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Introduced by M. of A. WRIGHT, FARRELL, O'DONNELL, AUBRY, CRESPO, GLICK, SILVER, KAVANAGH, GOTTFRIED, LENTOL, MOSLEY, PRETLOW, ROSENTHAL, BICHOTTE, COOK, DAVILA, DINOWITZ, JOYNER, LINARES, MOYA, PICHARDO, ROBINSON, RODRIGUEZ, SEPULVEDA, WALKER, ABINANTI, BENEDETTO, COLTON, DenDEKKER, JAFFEE, BROOK-KRASNY, ORTIZ -- read once and referred to the Committee on Housing

AN ACT 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; 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 regulation of rents; to amend the emergency tenant protection act of nineteen seventy-four, the emergency housing rent control law, and the administrative code of the city of New York, in relation to deregulation thresholds; 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; 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; 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

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

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for certain rental housing accommodations; 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 approval of major capital improvement rent increases and in relation to extending the length of time over which major capital improvement expenses may be recovered; to amend the administrative code of the city of New York, in relation to waivers of rent adjustments; to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to adjustment of maximum allowable rent; 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; 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; to amend the administrative code of the city of New York, in relation to the filing of an overcharge complaint; to amend the penal law, in relation to harassment of a rent regulated tenant; to amend the civil practice law and rules, in relation to residential rent overcharges; to amend the administrative code of the city of New York and the emergency housing rent control law, in relation to the establishment of rent adjustments; to amend the real property law, in relation to the duty of a landlord to provide written receipts and notification of non-payment of rent; to amend the multiple dwelling law, in relation to coverage of interim multiple dwellings and owner obligations; to amend the civil practice law and rules, in relation to prerequisites and certificate of merit in an eviction proceeding and to repeal subdivision (h) of section 27 of chapter 4 of the laws of 2013 amending the real property tax law relating to exemption from taxation to alterations and improvements to multiple dwellings to eliminate fire and health hazards, relating thereto; and to repeal paragraph (n) of subdivision 2 of section 2 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, 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, subparagraph (k) of paragraph 2 of subdivision e of section 26-403 and subparagraphs (l) and (n) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York and section 26-504.2 of the administrative code of the city of New York related thereto

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

Section 1. Short title. This act shall be known and may be cited as the "rent act of 2015".

S 1-a. Section 17 of 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, as amended by section 1-a of part B of chapter 97 of the laws of 2011, is amended to read as follows:

S 17. Effective date. This act shall take effect immediately and shall remain in full force and effect until and including the fifteenth day of June [2015] 2019; except that sections two and three shall take effect with respect to any city having a population of one million or more and section one shall take effect with respect to any other city,

or any town or village whenever the local legislative body of a city, town or village determines the existence of a public emergency pursuant to section three of the emergency tenant protection act of nineteen seventy-four, as enacted by section four of this act, and provided that the housing accommodations subject on the effective date of this act to stabilization pursuant to the New York city rent stabilization law of nineteen hundred sixty-nine shall remain subject to such law upon the expiration of this act.

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

2. The provisions of this act, and all regulations, orders and requirements thereunder shall remain in full force and effect until and including June 15, [2015] 2019.

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

S 2. This act shall take effect immediately and the provisions of subdivision 6 of section 12 of the emergency housing rent control law, as added by this act, shall remain in full force and effect until and including June 15, [2015] 2019.

S 4. Section 10 of 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, as amended by section 4 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

S 10. This act shall take effect immediately; provided, that the provisions of sections one, two and nine of this act shall remain in full force and effect only until and including June 15, [2015] 2019; provided further that the provisions of section three of this act shall remain in full force and effect only so long as the public emergency requiring the regulation and control of residential rents and evictions continues as provided in subdivision 3 of section 1 of the local emergency housing rent control act; provided further that the provisions of sections four, five, six and seven of this act shall expire in accordance with the provisions of section 26-520 of the administrative code of the city of New York as such section of the administrative code is, from time to time, amended; provided further that the provisions of section 26-511 of the administrative code of the city of New York, as amended by this act, which the New York City Department of Housing Preservation and Development must find are contained in the code of the real estate industry stabilization association of such city in order to approve it, shall be deemed contained therein as of the effective date of this act; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section 352-eeee of the general business law as they had existed immediately prior to the effective date of this act.

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

S 4. This act shall take effect immediately; provided, that the provisions of sections one and three of this act shall remain in full force and effect only until and including June 15, [2015] 2019; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section 352-eee of the general business law as they had existed immediately prior to the effective date of this act.

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

6. sections twenty-eight, twenty-eight-a, twenty-eight-b and twenty-eight-c of this act shall expire and be deemed repealed after June 15, [2015] 2019;

S 7. Subdivision (a-2) of section 10 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 13 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

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

S 8. Paragraph 14 of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 14 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(14) provides that where the amount of rent charged to and paid by the tenant is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing accommodation which may be charged [upon renewal or] upon vacancy thereof may, at the option of the owner, be based upon such previously established legal regulated rent, as adjusted by the most recent applicable guidelines increases and any other increases authorized by law; PROVIDED, HOWEVER, THAT SUCH VACANCY SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT OF THE OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH THE WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. Where, subsequent to vacancy, such legal regulated rent, as adjusted by [the most recent] ALL applicable guidelines increases and any other increases authorized by law is two thousand dollars or more per month or, for any housing accommodation which is or becomes vacant on or after the effective date of

the rent act of 2011, is two thousand five hundred dollars or more per month, such housing accommodation shall be excluded from the provisions of this law pursuant to section 26-504.2 of this chapter.

S 9. Paragraphs 1 and 2 of subdivision c of section 26-516 of the administrative code of the city of New York, as amended by section 1 of chapter 480 of the laws of 2009, are amended to read as follows:

(1) to have violated an order of the division the commissioner may impose by administrative order after hearing, a civil penalty [in the amount of one thousand dollars for the first such offense and two] AT MINIMUM IN THE AMOUNT OF ONE THOUSAND BUT NOT TO EXCEED TWO THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT A MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FOUR thousand dollars for each subsequent offense; or

(2) to have harassed a tenant to obtain vacancy of his or her housing accommodation, the commissioner may impose by administrative order after hearing, a civil penalty for any such violation. Such penalty shall be [in the amount of two thousand dollars for a first such offense and up to ten] AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FIVE THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TEN THOUSAND BUT NOT TO EXCEED FIFTEEN thousand dollars for each subsequent offense or for a violation consisting of conduct directed at the tenants of more than one housing accommodation.

S 10. Paragraph 2 of subdivision c of section 26-516 of the administrative code of the city of New York, as amended by section 2 of chapter 480 of the laws of 2009, is amended to read as follows:

(2) to have harassed a tenant to obtain vacancy of his or her housing accommodation, the commissioner may impose by administrative order after hearing, a civil penalty for any such violation. Such penalty shall be [in the amount of two thousand dollars for a first such offense and up to ten] AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FIVE THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT A MINIMUM IN THE AMOUNT OF TEN THOUSAND BUT NOT TO EXCEED FIFTEEN thousand dollars for each subsequent offense or for a violation consisting of conduct directed at the tenants of more than one housing accommodation.

S 11. Subparagraph (a) of paragraph 2 of subdivision b of section 26-413 of the administrative code of the city of New York, as amended by section 3 of chapter 480 of the laws of 2009, is amended to read as follows:

(a) Impose by administrative order after hearing, a civil penalty for any violation of said section and bring an action to recover same in any court of competent jurisdiction. Such penalty in the case of a violation of subdivision d of such section shall be [in the amount of two thousand dollars for the first offense and ten] AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FIVE THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TEN THOUSAND BUT NOT TO EXCEED FIFTEEN thousand dollars for each subsequent offense or for a violation consisting of conduct directed at the tenants of more than one housing accommodation; and in the case of any other violation of such section [in the amount of one thousand dollars for the first such offense and two] AT MINIMUM IN THE AMOUNT OF ONE THOUSAND BUT NOT TO EXCEED TWO THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FOUR thousand dollars for each subsequent offense. Such order by the city rent agency shall be deemed a final determination for the purposes of judicial review as provided in section 26-411 of this chapter. Such action shall be brought on behalf of the city and any amount recovered shall be paid into the city treas-

ury. Such right of action may be released, compromised or adjusted by the city rent agency at any time subsequent to the issuance of such administrative order.

S 12. Subparagraph (a) of paragraph 2 of subdivision b of section 26-413 of the administrative code of the city of New York, as amended by section 4 of chapter 480 of the laws of 2009, is amended to read as follows:

(a) Impose by administrative order after hearing, a civil penalty for any violation of said section and bring an action to recover same in any court of competent jurisdiction. Such penalty in the case of a violation of subdivision d of such section shall be [in the amount of two thousand dollars for a first such offense and ten] AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FIVE THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TEN THOUSAND BUT NOT TO EXCEED FIFTEEN thousand dollars for each subsequent offense or for a violation consisting of conduct directed at the tenants of more than one housing accommodation; and in the case of any other violation of such section [in the amount of one thousand dollars for the first such offense and two] AT MINIMUM IN THE AMOUNT OF ONE THOUSAND BUT NOT TO EXCEED TWO THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FOUR thousand dollars for each subsequent offense. Such order by the city rent agency shall be deemed a final determination for the purposes of judicial review as provided in section 26-411 of this chapter. Such action shall be brought on behalf of the city and any amount recovered shall be paid into the city treasury. Such right of action may be released, compromised or adjusted by the city rent agency at any time subsequent to the issuance of such administrative order.

S 13. Clauses (i) and (ii) of paragraph 3 of subdivision a of section 12 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 5 of chapter 480 of the laws of 2009, are amended to read as follows:

(i) to have violated an order of the division the commissioner may impose by administrative order after hearing, a civil penalty [in the amount of one thousand dollars for the first such offense and two] AT MINIMUM IN THE AMOUNT OF ONE THOUSAND BUT NOT TO EXCEED TWO THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FOUR thousand dollars for each subsequent offense; or

(ii) to have harassed a tenant to obtain vacancy of his housing accommodation, the commissioner may impose by administrative order after hearing, a civil penalty for any such violation. Such penalty shall be [in the amount of two thousand dollars for the first such offense and ten] AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FIVE THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TEN THOUSAND BUT NOT TO EXCEED FIFTEEN thousand dollars for each subsequent offense or for a violation consisting of conduct directed at the tenants of more than one housing accommodation.

S 14. Clause (ii) of paragraph 3 of subdivision a of section 12 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 6 of chapter 480 of the laws of 2009, is amended to read as follows:

(ii) to have harassed a tenant to obtain vacancy of his housing accommodation, the commissioner may impose by administrative order after hearing, a civil penalty for any such violation. Such penalty shall be

[in the amount of two thousand dollars for the first such offense and ten] AT MINIMUM IN THE AMOUNT OF TWO THOUSAND BUT NOT TO EXCEED FIVE THOUSAND DOLLARS FOR THE FIRST SUCH OFFENSE, AND AT MINIMUM IN THE AMOUNT OF TEN THOUSAND BUT NOT TO EXCEED FIFTEEN thousand dollars for each subsequent offense or for a violation consisting of conduct directed at the tenants of more than one housing accommodation.

S 15. Paragraph (n) of subdivision 2 of section 2 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, is REPEALED.

S 16. Paragraph 13 of subdivision a of section 5 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, is REPEALED.

S 17. Subparagraph (k) of paragraph 2 of subdivision e of section 26-403 of the administrative code of the city of New York is REPEALED.

S 18. Section 26-504.2 of the administrative code of the city of New York is REPEALED.

S 19. Any housing accommodations that prior to the effective date of this act were excluded from coverage from the emergency tenant protection act of nineteen seventy-four, the emergency housing rent control law or the administrative code of the city of New York pursuant to the provisions of law repealed by sections two, three, four and five of this act, and where such housing accommodations were located outside the city of New York and were rented to a tenant between January 1, 2013 and the effective date of this act for less than $3,500.00 per month regardless of any subsequent payment of a higher monthly rent, or were located within the city of New York and were rented to a tenant between January 1, 2013 and the effective date of this act for less than $5,000.00 per month, regardless of any subsequent payment of a higher monthly rent, shall be subject to the provisions of such act, law or administrative code, respectively. Notwithstanding the provisions of any lease or rental agreement, the legal regulated rent or maximum collectible rent of any housing accommodation excluded from regulation prior to the effective date of this act by reason of the provisions repealed by sections two, three, four and five of this act and made subject to regulation shall be the actual rent paid by a tenant on December 31, 2014 or, if no rent was paid for such accommodation on December 31, 2014, the most recent actual rent paid by a tenant for such accommodation prior to December 31, 2014, subject to further adjustment in accordance with applicable provisions of law.

S 20. Paragraph 14 of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 14 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(14) provides that where the amount of rent charged to and paid by the tenant is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing accommodation which may be charged upon renewal or upon vacancy thereof may, at the option of the owner, be based upon such previously established legal regulated rent, as adjusted by the most recent applicable guidelines increases and any other increases authorized by law. [Where, subsequent to vacancy, such legal regulated rent, as adjusted by the most recent applicable guidelines increases and any other increases authorized by law is two thousand dollars or more per month or, for any housing accommodation which is or becomes vacant on or after the effective date of the rent act of 2011, is two thousand five hundred dollars or more per month, such housing accommodation shall be excluded from the provisions of this law pursuant to section 26-504.2 of this chapter.]

S 21. Subdivision (a-2) of section 10 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 13 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(a-2) Provides that where the amount of rent charged to and paid by the tenant is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing accommodation which may be charged upon renewal or upon vacancy thereof may, at the option of the owner, be based upon such previously established legal regulated rent, as adjusted by the most recent applicable guidelines increases and other increases authorized by law. [Where, subsequent to vacancy, such legal regulated rent, as adjusted by the most recent applicable guidelines increases and any other increases authorized by law is two thousand dollars or more per month or, for any housing accommodation which is or becomes vacant on or after the effective date of the rent act of 2011, is two thousand five hundred dollars or more per month, such housing accommodation shall be excluded from the provisions of this act pursuant to paragraph thirteen of subdivision a of section five of this act.]

S 22. Paragraphs 2 and 3 of subdivision (a) of section 5-a of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as added by section 30 of part B of chapter 97 of the laws of 2011, are amended to read as follows:

2. Deregulation income threshold means total annual income equal to one hundred seventy-five thousand dollars in each of the two preceding calendar years for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation income threshold means the total annual income equal to two hundred thousand dollars in each of the two preceding calendar years. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME EQUAL TO TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING CALENDAR YEARS.

3. Deregulation rent threshold means two thousand dollars for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation rent threshold means two thousand five hundred dollars. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND FIVE HUNDRED DOLLARS.

S 23. Paragraphs 2 and 3 of subdivision (a) of section 2-a of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, as added by section 32 of part B of chapter 97 of the laws of 2011, are amended to read as follows:

2. Deregulation income threshold means total annual income equal to one hundred seventy-five thousand dollars in each of the two preceding calendar years for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation income threshold means the total annual income equal to two hundred thousand dollars in each of the two preceding calendar years. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME EQUAL TO TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING CALENDAR YEARS.

3. Deregulation rent threshold means two thousand dollars for proceedings commenced prior to July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the

deregulation rent threshold means two thousand five hundred dollars. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND FIVE HUNDRED DOLLARS.

S 24. Paragraphs 2 and 3 of subdivision (a) of section 26-403.1 of the administrative code of the city of New York, as added by section 34 of part B of chapter 97 of the laws of 2011, are amended to read as follows:

2. Deregulation income threshold means total annual income equal to one hundred seventy-five thousand dollars in each of the two preceding calendar years for proceedings commenced prior to July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation income threshold means the total annual income equal to two hundred thousand dollars in each of the two preceding calendar years. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME EQUAL TO TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING CALENDAR YEARS.

3. Deregulation rent threshold means two thousand dollars for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation rent threshold means two thousand five hundred dollars. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND FIVE HUNDRED DOLLARS.

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

2. Deregulation income threshold means total annual income equal to one hundred seventy-five thousand dollars in each of the two preceding calendar years for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation income threshold means the total annual income equal to two hundred thousand dollars in each of the two preceding calendar years. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION INCOME THRESHOLD MEANS THE TOTAL ANNUAL INCOME EQUAL TO TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS IN EACH OF THE TWO PRECEDING CALENDAR YEARS.

3. Deregulation rent threshold means two thousand dollars for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation rent threshold means two thousand five hundred dollars. FOR PROCEEDINGS COMMENCED ON OR AFTER JULY FIRST, TWO THOUSAND FIFTEEN, THE DEREGULATION RENT THRESHOLD MEANS THREE THOUSAND FIVE HUNDRED DOLLARS.

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

(1) The landlord seeks in good faith to recover possession of a housing accommodation because of immediate and compelling necessity for his or her own personal use and occupancy AS HIS OR HER PRIMARY RESIDENCE or for the use and occupancy of his or her immediate family AS THEIR PRIMARY RESIDENCE provided, however, that this subdivision shall PERMIT RECOVERY OF ONLY ONE HOUSING ACCOMMODATION AND SHALL not apply where a member of the household lawfully occupying the housing accommodation is sixty-two years of age or older, has been a tenant in a housing accommo-

dation in that building for [twenty] FIFTEEN years or more, or has an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment; or

S 27. Subparagraph (b) of paragraph 9 of subdivision c of section 26-511 of the administrative code of the city of New York is amended to read as follows:

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

S 28. Subdivision a of section 10 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by chapter 234 of the laws of 1984, is amended to read as follows:

a. For cities having a population of less than one million and towns and villages, the state division of housing and community renewal shall be empowered to implement this act by appropriate regulations. Such regulations may encompass such speculative or manipulative practices or renting or leasing practices as the state division of housing and community renewal determines constitute or are likely to cause circumvention of this act. Such regulations shall prohibit practices which are likely to prevent any person from asserting any right or remedy granted by this act, including but not limited to retaliatory termination of periodic tenancies and shall require owners to grant a new one or two year vacan-

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

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

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

S 30. Paragraph 5-a of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 7 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(5-a) provides that, notwithstanding any provision of this chapter, the legal regulated rent for any vacancy lease entered into after the effective date of this paragraph shall be as hereinafter provided in this paragraph. The previous legal regulated rent for such housing accommodation shall be increased by the following: (i) if the vacancy lease is for a term of two years, [twenty] SEVEN AND ONE-HALF 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] SEVEN AND ONE-HALF percent of the previous legal regulated rent less an amount equal to the difference between (a) the two year renewal lease guideline promulgated

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

S 31. 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 amended by section 8 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(a-1) provides that, notwithstanding any provision of this act, the legal regulated rent for any vacancy lease entered into after the effective date of this subdivision shall be as hereinafter set forth. The previous legal regulated rent for such housing accommodation shall be increased by the following: (i) if the vacancy lease is for a term of two years, [twenty] SEVEN AND ONE-HALF 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] SEVEN AND ONE-HALF 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 result-

ing 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 32. Subdivision a of section 26-504 of the administrative code of the city of New York, subparagraph (f) of paragraph 1 as amended by chapter 422 of the laws of 2010, is amended to read as follows:

a. Class A multiple dwellings not owned as a cooperative or as a condominium, except as provided in section three hundred fifty-two-eeee of the general business law, containing six or more dwelling units which: (1) were completed after February first, nineteen hundred forty-seven, except dwelling units (a) owned or leased by, or financed by loans from, a public agency or public benefit corporation, (b) subject to rent regulation under the private housing finance law or any other state law, (c) aided by government insurance under any provision of the national housing act, to the extent this chapter or any regulation or order issued thereunder is inconsistent therewith, or (d) located in a building for which a certificate of occupancy is obtained after March tenth, nineteen hundred sixty-nine[;], or (e) any class A multiple dwelling which on June first, nineteen hundred sixty-eight was and still is commonly regarded as a hotel, transient hotel or residential hotel, and which customarily provides hotel service such as maid service, furnishing and laundering of linen, telephone and bell boy service, secretarial or desk service and use and upkeep of furniture and fixtures, or (f) not occupied by the tenant, not including subtenants or occupants, as his or her primary residence, as determined by a court of competent jurisdiction, provided, however that no action or proceeding shall be commenced seeking to recover possession on the ground that a housing accommodation is not occupied by the tenant as his or her primary residence unless the owner or lessor shall have given thirty days notice to the tenant of his or her intention to commence such action or proceeding on such grounds. For the purposes of determining primary residency, a tenant who is a victim of domestic violence, as defined in section four hundred fifty-nine-a of the social services law, who has left the unit because of such violence, and who asserts an intent to return to the housing accommodation shall be deemed to be occupying the unit as his or her primary residence. For the purposes of this subparagraph where a housing accommodation is rented to a not-for-profit hospital for residential use, affiliated subtenants authorized to use such accommodations by such hospital shall be deemed to be tenants, or (g)

became vacant on or after June thirtieth, nineteen hundred seventy-one, or become vacant, provided however, that this exemption shall not apply or become effective with respect to housing accommodations which the commissioner determines or finds became vacant because the landlord or any person acting on his or her 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 or her use or occupancy of the housing accommodations and provided further that any housing accommodations exempted by this paragraph shall be subject to this law to the extent provided in subdivision b of this section; or (2) were decontrolled by the city rent agency pursuant to section 26-414 of this title; or (3) are exempt from control by virtue of [item] CLAUSE one, two, six or seven of subparagraph (i) of paragraph two of subdivision e of section 26-403 of this title; OR (4) WERE COVERED BY A PROJECT BASED ASSISTANCE CONTRACT PURSUANT TO SECTION EIGHT OF THE UNITED STATES HOUSING ACT OF 1937 WHICH CONTRACT IS NO LONGER IN EFFECT, NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH (D) OR (G) OF PARAGRAPH ONE OF THIS SUBDIVISION OR PARAGRAPH FIVE OF SUBDIVISION A OF SECTION FIVE OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR BUT SUBJECT TO ANY OTHER APPLICABLE EXCEPTIONS IN PARAGRAPH ONE OF THIS SUBDIVISION OR SUBDIVISION (A) OF SECTION FIVE OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, PROVIDED HOWEVER, THAT ANY DWELLING UNIT WHICH BECOMES SUBJECT TO THIS LAW PURSUANT TO THIS PARAGRAPH SHALL NOT BE SUBJECT TO THE PROVISIONS OF SUBDIVISION A OF SECTION 26-513 OF THIS CHAPTER; and

S 33. Section 5 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four is amended by adding a new subdivision c to read as follows:

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

S 34. Subparagraph (g) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York, as amended by chapter 749 of the laws of 1990, is amended to read as follows:

(g) (I) COLLECTION OF SURCHARGES TO THE MAXIMUM RENT AUTHORIZED PURSUANT TO ITEM (II) OF THIS SUBPARAGRAPH SHALL CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL IMPROVEMENT;

(II) There has been since July first, nineteen hundred seventy, a major capital improvement [required for the operation, preservation or maintenance of the structure. An adjustment under this subparagraph (g) shall be in an amount sufficient to amortize the cost of the improvements pursuant to this subparagraph (g) over a seven-year period]; PROVIDED THAT THE COMMISSIONER FIRST FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE OPERATION OR PRESERVATION OF THE STRUCTURE. NO APPLICATION FOR A MAJOR CAPITAL IMPROVEMENT RENT INCREASE MAY BE APPROVED IF THERE EXIST ANY OUTSTANDING HAZARDOUS VIOLATIONS AT THE TIME

OF THE CONSIDERATION OF SUCH APPLICATION, AS DETERMINED PURSUANT TO REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL OR ANY AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED, UNLESS IT IS DETERMINED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL THAT SUCH WORK IS ESSENTIAL TO THE ALLEVIATION OF THE VIOLATIONS AND SUCH APPROVAL IS CONSISTENT WITH THE PROVISIONS OF THIS SECTION. EXCEPT IN THE CASE OF EMERGENCY OR GOOD CAUSE, THE OWNER OF THE PROPERTY SHALL FILE, NOT LESS THAN THIRTY DAYS BEFORE THE COMMENCEMENT OF THE IMPROVEMENT, WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL A STATEMENT CONTAINING INFORMATION OUTLINING THE SCOPE OF WORK, EXPECTED DATE OF COMPLETION FOR SUCH WORK AND AN AFFIDAVIT SETTING FORTH THE FOLLOWING INFORMATION: (A) EVERY OWNER OF RECORD AND OWNER OF A SUBSTANTIAL INTEREST IN THE PROPERTY OR ENTITY OWNING THE PROPERTY OR SPONSORING THE IMPROVEMENT; AND (B) A STATEMENT THAT NONE OF SUCH PERSONS HAD, WITHIN THE FIVE YEARS PRIOR TO THE IMPROVEMENT, BEEN FOUND TO HAVE HARASSED OR UNLAWFULLY EVICTED TENANTS BY JUDGMENT OR DETERMINATION OF A COURT OR AGENCY UNDER THE PENAL LAW, ANY STATE OR LOCAL LAW REGULATING RENTS OR ANY STATE OR LOCAL LAW RELATING TO HARASSMENT OF TENANTS OR UNLAWFUL EVICTION. UPON RECEIPT OF THE SCOPE OF WORK AND AFFIDAVIT PROVIDED FOR HEREIN, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL PROVIDE THE TENANTS IN OCCUPANCY IN SUCH BUILDINGS WITH SUCH INFORMATION. THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL, IN ADDITION, IMPLEMENT PROCEDURES INCLUDING, BUT NOT LIMITED TO, ELICITING TENANT COMMENTS TO DETERMINE WHETHER MAJOR CAPITAL IMPROVEMENT REHABILITATION WORK HAS BEEN SATISFACTORILY COMPLETED. NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE SHALL BECOME EFFECTIVE UNTIL ANY DEFECTIVE OR DEFICIENT REHABILITATION WORK HAS BEEN CURED. THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY. NOTWITHSTANDING ANY LAW TO THE CONTRARY, WHEN CALCULATING A SURCHARGE, THE COST OF THE IMPROVEMENT SHALL BE REDUCED BY ANY MONEYS PROVIDED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY; or

S 35. Subparagraph (k) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York, as amended by chapter 749 of the laws of 1990, is amended to read as follows:

(k) The landlord has incurred, since January first, nineteen hundred seventy, in connection with and in addition to a concurrent major capital improvement pursuant to subparagraph (g) of this paragraph, other expenditures to improve, restore or preserve the quality of the structure. An adjustment under this subparagraph shall be granted only if such improvements represent an expenditure equal to at least ten per centum of the total operating and maintenance expenses for the preceding year. An adjustment under this subparagraph shall be in addition to any adjustment granted for the concurrent major capital improvement and

shall be [in an amount sufficient to amortize the cost of the improvements pursuant to this subparagraph over a seven-year period] IMPLEMENTED IN THE SAME MANNER AS SUCH MAJOR CAPITAL IMPROVEMENT AS A FURTHER SURCHARGE TO THE MAXIMUM RENT.

S 36. Paragraph 6 of subdivision c of section 26-511 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:

(6) provides criteria whereby the commissioner may act upon applications by owners for increases in excess of the level of fair rent increase established under this law provided, however, that such criteria shall provide [(a) as] IN REGARD to hardship applications, for a finding that the level of fair rent increase is not sufficient to enable the owner to maintain approximately the same average annual net income (which shall be computed without regard to debt service, financing costs or management fees) for the three year period ending on or within six months of the date of an application pursuant to such criteria as compared with annual net income, which prevailed on the average over the period nineteen hundred sixty-eight through nineteen hundred seventy, or for the first three years of operation if the building was completed since nineteen hundred sixty-eight or for the first three fiscal years after a transfer of title to a new owner provided the new owner can establish to the satisfaction of the commissioner that he or she acquired title to the building as a result of a bona fide sale of the entire building and that the new owner is unable to obtain requisite records for the fiscal years nineteen hundred sixty-eight through nineteen hundred seventy despite diligent efforts to obtain same from predecessors in title and further provided that the new owner can provide financial data covering a minimum of six years under his or her continuous and uninterrupted operation of the building to meet the three year to three year comparative test periods herein provided[; and (b) as to completed building-wide major capital improvements, for a finding that such improvements are deemed depreciable under the Internal Revenue Code and that the cost is to be amortized over a seven-year period, based upon cash purchase price exclusive of interest or service charges]. Notwithstanding anything to the contrary contained herein, no hardship increase granted pursuant to this paragraph shall, when added to the annual gross rents, as determined by the commissioner, exceed the sum of, (i) the annual operating expenses, (ii) an allowance for management services as determined by the commissioner, (iii) actual annual mortgage debt service (interest and amortization) on its indebtedness to a lending institution, an insurance company, a retirement fund or welfare fund which is operated under the supervision of the banking or insurance laws of the state of New York or the United States, and (iv) eight and one-half percent of that portion of the fair market value of the property which exceeds the unpaid principal amount of the mortgage indebtedness referred to in subparagraph (iii) of this paragraph. Fair market value for the purposes of this paragraph shall be six times the annual gross rent. The collection of any increase in the stabilized rent for any apartment pursuant to this paragraph shall not exceed six percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the stabilized rent as established or set in future years;

S 37. Subdivision c of section 26-511 of the administrative code of the city of New York is amended by adding four new paragraphs 6-b, 6-c, 6-d and 6-e to read as follows:

(6-B) PROVIDES CRITERIA WHEREBY THE COMMISSIONER MAY ACT UPON APPLICATION BY OWNERS FOR INCREASES IN EXCESS OF THE LEVEL OF FAIR RENT INCREASE ESTABLISHED UNDER THIS LAW PROVIDED, HOWEVER, THAT SUCH CRITERIA SHALL PROVIDE THAT:

(I) AS TO COMPLETED BUILDING-WIDE MAJOR CAPITAL IMPROVEMENTS, FIRST, THAT A FINDING THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE OPERATION OR PRESERVATION OF THE STRUCTURE;

(II) NO APPLICATION FOR A MAJOR CAPITAL IMPROVEMENT RENT INCREASE MAY BE APPROVED IF THERE EXIST ANY OUTSTANDING HAZARDOUS VIOLATIONS AT THE TIME OF THE CONSIDERATION OF SUCH APPLICATION, AS DETERMINED PURSUANT TO REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL OR ANY AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED, UNLESS IT IS DETERMINED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL THAT SUCH WORK IS ESSENTIAL TO THE ALLEVIATION OF THE VIOLATIONS AND SUCH APPROVAL IS CONSISTENT WITH THE PROVISIONS OF THIS SECTION. EXCEPT IN THE CASE OF EMERGENCY OR GOOD CAUSE, THE OWNER OF THE PROPERTY SHALL FILE, NOT LESS THAN THIRTY DAYS BEFORE THE COMMENCEMENT OF THE IMPROVEMENT, WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL A STATEMENT CONTAINING INFORMATION OUTLINING THE SCOPE OF WORK, EXPECTED DATE OF COMPLETION FOR SUCH WORK AND AN AFFIDAVIT SETTING FORTH THE FOLLOWING INFORMATION:

(A) EVERY OWNER OF RECORD AND OWNER OF A SUBSTANTIAL INTEREST IN THE PROPERTY OR ENTITY OWNING THE PROPERTY OR SPONSORING THE IMPROVEMENT; AND

(B) A STATEMENT THAT NONE OF SUCH PERSONS HAD, WITHIN THE FIVE YEARS PRIOR TO THE IMPROVEMENT, BEEN FOUND TO HAVE HARASSED OR UNLAWFULLY EVICTED TENANTS BY JUDGMENT OR DETERMINATION OF A COURT OR AGENCY UNDER THE PENAL LAW, ANY STATE OR LOCAL LAW REGULATING RENTS OR ANY STATE OR LOCAL LAW RELATING TO HARASSMENT OF TENANTS OR UNLAWFUL EVICTION.

UPON RECEIPT OF THE SCOPE OF WORK AND AFFIDAVIT PROVIDED FOR HEREIN, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL PROVIDE THE TENANTS IN OCCUPANCY IN SUCH BUILDINGS WITH SUCH INFORMATION. THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL, IN ADDITION, IMPLEMENT PROCEDURES INCLUDING, BUT NOT LIMITED TO, ELICITING TENANT COMMENTS TO DETERMINE WHETHER MAJOR CAPITAL IMPROVEMENT REHABILITATION WORK HAS BEEN SATISFACTORILY COMPLETED. NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE SHALL BECOME EFFECTIVE UNTIL ANY DEFECTIVE OR DEFICIENT REHABILITATION WORK HAS BEEN CURED.

(6-C) THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL ADJUSTMENT OF THE LEVEL OF FAIR RENT PROVIDED FOR UNDER SUBDIVISION B OF SECTION 26-510 OF THIS LAW. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT, IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE

EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY.

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

(6-E) NOTWITHSTANDING ANY LAW TO THE CONTRARY, WHEN CALCULATING A SURCHARGE, THE COST OF THE IMPROVEMENT SHALL BE REDUCED BY ANY MONEYS PROVIDED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY.

S 38. Paragraph 3 of subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by chapter 749 of the laws of 1990, is amended to read as follows:

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

(II) there has been since January first, nineteen hundred seventy-four a major capital improvement [required for the operation, preservation or maintenance of the structure. An adjustment under this paragraph shall be in an amount sufficient to amortize the cost of the improvements pursuant to this paragraph over a seven-year period]; PROVIDED THAT THE COMMISSIONER FIRST FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE OPERATION OR PRESERVATION OF THE STRUCTURE. NO APPLICATION FOR A MAJOR CAPITAL IMPROVEMENT RENT INCREASE MAY BE APPROVED IF THERE EXIST ANY OUTSTANDING HAZARDOUS VIOLATIONS AT THE TIME OF THE CONSIDERATION OF SUCH APPLICATION, AS DETERMINED PURSUANT TO REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL OR ANY AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED, UNLESS IT IS DETERMINED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL THAT SUCH WORK IS ESSENTIAL TO THE ALLEVIATION OF THE VIOLATIONS AND SUCH APPROVAL IS CONSISTENT WITH THE PROVISIONS OF THIS SECTION. EXCEPT IN THE CASE OF EMERGENCY OR GOOD CAUSE, THE OWNER OF THE PROPERTY SHALL FILE, NOT LESS THAN THIRTY DAYS BEFORE THE COMMENCEMENT OF THE IMPROVEMENT, WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL A STATEMENT CONTAINING INFORMATION OUTLINING THE SCOPE OF WORK, EXPECTED DATE OF COMPLETION FOR SUCH WORK AND AN AFFIDAVIT SETTING FORTH THE FOLLOWING INFORMATION: (A) EVERY OWNER OF RECORD AND OWNER OF A SUBSTANTIAL INTEREST IN THE PROPERTY OR ENTITY OWNING THE PROPERTY OR SPONSORING THE IMPROVEMENT; AND (B) A STATEMENT THAT NONE OF SUCH PERSONS HAD, WITHIN THE FIVE YEARS PRIOR TO THE IMPROVEMENT, BEEN FOUND TO HAVE HARASSED OR UNLAWFULLY EVICTED TENANTS BY JUDGMENT OR DETERMINATION OF A COURT OR AGENCY UNDER THE PENAL LAW, ANY STATE OR LOCAL LAW REGULATING RENTS OR ANY STATE OR LOCAL LAW RELATING TO HARASSMENT OF TENANTS OR UNLAWFUL EVICTION. UPON RECEIPT OF THE SCOPE OF WORK AND AFFIDAVIT PROVIDED FOR HEREIN, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL PROVIDE THE TENANTS IN OCCUPANCY IN SUCH BUILDINGS WITH SUCH INFORMATION. THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL, IN ADDITION, IMPLEMENT PROCEDURES INCLUDING, BUT NOT LIMITED TO, ELICITING TENANT COMMENTS TO DETERMINE WHETHER MAJOR CAPITAL IMPROVEMENT REHABILITATION WORK HAS BEEN SATISFACTORILY COMPLETED. NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE SHALL BECOME EFFECTIVE UNTIL ANY DEFECTIVE OR DEFICIENT REHABILITATION WORK HAS BEEN CURED. THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE

LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL RENT ADJUSTMENT AUTHORIZED BY THE RENT GUIDELINES BOARD UNDER THIS ACT. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY. NOTWITHSTANDING ANY LAW TO THE CONTRARY, WHEN CALCULATING A SURCHARGE, THE COST OF THE IMPROVEMENT SHALL BE REDUCED BY ANY MONEYS PROVIDED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, or

S 39. The second undesignated paragraph of paragraph (a) of subdivision 4 of section 4 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, as amended by section 25 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

No application for adjustment of maximum rent based upon a sales price valuation shall be filed by the landlord under this subparagraph prior to six months from the date of such sale of the property. In addition, no adjustment ordered by the commission based upon such sales price valuation shall be effective prior to one year from the date of such sale. Where, however, the assessed valuation of the land exceeds four times the assessed valuation of the buildings thereon, the commission may determine a valuation of the property equal to five times the equalized assessed valuation of the buildings, for the purposes of this subparagraph. The commission may make a determination that the valuation of the property is an amount different from such equalized assessed valuation where there is a request for a reduction in such assessed valuation currently pending; or where there has been a reduction in the assessed valuation for the year next preceding the effective date of the current assessed valuation in effect at the time of the filing of the application. Net annual return shall be the amount by which the earned income exceeds the operating expenses of the property, excluding mortgage interest and amortization, and excluding allowances for obsolescence and reserves, but including an allowance for depreciation of two per centum of the value of the buildings exclusive of the land, or the amount shown for depreciation of the buildings in the latest required federal income tax return, whichever is lower; provided, however, that (1) no allowance for depreciation of the buildings shall be included where the buildings have been fully depreciated for federal income tax purposes or on the books of the owner; or (2) the landlord who owns no more than four rental units within the state has not been fully compensated by increases in rental income sufficient to offset unavoidable increases in property taxes, fuel, utilities, insurance and repairs and maintenance, excluding mortgage interest and amortization, and excluding allowances for depreciation, obsolescence and reserves, which have occurred since the federal date determining the maximum rent or the date the property was acquired by the present owner, whichever is later; or (3) the landlord operates a hotel or rooming house or owns a cooperative apartment and has not been fully compensated by increases in rental income from the controlled housing accommodations sufficient to offset

unavoidable increases in property taxes and other costs as are allocable to such controlled housing accommodations, including costs of operation of such hotel or rooming house, but excluding mortgage interest and amortization, and excluding allowances for depreciation, obsolescence and reserves, which have occurred since the federal date determining the maximum rent or the date the landlord commenced the operation of the property, whichever is later; or (4) the landlord and tenant voluntarily enter into a valid written lease in good faith with respect to any housing accommodation, which lease provides for an increase in the maximum rent not in excess of fifteen per centum and for a term of not less than two years, except that where such lease provides for an increase in excess of fifteen per centum, the increase shall be automatically reduced to fifteen per centum; or (5) the landlord and tenant by mutual voluntary written agreement agree to a substantial increase or decrease in dwelling space or a change in the services, furniture, furnishings or equipment provided in the housing accommodations; provided that an owner shall be entitled to a rent increase where there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment or improvements or new furniture or furnishings provided in or to a tenant's housing accommodation. AN ADJUSTMENT AUTHORIZED PURSUANT TO THIS CLAUSE SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT. The permanent increase in the maximum rent for the affected housing accommodation shall be [one-fortieth, in the case of a building with thirty-five or fewer housing accommodations, or, in the case of a building with more than thirty-five housing accommodations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven,] ONE EIGHTY-FOURTH of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges AND COSMETIC IMPROVEMENTS provided further that an owner who is entitled to a rent increase pursuant to this clause shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings. The owner shall give written notice to the commission of any such adjustment pursuant to this clause; or (6) there has been, since March first, nineteen hundred fifty, an increase in the rental value of the housing accommodations as a result of a substantial rehabilitation of the building or housing accommodation therein which materially adds to the value of the property or appreciably prolongs its life, excluding ordinary repairs, maintenance and replacements; or (7) (I) COLLECTION OF SURCHARGES TO THE MAXIMUM RENT AUTHORIZED PURSUANT TO ITEM (II) OF THIS CLAUSE SHALL CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL IMPROVEMENT; (II) there has been since March first, nineteen hundred fifty, a major capital improvement [required for the operation, preservation or maintenance of the structure]; PROVIDED THAT THE COMMISSIONER FIRST FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE OPERATION OR PRESERVATION OF THE STRUCTURE. NO APPLICATION FOR A MAJOR CAPITAL IMPROVEMENT RENT INCREASE MAY BE APPROVED IF THERE EXIST ANY OUTSTANDING HAZARDOUS VIOLATIONS AT THE TIME OF THE CONSIDERATION OF SUCH APPLICATION, AS DETERMINED PURSUANT TO REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL OR ANY AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE IN THE JURISDICTION IN WHICH THE

PROPERTY IS LOCATED, UNLESS IT IS DETERMINED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL THAT SUCH WORK IS ESSENTIAL TO THE ALLEVIATION OF THE VIOLATIONS AND SUCH APPROVAL IS CONSISTENT WITH THE PROVISIONS OF THIS SECTION. EXCEPT IN THE CASE OF EMERGENCY OR GOOD CAUSE, THE OWNER OF THE PROPERTY SHALL FILE, NOT LESS THAN THIRTY DAYS BEFORE THE COMMENCEMENT OF THE IMPROVEMENT, WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL A STATEMENT CONTAINING INFORMATION OUTLINING THE SCOPE OF WORK, EXPECTED DATE OF COMPLETION FOR SUCH WORK AND AN AFFIDAVIT SETTING FORTH THE FOLLOWING INFORMATION: (A) EVERY OWNER OF RECORD AND OWNER OF A SUBSTANTIAL INTEREST IN THE PROPERTY OR ENTITY OWNING THE PROPERTY OR SPONSORING THE IMPROVEMENT; AND (B) A STATEMENT THAT NONE OF SUCH PERSONS HAD, WITHIN THE FIVE YEARS PRIOR TO THE IMPROVEMENT, BEEN FOUND TO HAVE HARASSED OR UNLAWFULLY EVICTED TENANTS BY JUDGMENT OR DETERMINATION OF A COURT OR AGENCY UNDER THE PENAL LAW, ANY STATE OR LOCAL LAW REGULATING RENTS OR ANY STATE OR LOCAL LAW RELATING TO HARASSMENT OF TENANTS OR UNLAWFUL EVICTION. UPON RECEIPT OF THE SCOPE OF WORK AND AFFIDAVIT PROVIDED FOR HEREIN, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL PROVIDE THE TENANTS IN OCCUPANCY IN SUCH BUILDINGS WITH SUCH INFORMATION. THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL, IN ADDITION, IMPLEMENT PROCEDURES INCLUDING, BUT NOT LIMITED TO, ELICITING TENANT COMMENTS TO DETERMINE WHETHER MAJOR CAPITAL IMPROVEMENT REHABILITATION WORK HAS BEEN SATISFACTORILY COMPLETED. NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE SHALL BECOME EFFECTIVE UNTIL ANY DEFECTIVE OR DEFICIENT REHABILITATION WORK HAS BEEN CURED. THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY. NOTWITHSTANDING ANY LAW TO THE CONTRARY, WHEN CALCULATING A SURCHARGE, THE COST OF THE IMPROVEMENT SHALL BE REDUCED BY ANY MONEYS PROVIDED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY; or (8) there has been since March first, nineteen hundred fifty, in structures containing more than four housing accommodations, other improvements made with the express consent of the tenants in occupancy of at least seventy-five per centum of the housing accommodations, provided, however, that no adjustment granted hereunder shall exceed fifteen per centum unless the tenants have agreed to a higher percentage of increase, as herein provided; or (9) there has been, since March first, nineteen hundred fifty, a subletting without written consent from the landlord or an increase in the number of adult occupants who are not members of the immediate family of the tenant, and the landlord has not been compensated therefor by adjustment of the maximum rent by lease or order of the commission or pursuant to the federal act; or (10) the presence of unique or peculiar circumstances materially affecting the maximum rent has resulted in a maximum rent which is substantially lower than the

rents generally prevailing in the same area for substantially similar housing accommodations.

S 40. Subdivision dd of section 11-243 of the administrative code of the city of New York, as added by local law number 41 of the city of New York for the year 1988, is amended to read as follows:

dd. [Partial waiver] WAIVER of rent adjustments attributable to major capital improvements. (1) The provisions of this subdivision apply to and are additional requirements for claiming or receiving any tax abatement under this section, except as provided in paragraphs three and four of this subdivision.

(2) The owner of the property shall file with the department of housing preservation and development, on the date any application for benefits is made, a declaration stating that in consideration of any tax abatement benefits which may be received pursuant to such application for alterations or improvements constituting a major capital improvement, such owner agrees to waive the collection of a [portion of the total annual amount of any] rent adjustment attributable to such major capital improvement which may be granted by the New York state division of housing and community renewal pursuant to the rent stabilization code equal to [one-half of] the total annual amount of the tax abatement benefits which the property receives pursuant to such application with respect to such alterations or improvements. Such waiver shall commence on the date of the first collection of such rent adjustment, provided that, in the event that such tax abatement benefits were received prior to such first collection, the amount waived shall be increased to account for such tax abatement benefits so received. Following the expiration of a tax abatement for alterations or improvements constituting a major capital improvement for which a rent adjustment has been granted by such division, the owner may collect the full amount of annual rent permitted pursuant to such rent adjustment. A copy of such declaration shall be filed simultaneously with the New York state division of housing and community renewal. Such declaration shall be binding upon such owner, and his or her successors and assigns.

(3) The provisions of this subdivision shall not apply to substantial rehabilitation of buildings vacant when alterations or improvements are commenced or to buildings rehabilitated with the substantial assistance of city, state or federal subsidies.

(4) The provisions of this subdivision shall apply only to alterations and improvements commenced after its effective date.

S 41. Subparagraph (e) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York, as amended by section 15 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(e) The landlord and tenant by mutual voluntary written agreement agree to a substantial increase or decrease in dwelling space or a change in the services, furniture, furnishings or equipment provided in the housing accommodations. AN ADJUSTMENT AUTHORIZED PURSUANT TO THIS SUBPARAGRAPH SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT. An adjustment under this subparagraph shall be equal to [one-fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one-sixtieth, in the case of a building with more than thirty-five housing accommodations where such adjustment takes effect on or after September twenty-fourth, two thousand eleven,] ONE EIGHTY-FOURTH of the total cost incurred by the landlord in providing such modification or increase in

dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges AND COSMETIC IMPROVEMENTS, provided further that an owner who is entitled to a rent increase pursuant to this subparagraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings. The owner shall give written notice to the city rent agency of any such adjustment pursuant to this subparagraph; or

S 42. Subdivision g of section 26-405 of the administrative code of the city of New York is amended by adding a new paragraph 8 to read as follows:

(8) (A) WITHIN ONE HUNDRED TWENTY DAYS OF THE EFFECTIVE DATE OF THIS PARAGRAPH, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE A SCHEDULE OF REASONABLE COSTS FOR UPGRADES AND IMPROVEMENTS THAT MAY BE CLAIMED AS A BASIS FOR AN ADJUSTMENT OF RENT PURSUANT TO SUBPARAGRAPH (E) OF PARAGRAPH ONE OF THIS SUBDIVISION. THE SCHEDULE OF REASONABLE COSTS SHALL EXCLUDE COSMETIC IMPROVEMENTS. THE SCHEDULE OF REASONABLE COSTS SHALL BE BASED ON THE AVERAGE COSTS FOR SIMILAR UPGRADES OR IMPROVEMENTS MADE TO COMPARABLE PROPERTIES LOCATED IN EACH COUNTY, SUBJECT TO THE PROVISIONS OF THIS CHAPTER, AND SHALL BE UPDATED AT LEAST ONCE EVERY TWO YEARS. NO INCREASE IN RENT SHALL BE COLLECTIBLE UNDER SUBPARAGRAPH (E) OF PARAGRAPH ONE OF THIS SUBDIVISION BASED UPON COSTS THAT EXCEED THE REASONABLE COSTS SET FORTH IN THE SCHEDULE, UNLESS APPROVED BY THE DIVISION PURSUANT TO SUBPARAGRAPH (B) OF THIS PARAGRAPH.

(B) WITHIN THIRTY DAYS OF THE SIGNING OF A MUTUAL VOLUNTARY WRITTEN AGREEMENT INCLUDING A RENT INCREASE PURSUANT TO SUBPARAGRAPH (E) OF PARAGRAPH ONE OF THIS SUBDIVISION THAT INCLUDES IMPROVEMENTS THAT EXCEED THE SCHEDULE OF REASONABLE COSTS PURSUANT TO SUBPARAGRAPH (A) OF THIS PARAGRAPH, THE LANDLORD WILL FILE WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE LANDLORD, AND AFTER GIVING THE TENANT AN OPPORTUNITY TO RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR IN PART.

(C) WITHIN THIRTY DAYS OF THE SIGNING OF A MUTUAL VOLUNTARY WRITTEN AGREEMENT INCLUDING A RENT INCREASE THAT EXCEEDS TEN PERCENT OF THE MAXIMUM COLLECTIBLE RENT, THE LANDLORD WILL FILE WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE OWNER, AND AFTER GIVING THE TENANT AN OPPORTUNITY TO RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR IN PART. BASED UPON SUCH DETERMINATION, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ORDER A REFUND TO THE TENANT EQUAL TO THE AMOUNT COLLECTED IN EXCESS OF THE RENT APPROVED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL.

(D) NO INCREASE IN RENT SHALL BE COLLECTIBLE UNDER SUBPARAGRAPH (E) OF PARAGRAPH ONE OF THIS SUBDIVISION UNTIL:

(1) THE LANDLORD HAS PROVIDED THE TENANT WITH A WRITTEN NOTICE, INCLUDING AN EXPLANATION OF HOW THE RENT IN THE MUTUAL VOLUNTARY WRITTEN AGREEMENT HAS BEEN COMPUTED, AND THE SPECIFIC AMOUNTS OF ALL EXPENDITURES SUPPORTING A RENT INCREASE UNDER SUBPARAGRAPH (E) OF PARAGRAPH ONE OF THIS SUBDIVISION; AND

(2) THE LANDLORD HAS FILED WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING, BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS ENTERED INTO CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED, AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW.

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

S 43. Paragraph 13 of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 16 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(13) provides that an owner is entitled to a rent increase where there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment or improvements or new furniture or furnishings provided in or to a tenant's housing accommodation, on written tenant consent to the rent increase. In the case of a vacant housing accommodation, tenant consent shall not be required.

(A) AN ADJUSTMENT AUTHORIZED PURSUANT TO THIS SUBPARAGRAPH SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT. The permanent increase in the legal regulated rent for the affected housing accommodation shall be [one-fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one-sixtieth, in the case of a building with more than thirty-five housing accommodations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven,] ONE EIGHTY-FOURTH of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges AND COSMETIC IMPROVEMENTS.

(B) Provided further that an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

S 44. Subdivision c of section 26-511 of the administrative code of the city of New York is amended by adding a new paragraph 15 to read as follows:

(15) (A) WITHIN ONE HUNDRED TWENTY DAYS OF THE EFFECTIVE DATE OF THIS PARAGRAPH, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE A SCHEDULE OF REASONABLE COSTS FOR UPGRADES AND IMPROVEMENTS THAT MAY BE CLAIMED AS A BASIS FOR AN ADJUSTMENT OF RENT PURSUANT TO PARAGRAPH THIR-

TEEN OF THIS SUBDIVISION. THE SCHEDULE OF REASONABLE COSTS SHALL EXCLUDE COSMETIC IMPROVEMENTS. THE SCHEDULE OF REASONABLE COSTS SHALL BE BASED ON THE AVERAGE COSTS FOR SIMILAR UPGRADES OR IMPROVEMENTS MADE TO COMPARABLE PROPERTIES LOCATED IN EACH COUNTY, SUBJECT TO THE PROVISIONS OF THIS CHAPTER, AND SHALL BE UPDATED AT LEAST ONCE EVERY TWO YEARS. NO INCREASE IN RENT SHALL BE COLLECTIBLE UNDER PARAGRAPH THIRTEEN OF THIS SUBDIVISION BASED UPON COSTS THAT EXCEED THE REASONABLE COSTS SET FORTH IN THE SCHEDULE, UNLESS APPROVED BY THE DIVISION PURSUANT TO SUBPARAGRAPH (B) OF THIS PARAGRAPH.

(B) WITHIN THIRTY DAYS OF THE SIGNING OF A VACANCY LEASE INCLUDING A RENT INCREASE PURSUANT TO PARAGRAPH THIRTEEN OF THIS SUBDIVISION THAT INCLUDES IMPROVEMENTS THAT EXCEED THE SCHEDULE OF REASONABLE COSTS PURSUANT TO SUBPARAGRAPH (A) OF THIS PARAGRAPH, THE LANDLORD WILL FILE WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE VACANCY RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE LANDLORD, AND AFTER GIVING THE TENANT NAMED IN THE VACANCY LEASE AN OPPORTUNITY TO RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR IN PART.

(C) WITHIN THIRTY DAYS OF THE SIGNING OF A VACANCY LEASE INCLUDING A RENT INCREASE THAT EXCEEDS TEN PERCENT OF THE RENT CHARGED TO THE PREVIOUS TENANT, THE LANDLORD WILL FILE WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE OWNER, AND AFTER GIVING THE TENANT NAMED IN SUCH VACANCY LEASE AN OPPORTUNITY TO RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR IN PART. BASED UPON SUCH DETERMINATION, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ORDER A REFUND TO THE TENANT EQUAL TO THE AMOUNT COLLECTED IN EXCESS OF THE RENT APPROVED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL.

(D) NO INCREASE IN RENT SHALL BE COLLECTIBLE UNDER PARAGRAPH THIRTEEN OF THIS SUBDIVISION UNTIL:

(I) THE LANDLORD HAS PROVIDED THE TENANT WITH A WRITTEN NOTICE, INCLUDING AN EXPLANATION OF HOW THE RENT IN THE VACANCY LEASE HAS BEEN COMPUTED, AND THE SPECIFIC AMOUNTS OF ALL EXPENDITURES SUPPORTING A RENT INCREASE UNDER PARAGRAPH THIRTEEN OF THIS SUBDIVISION; AND

(II) THE LANDLORD HAS FILED WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE VACANCY RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING, BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS ENTERED INTO CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED, AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW.

(E) NO INCREASE SHALL BE COLLECTIBLE UNDER PARAGRAPH THIRTEEN OF THIS SUBDIVISION WHERE THE DIVISION OF HOUSING AND COMMUNITY RENEWAL HAS DETERMINED THAT THE OWNER IS NOT MAINTAINING ALL BUILDING-WIDE REQUIRED SERVICES OR ALL REQUIRED SERVICES WITH RESPECT TO THE AFFECTED HOUSING

ACCOMMODATION, OR WHERE THERE ARE CURRENT OR OUTSTANDING HAZARDOUS VIOLATIONS OF ANY MUNICIPAL, COUNTY, STATE OR FEDERAL LAW WHICH RELATE TO THE MAINTENANCE OF SUCH SERVICES.

S 45. Paragraph 1 of subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 18 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

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

(A) AN ADJUSTMENT AUTHORIZED PURSUANT TO THIS SUBPARAGRAPH SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT. The permanent increase in the legal regulated rent for the affected housing accommodation shall be [one-fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one-sixtieth, in the case of a building with more than thirty-five housing accommodations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven,] ONE EIGHTY-FOURTH of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges AND COSMETIC IMPROVEMENTS.

(B) Provided further that an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

(C) THE OWNER SHALL GIVE WRITTEN NOTICE TO THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AND THE TENANT NAMED IN A VACANCY LEASE ON FORMS PRESCRIBED BY THE DIVISION OF ANY SUCH ADJUSTMENT PURSUANT TO THIS PARAGRAPH AND THE FAILURE TO PROVIDE SUCH WRITTEN NOTICE AS PROVIDED HEREIN SHALL PRECLUDE THE COLLECTION OF ANY SUCH ADJUSTMENT. SUCH NOTICE MUST INCLUDE A DETAILED BREAKDOWN OF THE NATURE AND COST OF ANY IMPROVEMENTS UNDERLYING AN INCREASE IN RENT UNDER THIS PARAGRAPH AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW. THE OWNER SHALL FILE WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING, BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS ENTERED INTO CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED.

S 46. Subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, is amended by adding a new paragraph 6 to read as follows:

(6) (A) WITHIN ONE HUNDRED TWENTY DAYS OF THE EFFECTIVE DATE OF THIS PARAGRAPH, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE A SCHEDULE OF REASONABLE COSTS FOR UPGRADES AND IMPROVEMENTS THAT MAY BE CLAIMED AS A BASIS FOR AN ADJUSTMENT OF RENT PURSUANT TO PARAGRAPH ONE OF THIS SUBDIVISION. THE SCHEDULE OF REASONABLE COSTS SHALL EXCLUDE COSMETIC IMPROVEMENTS. THE SCHEDULE OF REASONABLE COSTS SHALL BE BASED ON THE AVERAGE COSTS FOR SIMILAR UPGRADES OR IMPROVEMENTS MADE TO COMPARABLE PROPERTIES LOCATED IN EACH COUNTY, SUBJECT TO THE PROVISIONS OF

THIS ACT, AND SHALL BE UPDATED AT LEAST ONCE EVERY TWO YEARS. NO INCREASE IN RENT SHALL BE COLLECTIBLE UNDER PARAGRAPH ONE OF THIS SUBDIVISION BASED UPON COSTS THAT EXCEED THE REASONABLE COSTS SET FORTH IN THE SCHEDULE, UNLESS APPROVED BY THE DIVISION PURSUANT TO SUBPARAGRAPH (B) OF THIS PARAGRAPH.

(B) WITHIN THIRTY DAYS OF THE SIGNING OF A VACANCY LEASE INCLUDING A RENT INCREASE PURSUANT TO PARAGRAPH ONE OF THIS SUBDIVISION THAT INCLUDES IMPROVEMENTS THAT EXCEED THE SCHEDULE OF REASONABLE COSTS PURSUANT TO SUBPARAGRAPH (A) OF THIS PARAGRAPH, THE LANDLORD WILL FILE WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE VACANCY RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE LANDLORD, AND AFTER GIVING THE TENANT NAMED IN THE VACANCY LEASE AN OPPORTUNITY TO RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR IN PART.

(C) WITHIN THIRTY DAYS OF THE SIGNING OF A VACANCY LEASE INCLUDING A RENT INCREASE THAT EXCEEDS TEN PERCENT OF THE RENT CHARGED TO THE PREVIOUS TENANT, THE LANDLORD WILL FILE WITH THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE RENT WAS COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED AND A STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY LAW. UPON RECEIPT OF ALL DOCUMENTS SUBMITTED BY THE OWNER, AND AFTER GIVING THE TENANT NAMED IN SUCH VACANCY LEASE AN OPPORTUNITY TO RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE AN ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR IN PART. BASED UPON SUCH DETERMINATION, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ORDER A REFUND TO THE TENANT EQUAL TO THE AMOUNT COLLECTED IN EXCESS OF THE RENT APPROVED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL.

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

S 47. Paragraph 6-a of subdivision c of section 26-511 of the administrative code of the city of New York is amended to read as follows:

(6-a) provides criteria whereby as an alternative to the hardship application provided under paragraph six of this subdivision owners of buildings acquired by the same owner or a related entity owned by the same principals [three] SIX years prior to the date of application may apply to the division for increases in excess of the level of applicable guideline increases established under this law based on a finding by the commissioner that such guideline increases are not sufficient to enable the owner to maintain an annual gross rent income for such building which exceeds the annual operating expenses of such building by a sum equal to at least five percent of such gross rent. For the purposes of this paragraph, operating expenses shall consist of the actual, reasonable, costs of fuel, labor, utilities, taxes, other than income or

corporate franchise taxes, fees, permits, necessary contracted services and non-capital repairs, insurance, parts and supplies, management fees and other administrative costs and mortgage interest. For the purposes of this paragraph, mortgage interest shall be deemed to mean interest on a bona fide mortgage including an allocable portion of charges related thereto. Criteria to be considered in determining a bona fide mortgage other than an institutional mortgage shall include; condition of the property, location of the property, the existing mortgage market at the time the mortgage is placed, the term of the mortgage, the amortization rate, the principal amount of the mortgage, security and other terms and conditions of the mortgage. The commissioner shall set a rental value for any unit occupied by the owner or a person related to the owner or unoccupied at the owner's choice for more than one month at the last regulated rent plus the minimum number of guidelines increases or, if no such regulated rent existed or is known, the commissioner shall impute a rent consistent with other rents in the building. The amount of hardship increase shall be such as may be required to maintain the annual gross rent income as provided by this paragraph. The division shall not grant a hardship application under this paragraph or paragraph six of this subdivision for a period of three years subsequent to granting a hardship application under the provisions of this paragraph. The collection of any increase in the rent for any housing accommodation pursuant to this paragraph shall not exceed six percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the rent as established or set in future years. No application shall be approved unless the owner's equity in such building exceeds five percent of: (i) the arms length purchase price of the property; (ii) the cost of any capital improvements for which the owner has not collected a surcharge; (iii) any repayment of principal of any mortgage or loan used to finance the purchase of the property or any capital improvements for which the owner has not collected a surcharge and (iv) any increase in the equalized assessed value of the property which occurred subsequent to the first valuation of the property after purchase by the owner. For the purposes of this paragraph, owner's equity shall mean the sum of (i) the purchase price of the property less the principal of any mortgage or loan used to finance the purchase of the property, (ii) the cost of any capital improvement for which the owner has not collected a surcharge less the principal of any mortgage or loan used to finance said improvement, (iii) any repayment of the principal of any mortgage or loan used to finance the purchase of the property or any capital improvement for which the owner has not collected a surcharge, and (iv) any increase in the equalized assessed value of the property which occurred subsequent to the first valuation of the property after purchase by the owner.

S 48. Paragraph 5 of subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974 enacting the emergency tenant protection act of nineteen seventy-four, as amended by chapter 102 of the laws of 1984, is amended to read as follows:

(5) as an alternative to the hardship application provided under paragraph four of this subdivision, owners of buildings acquired by the same owner or a related entity owned by the same principals [three] SIX years prior to the date of application may apply to the division for increases in excess of the level of applicable guideline increases established under this law based on a finding by the commissioner that such guideline increases are not sufficient to enable the owner to maintain an

annual gross rent income for such building which exceeds the annual operating expenses of such building by a sum equal to at least five percent of such gross rent. For the purposes of this paragraph, operating expenses shall consist of the actual, reasonable, costs of fuel, labor, utilities, taxes, other than income or corporate franchise taxes, fees, permits, necessary contracted services and non-capital repairs, insurance, parts and supplies, management fees and other administrative costs and mortgage interest. For the purposes of this paragraph, mortgage interest shall be deemed to mean interest on a bona fide mortgage including an allocable portion of charges related thereto. Criteria to be considered in determining a bona fide mortgage other than an institutional mortgage shall include; condition of the property, location of the property, the existing mortgage market at the time the mortgage is placed, the term of the mortgage, the amortization rate, the principal amount of the mortgage, security and other terms and conditions of the mortgage. The commissioner shall set a rental value for any unit occupied by the owner or a person related to the owner or unoccupied at the owner's choice for more than one month at the last regulated rent plus the minimum number of guidelines increases or, if no such regulated rent existed or is known, the commissioner shall impute a rent consistent with other rents in the building. The amount of hardship increase shall be such as may be required to maintain the annual gross rent income as provided by this paragraph. The division shall not grant a hardship application under this paragraph or paragraph four of this subdivision for a period of three years subsequent to granting a hardship application under the provisions of this paragraph. The collection of any increase in the rent for any housing accommodation pursuant to this paragraph shall not exceed six percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the rent as established or set in future years. No application shall be approved unless the owner's equity in such building exceeds five percent of: (i) the arms length purchase price of the property; (ii) the cost of any capital improvements for which the owner has not collected a surcharge; (iii) any repayment of principal of any mortgage or loan used to finance the purchase of the property or any capital improvements for which the owner has not collected a surcharge; and (iv) any increase in the equalized assessed value of the property which occurred subsequent to the first valuation of the property after purchase by the owner. For the purposes of this paragraph, owner's equity shall mean the sum of (i) the purchase price of the property less the principal of any mortgage or loan used to finance the purchase of the property, (ii) the cost of any capital improvement for which the owner has not collected a surcharge less the principal of any mortgage or loan used to finance said improvement, (iii) any repayment of the principal of any mortgage or loan used to finance the purchase of the property or any capital improvement for which the owner has not collected a surcharge, and (iv) any increase in the equalized assessed value of the property which occurred subsequent to the first valuation of the property after purchase by the owner.

S 49. Section 5 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, is amended by adding a new subdivision d to read as follows:

D. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH THREE OR FIVE OF SUBDIVISION A OF THIS SECTION BUT SUBJECT TO ANY OTHER APPLICABLE EXCEPTIONS IN SUCH SUBDIVISION, RENTAL HOUSING ACCOMMODATIONS LOCATED IN BUILDINGS

WHICH WERE OWNED BY A COMPANY ESTABLISHED UNDER ARTICLE 2 OF THE PRIVATE HOUSING FINANCE LAW, OTHER THAN A MUTUAL COMPANY, THAT VOLUNTARILY DISSOLVED PURSUANT TO SECTION 35 OF SUCH LAW SHALL BE FULLY SUBJECT TO THE PROVISIONS OF THIS ACT. THE PROVISION OF SUBDIVISION A OF SECTION NINE OF THIS ACT SHALL NOT APPLY TO ANY HOUSING ACCOMMODATION WHICH BECAME SUBJECT TO THIS ACT PURSUANT TO THIS SUBDIVISION.

S 50. Paragraph 2 of subdivision a of section 26-516 of the administrative code of the city of New York is amended by adding two new subparagraphs (iii) and (iv) to read as follows:

(III) FAILURE OF AN OWNER TO COMPLY WITH AN ORDER ISSUED UNDER THE PROVISIONS OF THIS TITLE SHALL CONSTITUTE A CONTINUING VIOLATION TO BE INCLUDED IN THE RENTAL HISTORY OF THE HOUSING ACCOMMODATION IRRESPECTIVE OF WHETHER SUCH VIOLATION OCCURRED OUTSIDE OF THE FOUR YEAR PERIOD PRECEDING THE FILING OF SUCH COMPLAINT AND PROVIDED FURTHER, THAT FAILURE TO COMPLY WITH AN ORDER ISSUED UNDER THIS ARTICLE SHALL BE IMPUTED TO ANY SUCCESSOR IN INTEREST OF THE HOUSING ACCOMMODATION, PROVIDED SUCH PERSON OR PERSONS HAS ACTUAL NOTICE OF SUCH VIOLATION. (IV) ANY COMPLAINT BASED ON FRAUD SHALL BE REVIEWED BY THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL IRRESPECTIVE OF WHETHER SUCH FRAUD OCCURRED OUTSIDE OF THE FOUR YEAR PERIOD PRECEDING THE FILING OF SUCH COMPLAINT.

S 51. Subdivision a of section 12 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four is amended by adding two new paragraphs 9 and 10, to read as follows:

(9) FAILURE OF AN OWNER TO COMPLY WITH AN ORDER ISSUED UNDER THE PROVISIONS OF THIS TITLE SHALL CONSTITUTE A CONTINUING VIOLATION TO BE INCLUDED IN THE RENTAL HISTORY OF THE HOUSING ACCOMMODATION IRRESPECTIVE OF WHETHER SUCH VIOLATION OCCURRED OUTSIDE OF THE FOUR YEAR PERIOD PRECEDING THE FILING OF SUCH COMPLAINT AND PROVIDED FURTHER, THAT FAILURE TO COMPLY WITH AN ORDER ISSUED UNDER THIS ARTICLE SHALL BE IMPUTED TO ANY SUCCESSOR IN INTEREST OF THE HOUSING ACCOMMODATION, PROVIDED SUCH PERSON OR PERSONS HAS ACTUAL NOTICE OF SUCH VIOLATION.

(10) ANY COMPLAINT BASED ON FRAUD SHALL BE REVIEWED BY THE STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL IRRESPECTIVE OF WHETHER SUCH FRAUD OCCURRED OUTSIDE OF THE FOUR YEAR PERIOD PRECEDING THE FILING OF SUCH COMPLAINT.

S 52. Subdivision a of section 26-516 of the administrative code of the city of New York is amended by adding a new clause (iii) to read as follows:

(III) NOTWITHSTANDING THE PROVISIONS OF CLAUSE (I) OF THIS PARAGRAPH, FOR ANY YEAR IN WHICH AN OWNER OR A LANDLORD WHO IS REQUIRED TO FILE AN ANNUAL RENT REGISTRATION STATEMENT, HAS FAILED TO TIMELY FILE SUCH ANNUAL RENT REGISTRATION STATEMENT, THE DIVISION OR A COURT OF COMPETENT JURISDICTION SHALL CONSIDER SUCH YEAR OR YEARS WHEN DETERMINING THE CURRENT LEGAL REGULATED RENT.

S 53. Section 26-512 of the administrative code of the city of New York is amended by adding a new subdivision g to read as follows:

G. UPON THE OFFERING OF A LEASE TO A PROSPECTIVE TENANT, AN OWNER OR A LANDLORD SHALL BE REQUIRED TO PROVIDE SUCH TENANT WITH THE DOCUMENTATION, THE SCOPE OF WHICH SHALL BE DETERMINED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL, USED BY SUCH OWNER OR LANDLORD TO SUPPORT ANY ALLOWABLE INCREASES IN THE LEGAL REGULATED RENT DURING THE PREVIOUS FOUR YEARS.

S 54. Paragraph 1 of subdivision a of section 12 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection

act of nineteen seventy-four is amended by adding a new clause (iii) to read as follows:

(III) NOTWITHSTANDING THE PROVISIONS OF CLAUSE (I) OF THIS PARAGRAPH, FOR ANY YEAR IN WHICH AN OWNER OR A LANDLORD WHO IS REQUIRED TO FILE AN ANNUAL RENT REGISTRATION STATEMENT, HAS FAILED TO TIMELY FILE SUCH ANNUAL RENT REGISTRATION STATEMENT, THE DIVISION OR A COURT OF COMPETENT JURISDICTION SHALL CONSIDER SUCH YEAR OR YEARS WHEN DETERMINING THE CURRENT LEGAL REGULATED RENT.

S 55. Section 6 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four is amended by adding a new subdivision h to read as follows:

H. UPON THE OFFERING OF A LEASE TO A PROSPECTIVE TENANT, AN OWNER OR A LANDLORD SHALL BE REQUIRED TO PROVIDE SUCH TENANT WITH THE DOCUMENTATION, THE SCOPE OF WHICH SHALL BE DETERMINED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL, USED BY SUCH OWNER OR LANDLORD TO SUPPORT ANY ALLOWABLE INCREASES IN THE LEGAL REGULATED RENT DURING THE PREVIOUS FOUR YEARS.

S 56. Section 213-a of the civil practice law and rules, as amended by chapter 116 of the laws of 1997, is amended to read as follows:

S 213-a. Actions to be commenced within four years; residential rent overcharge. An action on a residential rent overcharge shall be commenced within four years of the first overcharge alleged and no determination of an overcharge and no award or calculation of an award of the amount of any overcharge may be based upon an overcharge having occurred more than four years before the action is commenced. This section shall preclude examination of the rental history of the housing accommodation prior to the four-year period immediately preceding the commencement of the action; PROVIDED HOWEVER, FOR ANY YEAR IN WHICH AN OWNER OR A LANDLORD WHO IS REQUIRED TO FILE AN ANNUAL RENT REGISTRATION STATEMENT, HAS FAILED TO TIMELY FILE SUCH ANNUAL RENT REGISTRATION STATEMENT, A COURT OF COMPETENT JURISDICTION SHALL CONSIDER SUCH YEAR OR YEARS WHEN DETERMINING THE CURRENT LEGAL REGULATED RENT.

S 57. Section 241.05 of the penal law, as added by chapter 116 of the laws of 1997, is amended to read as follows:

S 241.05 Harassment of a rent regulated tenant IN THE FIRST DEGREE.

An owner is guilty of harassment of a rent regulated tenant IN THE FIRST DEGREE when with intent to cause a rent regulated tenant to vacate a housing accommodation, such owner:

1. With intent to cause physical injury to such tenant, causes such injury to such tenant or to a third person; or

2. Recklessly causes physical injury to such tenant or to a third person.

Harassment of a rent regulated tenant IN THE FIRST DEGREE is a class E felony.

S 58. The penal law is amended by adding a new section 241.03 to read as follows:

S 241.03 HARASSMENT OF A RENT REGULATED TENANT IN THE SECOND DEGREE.

AN OWNER IS GUILTY OF HARASSMENT OF A RENT REGULATED TENANT IN THE SECOND DEGREE WHEN, WITH THE INTENT TO CAUSE A RENT REGULATED TENANT TO VACATE A HOUSING ACCOMMODATION, SUCH OWNER INTENTIONALLY IMPAIRS THE HABITABILITY OF A HOUSING ACCOMMODATION, OR CREATES OR MAINTAINS A CONDITION, WHICH ENDANGERS THE SAFETY OR HEALTH OF THE DWELLING'S TENANT.

HARASSMENT OF A RENT REGULATED TENANT IN THE SECOND DEGREE IS A CLASS A MISDEMEANOR.

S 59. Paragraph 5 of subdivision a of section 26-405 of the administrative code of the city of New York is amended to read as follows:

(5) Where a maximum rent established pursuant to this chapter on or after January first, nineteen hundred seventy-two, is higher than the previously existing maximum rent, the landlord may not collect AN INCREASE FROM A TENANT IN OCCUPANCY IN ANY ONE YEAR PERIOD OF more than THE LESSER OF EITHER seven and one-half percentum [increase from a tenant in occupancy on such date in any one year period, provided however, that where] OR AN AVERAGE OF THE PREVIOUS FIVE YEARS OF ONE-YEAR RENT INCREASES ON RENT STABILIZED APARTMENTS AS ESTABLISHED BY THE RENT GUIDELINES BOARD, PURSUANT TO SUBDIVISION B OF SECTION 26-510 OF THIS TITLE. IF the period for which the rent is established exceeds one year, regardless of how the collection thereof is averaged over such period, the rent the landlord shall be entitled to receive during the first twelve months shall not be increased by more than THE LESSER OF EITHER seven and one-half percentum OR AN AVERAGE OF THE PREVIOUS FIVE YEARS OF ONE-YEAR RENT INCREASES ON RENT STABILIZED APARTMENTS AS ESTABLISHED BY THE RENT GUIDELINES BOARD, PURSUANT TO SUBDIVISION B OF SECTION 26-510 OF THIS TITLE, over the previous rent [and]. ANY additional annual rents shall not exceed THE LESSER OF EITHER seven and one-half percentum OR AN AVERAGE OF THE PREVIOUS FIVE YEARS OF ONE-YEAR RENT INCREASES ON RENT STABILIZED APARTMENTS AS ESTABLISHED BY THE RENT GUIDELINES BOARD, PURSUANT TO SUBDIVISION B OF SECTION 26-510 OF THIS TITLE, of the rent paid during the previous year. Notwithstanding any of the foregoing limitations in this paragraph five, maximum rent shall be increased if ordered by the agency pursuant to subparagraphs (d), (e), (f), (g), (h), (i), (k), [(l),] OR (m) [or (n)] of paragraph one of subdivision g of this section. [Commencing January first, nineteen hundred eighty, rent adjustments pursuant to subparagraph (n) of paragraph one of subdivision g of this section shall be excluded from the maximum rent when computing the seven and one-half percentum increase authorized by this paragraph five.] Where a housing accommodation is vacant on January first, nineteen hundred seventy-two, or becomes vacant thereafter by voluntary surrender of possession by the tenants, the maximum rent established for such accommodations may be collected.

S 60. Subparagraphs (l) and (n) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York are REPEALED.

S 61. Section 4 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, is amended by adding a new subdivision 9 to read as follows:

9. NO ANNUAL RENT INCREASE AUTHORIZED PURSUANT TO THIS ACT SHALL EXCEED THE AVERAGE OF THE PREVIOUS FIVE ANNUAL RENTAL INCREASES AUTHORIZED BY A RENT GUIDELINES BOARD FOR A RENT STABILIZED UNIT PURSUANT TO SECTION 4 OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR.

S 62. Section 235-e of the real property law, as amended by chapter 848 of the laws of 1986, is amended to read as follows:

S 235-e. Duty [of landlord] to provide A written receipt. (a) Upon the receipt of THE PAYMENT OF rent for residential premises in the form of cash, or any instrument other than the personal check of the [tenant] LESSEE, it shall be the duty of the [landlord] LESSOR, OR ANY AGENT OF THE LESSOR AUTHORIZED TO RECEIVE RENT, to provide the [payor] LESSEE with a written receipt containing the following:

1. The date;

2. The amount;

3. The identity of the premises and period for which paid; and
4. The signature and title of the person receiving the rent.
(b) [Where a tenant] A LESSEE MAY REQUEST, in writing, [requests] that a [landlord] LESSOR provide a receipt for rent paid by personal check[, it shall be the duty of]. IF SUCH REQUEST IS MADE, the [landlord to] LESSOR, OR ANY AGENT OF THE LESSOR AUTHORIZED TO RECEIVE RENT, SHALL provide the [payor] LESSEE with the receipt described in subdivision (a) of this section [for each such request made in writing]. SUCH REQUEST SHALL, UNLESS OTHERWISE SPECIFIED BY THE LESSEE, REMAIN IN EFFECT FOR THE DURATION OF SUCH LESSEE'S TENANCY.
(C) IF A PAYMENT OF RENT IS PERSONALLY TRANSMITTED TO A LESSOR, OR AN AGENT OF A LESSOR AUTHORIZED TO RECEIVE RENT, THE RECEIPT FOR SUCH PAYMENT SHALL BE ISSUED IMMEDIATELY TO A LESSEE. IF A PAYMENT OF RENT IS TRANSMITTED INDIRECTLY TO A LESSOR, OR AN AGENT OF A LESSOR AUTHORIZED TO RECEIVE RENT, A LESSEE SHALL BE PROVIDED WITH A RECEIPT WITHIN TEN BUSINESS DAYS OF SUCH LESSOR OR AGENT'S RECEIPT OF A RENT PAYMENT.
(D) IF A LESSOR, OR AN AGENT OF A LESSOR AUTHORIZED TO RECEIVE RENT, FAILS TO RECEIVE PAYMENT FOR RENT WITHIN TEN BUSINESS DAYS OF THE DATE SPECIFIED IN A LEASE AGREEMENT, SUCH LESSOR OR AGENT SHALL SEND, BY CERTIFIED MAIL, WITHIN TWO BUSINESS DAYS THEREAFTER, A LESSEE A WRITTEN NOTICE STATING THE FAILURE TO RECEIVE SUCH RENT PAYMENT. THE FAILURE OF A LESSOR, OR ANY AGENT OF THE LESSOR AUTHORIZED TO RECEIVE RENT, TO PROVIDE A LESSEE WITH A WRITTEN NOTICE OF THE NON-PAYMENT OF RENT MAY BE USED AS AN AFFIRMATIVE DEFENSE BY SUCH LESSEE IN AN EVICTION PROCEEDING BASED ON THE NON-PAYMENT OF RENT.
S 63. Section 282-a of the multiple dwelling law, as amended by chapter 159 of the laws of 2011, is amended to read as follows:
S 282-a. [Limitation on applications] APPLICATIONS for coverage of interim multiple dwellings and residential units. [1. All applications for registration as an interim multiple dwelling or for coverage of residential units under this article shall be filed with the loft board within six months after the date the loft board shall have adopted all rules or regulations necessary in order to implement the provisions of chapter one hundred forty-seven of the laws of two thousand ten. The loft board may subsequently amend such rules and regulations but such amendments shall not recommence the time period in which applications may be filed. Notwithstanding any other provision of this article, after such date no further applications for registration or coverage as an interim multiple dwelling or for coverage under this article shall be accepted for owners or occupants of buildings that would otherwise qualify as interim multiple dwellings or for coverage pursuant to this article.
2.] Where any occupant has filed an application for coverage pursuant to this article and has received a docket number from the loft board, it shall be unlawful for an owner to cause or intend to cause such occupant to vacate, surrender or waive any rights in relation to such occupancy, due to repeated interruptions or discontinuances of essential services, or an interruption or discontinuance of an essential service for an extended duration or of such significance as to substantially impair habitability of such unit, at any time before the loft board has made a final determination, including appeals, to approve or deny such application. This [subdivision] SECTION shall not grant any rights of continued occupancy other than those otherwise granted by law. Any agreement that waives or limits the benefits of this [subdivision] SECTION shall be deemed void as against public policy. In addition to any other remedies provided in this article for failure to be in compliance, in article

eight of this chapter, or in the regulations promulgated by the loft board, an occupant who has filed an application with the loft board for coverage under this article may[, no later than thirty-six months after the loft board shall have adopted rules and regulations as set forth in subdivision one of this section,] commence an action or proceeding in a court of competent jurisdiction, which notwithstanding any other provision of law shall include the housing part of the New York city civil court, to enforce the provisions of this [subdivision] SECTION.

S 64. Paragraph (vi) of subdivision 1 of section 284 of the multiple dwelling law, as amended by chapter 4 of the laws of 2013, is amended to read as follows:

(vi) Notwithstanding the provisions of paragraphs (i) through (v) of this subdivision the owner of an interim multiple dwelling made subject to this article by subdivision five of section two hundred eighty-one of this article (A) shall file an alteration application [within nine months from the effective date of the chapter of the laws of two thousand ten which amended this subparagraph] ON OR BEFORE MARCH TWENTY-FIRST, TWO THOUSAND ELEVEN, or, for units that became subject to this article pursuant to the chapter of the laws of two thousand thirteen which amended this paragraph, [within nine months of the promulgation of all necessary rules and regulations pursuant to section two hundred eighty-two-a of this article]ON OR BEFORE JUNE ELEVENTH, TWO THOUSAND FOURTEEN, OR, FOR UNITS IN AN INTERIM MULTIPLE DWELLING THAT WERE LISTED ON AN APPLICATION FOR COVERAGE OR REGISTRATION FILED WITH THE LOFT BOARD PURSUANT TO THIS ARTICLE OR IN A COURT PLEADING AFTER MARCH ELEVENTH, TWO THOUSAND FOURTEEN, WITHIN NINE MONTHS OF EITHER THE DATE OF THE INITIAL APPLICATION FOR COVERAGE OR THE DATE OF THE LOFT BOARD'S ISSUANCE OF AN INTERIM MULTIPLE DWELLING NUMBER OR THE DATE OF THE SERVICE OF THE PLEADING, WHICHEVER IS EARLIER, and (B) shall take all reasonable and necessary action to obtain an approved alteration permit [within twelve months from such effective date] ON OR BEFORE JUNE TWENTY-FIRST, TWO THOUSAND ELEVEN, or, for units that became subject to this article pursuant to the chapter of the laws of two thousand thirteen which amended this paragraph, [within twelve months of the promulgation of all necessary rules and regulations pursuant to section two hundred eighty-two-a of this article] ON OR BEFORE SEPTEMBER ELEVENTH, TWO THOUSAND FOURTEEN, OR, FOR UNITS IN AN INTERIM MULTIPLE DWELLING THAT WERE LISTED ON AN APPLICATION FOR COVERAGE OR REGISTRATION FILED WITH THE LOFT BOARD PURSUANT TO THIS ARTICLE OR IN A COURT PLEADING AFTER MARCH ELEVENTH, TWO THOUSAND FOURTEEN, WITHIN TWELVE MONTHS OF EITHER THE DATE OF THE INITIAL APPLICATION FOR COVERAGE OR THE DATE OF THE LOFT BOARD'S ISSUANCE OF AN INTERIM MULTIPLE DWELLING NUMBER OR THE DATE OF THE SERVICE OF THE PLEADING, WHICHEVER IS EARLIER, and (C) shall achieve compliance with the standards of safety and fire protection set forth in article seven-B of this chapter for the residential portions of the building within eighteen months from obtaining such alteration permit, and (D) shall take all reasonable and necessary action to obtain a certificate of occupancy as a class A multiple dwelling for the residential portions of the building or structure [within thirty months from such effective date] ON OR BEFORE DECEMBER TWENTY-FIRST, TWO THOUSAND TWELVE, or for units that became subject to this article pursuant to the chapter of the laws of two thousand thirteen which amended this paragraph [within thirty months of the promulgation of all necessary rules and regulations pursuant to section two hundred eighty-two-a of this article] ON OR BEFORE MARCH ELEVENTH, TWO THOUSAND SIXTEEN, OR, FOR UNITS IN AN INTERIM MULTIPLE DWELLING THAT WERE LISTED ON AN APPLICATION

FOR COVERAGE OR REGISTRATION FILED WITH THE LOFT BOARD PURSUANT TO THIS ARTICLE OR IN A COURT PLEADING AFTER MARCH ELEVENTH, TWO THOUSAND FOURTEEN, WITHIN THIRTY MONTHS OF EITHER THE DATE OF THE INITIAL APPLICATION FOR COVERAGE OR THE DATE OF THE LOFT BOARD'S ISSUANCE OF AN INTERIM MULTIPLE DWELLING NUMBER OR THE DATE OF THE SERVICE OF THE PLEADING, WHICHEVER IS EARLIER. The loft board may, upon good cause shown, and upon proof of compliance with the standards of safety and fire protection set forth in article seven-B of this chapter, twice extend the time of compliance with the requirement to obtain a residential certificate of occupancy for periods not to exceed twelve months each.

S 65. Subdivision (h) of section 27 of chapter 4 of the laws of 2013 amending the real property tax law relating to exemption from taxation to alterations and improvements to multiple dwellings to eliminate fire and health hazards is REPEALED.

S 66. The civil practice law and rules is amended by adding a new section 3012-c to read as follows:

S 3012-C. PREREQUISITES; CERTIFICATE OF MERIT IN AN EVICTION PROCEEDING OR AN ACTION TO DEREGULATE A RENT-REGULATED UNIT. (A) IN ANY EVICTION PROCEEDING PREMISED UPON ANY GROUND ESTABLISHED BY ARTICLE SEVEN OF THE REAL PROPERTY ACTIONS AND PROCEEDINGS LAW; OR, IN ANY ACTION TO DEREGULATE A UNIT THAT IS REGULATED PURSUANT TO THE EMERGENCY HOUSING RENT CONTROL LAW OF NINETEEN HUNDRED FORTY-SIX, THE LOCAL EMERGENCY HOUSING RENT CONTROL ACT OF NINETEEN HUNDRED SIXTY-TWO, THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, OR THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK, THE COMPLAINT SHALL BE ACCOMPANIED BY A CERTIFICATE OF MERIT. SUCH CERTIFICATE SHALL BE SIGNED BY AN ATTORNEY FOR THE PLAINTIFF, OR, WHERE THE PLAINTIFF IS NOT REPRESENTED BY COUNSEL, BY THE PLAINTIFF, AND SHALL CERTIFY THAT SUCH ATTORNEY OR PLAINTIFF HAS:

1. REVIEWED THE FACTS UNDERLYING THE PROCEEDING OR ACTION BROUGHT;

2. CONSULTED WITH THE PLAINTIFF, OR A REPRESENTATIVE OF THE PLAINTIFF, CONCERNING THE PROCEEDING OR ACTION BROUGHT;

3. REVIEWED DOCUMENTS PERTINENT TO THE PROCEEDING OR ACTION BROUGHT, INCLUDING, WHERE APPLICABLE, THE ANNUAL RENT REGISTRATION STATEMENT;

4. REVIEWED PLAINTIFF'S, OR A REPRESENTATIVE OF THE PLAINTIFF'S, ATTEMPTS TO, BASED UPON AN IMPLIED OR EXPRESSED COVENANT OF FAIR DEALING IN GOOD FAITH WITH THE TENANT, CORRESPOND, NEGOTIATE, OR RESOLVE LEASE OR TENANCY ISSUES, AND/OR ACCEPT PAYMENT UNDER THE TERMS OF A LEASE; AND

5. DETERMINED THAT, TO THE BEST OF SUCH ATTORNEY'S OR PLAINTIFF'S KNOWLEDGE, BASED UPON REASONABLE INQUIRIES MADE IN DUE DILIGENCE, THERE IS A REASONABLE BASIS FOR THE COMMENCEMENT OF THE ACTION, AND THAT THE PLAINTIFF IS ENTITLED TO BRING THE PROCEEDING OR ACTION.

(B) A COPY OF THE WRITTEN LEASE BETWEEN THE PLAINTIFF AND DEFENDANT; IF AN ORAL LEASE, DOCUMENTATION ESTABLISHING DEFENDANT'S TENANCY; WHERE APPLICABLE, THE ANNUAL RENT REGISTRATION STATEMENT; AND/OR ANY OTHER DOCUMENTATION SUPPORTING THE ACTION SHALL BE ATTACHED TO THE CERTIFICATE OF MERIT.

(C) IF A PLAINTIFF WILLFULLY FAILS TO PROVIDE A COPY OF THE WRITTEN LEASE BETWEEN THE PLAINTIFF AND DEFENDANT; IF AN ORAL LEASE, DOCUMENTATION ESTABLISHING DEFENDANT'S TENANCY; WHERE APPLICABLE, THE ANNUAL RENT REGISTRATION STATEMENT; AND/OR ANY OTHER DOCUMENTATION SUPPORTING THE ACTION, AS REQUIRED BY SUBDIVISION (B) OF THIS SECTION, AND THE COURT FINDS, UPON THE MOTION OF ANY PARTY OR ON ITS OWN MOTION ON NOTICE TO THE PARTIES, THAT SUCH PAPERS AND/OR DOCUMENTS WERE NOT PROVIDED, THE COURT SHALL DISMISS THE COMPLAINT OR MAKE SUCH FINAL OR CONDITIONAL

ORDER WITH REGARD TO SUCH FAILURE, AS IS JUST. ANY SUCH DISMISSAL SHALL BE WITHOUT PREJUDICE AND SHALL NOT BE ON THE MERITS.

S 67. This act shall take effect immediately; provided, however, that:

(a) the amendments to chapter 4 of title 26 of the administrative code of the city of New York made by sections eight, nine, ten, twenty, twenty-five, twenty-seven, thirty, thirty-two, thirty-six, thirty-seven, forty-three, forty-four, forty-seven, fifty, fifty-two, and fifty-three of this act shall expire on the same date as such chapter expires and shall not affect the expiration of such chapter as provided under section 26-520 of such law;

(b) the amendments to the emergency tenant protection act of nineteen seventy-four made by sections seven, thirteen, fourteen, twenty-one, twenty-two, twenty-eight, thirty-one, thirty-three, thirty-eight, forty-five, forty-six, forty-eight, forty-nine, fifty-one, fifty-four, and fifty-five of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974;

(c) the amendments to the emergency housing rent control law made by sections twenty-three, twenty-nine, thirty-nine and sixty-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 in subdivision 2 of section 1 of chapter 274 of the laws of 1946;

(d) the amendments to chapter 3 of title 26 of the administrative code of the city of New York made by sections eleven, twelve, twenty-four, twenty-six, thirty-four, thirty-five, forty-one, forty-two and fifty-nine of this act shall remain in full force and effect only as long as the public emergency requiring the regulation and control of residential rents and evictions continues, as provided in subdivision 3 of section 1 of the local emergency housing rent control act;

(e) the amendments to paragraph 2 of subdivision c of section 26-516 of the administrative code of the city of New York made by section nine of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 46 of chapter 116 of the laws of 1997, as amended, when upon such date the provisions of section ten of this act shall take effect;

(f) the amendment to subparagraph (a) of paragraph 2 of subdivision b of section 26-413 of the administrative code of the city of New York made by section eleven of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 46 of chapter 116 of the laws of 1997, as amended, when upon such date the provisions of section twelve of this act shall take effect;

(g) the amendment to clause (ii) of paragraph 3 of subdivision a of section 12 of the emergency tenant protection act of nineteen seventy-four, made by section thirteen of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 46 of chapter 116 of the laws of 1997, as amended, when upon such date the provisions of section fourteen of this act shall take effect;

(h) the provisions of sections fifty-seven and fifty-eight of this act shall not affect the expiration and repeal of article 241 of the penal law pursuant to subdivision 6 of section 46 of chapter 116 of the laws of 1997, as amended, and shall expire and be deemed repealed therewith;

(i) the amendments to chapter 4 of title 26 of the administrative code of the city of New York, made by section thirty-two of this act and the emergency tenant protection act of nineteen seventy-four made by section thirty-three of this act and affecting class A multiple dwellings covered by a project-based assistance contract pursuant to section eight

of the United States housing act of 1937, shall apply only to such class A multiple dwellings whose contract is no longer in effect after the date upon which this act shall take effect;

(j) the amendment to section 5 of the emergency tenant protection act of nineteen seventy-four made by section forty-nine of this act and affecting rental housing accommodations located in buildings which were owned by a company established under article 2 of the private housing finance law, other than a mutual company, that voluntarily dissolve pursuant to section 35 of such law, shall apply only to such rental housing accommodations after the date upon which this act shall take effect;

(k) notwithstanding section 13 of part A of chapter 97 of the laws of 2011, the effectiveness of such part shall not be contingent upon the continuance of subdivision 3 of section 1 of the local emergency rent control act, sections 26-501, 26-502 and 26-520 of the administrative code of the city of New York, section 17 of chapter 576 of the laws of 1974 and subdivision 2 of section 1 of chapter 274 of the laws of 1946 constituting the emergency housing rent control law, and section 10 of chapter 555 of the laws of 1982, amending the general business law and the administrative code of the city of New York relating to conversions of residential property to cooperative or condominium ownership in the city of New York as such laws are continued by chapter 93 of the laws of 2011; and

(l) the provisions of sections sixty-three, sixty-four and sixty-five of this act shall be deemed to have been in full force and effect on and after March 11, 2014.