seven of this act shall remain in full force and effect
10 only as long as the public emergency requiring the regulation and
11 control of residential rents and evictions continues, as provided in
12 subdivision 3 of section 1 of the local emergency housing rent control
13 act; and provided that the amendments to section 4 of the emergency
14 housing rent control law made by section twelve of this act shall expire
15 on the same date as such law expires and shall not affect the expiration
16 of such law as provided in subdivision 2 of section 1 of chapter 274 of
17 the laws of 1946.