

7526

2015-2016 Regular Sessions

I N   A S S E M B L Y

May 14, 2015

---

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.

LBD10644-10-5

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:

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "rent act of 2015".  
3 S 1-a. Section 17 of chapter 576 of the laws of 1974 amending the  
4 emergency housing rent control law relating to the control of and  
5 stabilization of rent in certain cases, as amended by section 1-a of  
6 part B of chapter 97 of the laws of 2011, is amended to read as follows:  
7 S 17. Effective date. This act shall take effect immediately and  
8 shall remain in full force and effect until and including the fifteenth  
9 day of June [2015] 2019; except that sections two and three shall take  
10 effect with respect to any city having a population of one million or  
11 more and section one shall take effect with respect to any other city,

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

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

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

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

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

24 S 4. Section 10 of chapter 555 of the laws of 1982 amending the gener-  
25 al business law and the administrative code of the city of New York  
26 relating to conversion of residential property to cooperative or condo-  
27 minium ownership in the city of New York, as amended by section 4 of  
28 part B of chapter 97 of the laws of 2011, is amended to read as follows:

29 S 10. This act shall take effect immediately; provided, that the  
30 provisions of sections one, two and nine of this act shall remain in  
31 full force and effect only until and including June 15, [2015] 2019;  
32 provided further that the provisions of section three of this act shall  
33 remain in full force and effect only so long as the public emergency  
34 requiring the regulation and control of residential rents and evictions  
35 continues as provided in subdivision 3 of section 1 of the local emer-  
36 gency housing rent control act; provided further that the provisions of  
37 sections four, five, six and seven of this act shall expire in accord-  
38 ance with the provisions of section 26-520 of the administrative code of  
39 the city of New York as such section of the administrative code is, from  
40 time to time, amended; provided further that the provisions of section  
41 26-511 of the administrative code of the city of New York, as amended by  
42 this act, which the New York City Department of Housing Preservation and  
43 Development must find are contained in the code of the real estate  
44 industry stabilization association of such city in order to approve it,  
45 shall be deemed contained therein as of the effective date of this act;  
46 and provided further that any plan accepted for filing by the department  
47 of law on or before the effective date of this act shall continue to be  
48 governed by the provisions of section 352-eeee of the general business  
49 law as they had existed immediately prior to the effective date of this  
50 act.

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

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

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

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

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

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

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

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

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

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

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

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

23 S 10. Paragraph 2 of subdivision c of section 26-516 of the adminis-  
24 trative code of the city of New York, as amended by section 2 of chapter  
25 480 of the laws of 2009, is amended to read as follows:

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

35 S 11. Subparagraph (a) of paragraph 2 of subdivision b of section  
36 26-413 of the administrative code of the city of New York, as amended by  
37 section 3 of chapter 480 of the laws of 2009, is amended to read as  
38 follows:

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

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

4 S 12. Subparagraph (a) of paragraph 2 of subdivision b of section  
5 26-413 of the administrative code of the city of New York, as amended by  
6 section 4 of chapter 480 of the laws of 2009, is amended to read as  
7 follows:

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

29 S 13. Clauses (i) and (ii) of paragraph 3 of subdivision a of section  
30 12 of section 4 of chapter 576 of the laws of 1974 constituting the  
31 emergency tenant protection act of nineteen seventy-four, as amended by  
32 section 5 of chapter 480 of the laws of 2009, are amended to read as  
33 follows:

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

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

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

54 (ii) to have harassed a tenant to obtain vacancy of his housing accom-  
55 modation, the commissioner may impose by administrative order after  
56 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.]

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

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

19 S 22. Paragraphs 2 and 3 of subdivision (a) of section 5-a of section  
20 4 of chapter 576 of the laws of 1974, constituting the emergency tenant  
21 protection act of nineteen seventy-four, as added by section 30 of part  
22 B of chapter 97 of the laws of 2011, are amended to read as follows:

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

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

40 S 23. Paragraphs 2 and 3 of subdivision (a) of section 2-a of chapter  
41 274 of the laws of 1946, constituting the emergency housing rent control  
42 law, as added by section 32 of part B of chapter 97 of the laws of 2011,  
43 are amended to read as follows:

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 (5-a) provides that, notwithstanding any provision of this chapter,  
48 the legal regulated rent for any vacancy lease entered into after the  
49 effective date of this paragraph shall be as hereinafter provided in  
50 this paragraph. The previous legal regulated rent for such housing  
51 accommodation shall be increased by the following: (i) if the vacancy  
52 lease is for a term of two years, [twenty] SEVEN AND ONE-HALF percent of  
53 the previous legal regulated rent; or (ii) if the vacancy lease is for a  
54 term of one year the increase shall be [twenty] SEVEN AND ONE-HALF  
55 percent of the previous legal regulated rent less an amount equal to the  
56 difference between (a) the two year renewal lease guideline promulgated

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

32 S 31. Subdivision (a-1) of section 10 of section 4 of chapter 576 of  
33 the laws of 1974, constituting the emergency tenant protection act of  
34 nineteen seventy-four, as amended by section 8 of part B of chapter 97  
35 of the laws of 2011, is amended to read as follows:

36 (a-1) provides that, notwithstanding any provision of this act, the  
37 legal regulated rent for any vacancy lease entered into after the effec-  
38 tive date of this subdivision shall be as hereinafter set forth. The  
39 previous legal regulated rent for such housing accommodation shall be  
40 increased by the following: (i) if the vacancy lease is for a term of  
41 two years, [twenty] SEVEN AND ONE-HALF percent of the previous legal  
42 regulated rent; or (ii) if the vacancy lease is for a term of one year  
43 the increase shall be [twenty] SEVEN AND ONE-HALF percent of the previ-  
44 ous legal regulated rent less an amount equal to the difference between  
45 (a) the two year renewal lease guideline promulgated by the guidelines  
46 board of the county in which the housing accommodation is located  
47 applied to the previous legal regulated rent and (b) the one year  
48 renewal lease guideline promulgated by the guidelines board of the coun-  
49 ty in which the housing accommodation is located applied to the previous  
50 legal regulated rent. In addition, if the legal regulated rent was not  
51 increased with respect to such housing accommodation by a permanent  
52 vacancy allowance within eight years prior to a vacancy lease executed  
53 on or after the effective date of this subdivision, the legal regulated  
54 rent may be further increased by an amount equal to the product result-  
55 ing from multiplying such previous legal regulated rent by six-tenths of  
56 one percent and further multiplying the amount of rent increase result-

1 ing therefrom by the greater of (A) the number of years since the im-  
2 position of the last permanent vacancy allowance, or (B) if the rent was  
3 not increased by a permanent vacancy allowance since the housing accom-  
4 modation became subject to this act, the number of years that such hous-  
5 ing accommodation has been subject to this act. Provided that if the  
6 previous legal regulated rent was less than three hundred dollars the  
7 total increase shall be as calculated above plus one hundred dollars per  
8 month. Provided, further, that if the previous legal regulated rent was  
9 at least three hundred dollars and no more than five hundred dollars in  
10 no event shall the total increase pursuant to this subdivision be less  
11 than one hundred dollars per month. Such increase shall be in lieu of  
12 any allowance authorized for the one or two year renewal component ther-  
13 eof, but shall be in addition to any other increases authorized pursuant  
14 to this act including an adjustment based upon a major capital improve-  
15 ment, or a substantial modification or increase of dwelling space or  
16 services, or installation of new equipment or improvements or new furni-  
17 ture or furnishings provided in or to the housing accommodation pursuant  
18 to section six of this act. The increase authorized in this subdivision  
19 may not be implemented more than one time in any calendar year, notwith-  
20 standing the number of vacancy leases entered into in such year.

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

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

1 became vacant on or after June thirtieth, nineteen hundred seventy-one,  
2 or become vacant, provided however, that this exemption shall not apply  
3 or become effective with respect to housing accommodations which the  
4 commissioner determines or finds became vacant because the landlord or  
5 any person acting on his or her behalf, with intent to cause the tenant  
6 to vacate, engaged in any course of conduct (including but not limited  
7 to, interruption or discontinuance of essential services) which inter-  
8 fered with or disturbed or was intended to interfere with or disturb the  
9 comfort, repose, peace or quiet of the tenant in his or her use or occu-  
10 pancy of the housing accommodations and provided further that any hous-  
11 ing accommodations exempted by this paragraph shall be subject to this  
12 law to the extent provided in subdivision b of this section; or (2) were  
13 decontrolled by the city rent agency pursuant to section 26-414 of this  
14 title; or (3) are exempt from control by virtue of [item] CLAUSE one,  
15 two, six or seven of subparagraph (i) of paragraph two of subdivision e  
16 of section 26-403 of this title; OR (4) WERE COVERED BY A PROJECT BASED  
17 ASSISTANCE CONTRACT PURSUANT TO SECTION EIGHT OF THE UNITED STATES HOUS-  
18 ING ACT OF 1937 WHICH CONTRACT IS NO LONGER IN EFFECT, NOTWITHSTANDING  
19 THE PROVISIONS OF SUBPARAGRAPH (D) OR (G) OF PARAGRAPH ONE OF THIS  
20 SUBDIVISION OR PARAGRAPH FIVE OF SUBDIVISION A OF SECTION FIVE OF THE  
21 EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR BUT SUBJECT TO  
22 ANY OTHER APPLICABLE EXCEPTIONS IN PARAGRAPH ONE OF THIS SUBDIVISION OR  
23 SUBDIVISION (A) OF SECTION FIVE OF THE EMERGENCY TENANT PROTECTION ACT  
24 OF NINETEEN SEVENTY-FOUR, PROVIDED HOWEVER, THAT ANY DWELLING UNIT WHICH  
25 BECOMES SUBJECT TO THIS LAW PURSUANT TO THIS PARAGRAPH SHALL NOT BE  
26 SUBJECT TO THE PROVISIONS OF SUBDIVISION A OF SECTION 26-513 OF THIS  
27 CHAPTER; and

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

31 C. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH FIVE OF SUBDIVISION A  
32 OF THIS SECTION BUT SUBJECT TO ANY OTHER APPLICABLE EXCEPTIONS IN SUCH  
33 SUBDIVISION, NOTHING SHALL PREVENT THE DECLARATION OF AN EMERGENCY  
34 PURSUANT TO SECTION THREE OF THIS ACT FOR RENTAL HOUSING ACCOMMODATIONS  
35 LOCATED IN A BUILDING WHICH WAS COVERED BY A PROJECT BASED ASSISTANCE  
36 CONTRACT PURSUANT TO SECTION EIGHT OF THE UNITED STATES HOUSING ACT OF  
37 1937 WHICH CONTRACT IS NO LONGER IN EFFECT PROVIDED HOWEVER, THAT ANY  
38 HOUSING ACCOMMODATION WHICH BECOMES SUBJECT TO THIS ACT PURSUANT TO THIS  
39 SUBDIVISION SHALL NOT BE SUBJECT TO THE PROVISIONS OF SUBDIVISION A OF  
40 SECTION NINE OF THIS ACT.

41 S 34. Subparagraph (g) of paragraph 1 of subdivision g of section  
42 26-405 of the administrative code of the city of New York, as amended by  
43 chapter 749 of the laws of 1990, is amended to read as follows:

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

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

1 OF THE CONSIDERATION OF SUCH APPLICATION, AS DETERMINED PURSUANT TO  
2 REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL OR ANY  
3 AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE IN THE JURISDICTION  
4 IN WHICH THE PROPERTY IS LOCATED, UNLESS IT IS DETERMINED BY THE DIVI-  
5 SION OF HOUSING AND COMMUNITY RENEWAL THAT SUCH WORK IS ESSENTIAL TO THE  
6 ALLEVIATION OF THE VIOLATIONS AND SUCH APPROVAL IS CONSISTENT WITH THE  
7 PROVISIONS OF THIS SECTION. EXCEPT IN THE CASE OF EMERGENCY OR GOOD  
8 CAUSE, THE OWNER OF THE PROPERTY SHALL FILE, NOT LESS THAN THIRTY DAYS  
9 BEFORE THE COMMENCEMENT OF THE IMPROVEMENT, WITH THE DIVISION OF HOUSING  
10 AND COMMUNITY RENEWAL A STATEMENT CONTAINING INFORMATION OUTLINING THE  
11 SCOPE OF WORK, EXPECTED DATE OF COMPLETION FOR SUCH WORK AND AN AFFIDA-  
12 VIT SETTING FORTH THE FOLLOWING INFORMATION: (A) EVERY OWNER OF RECORD  
13 AND OWNER OF A SUBSTANTIAL INTEREST IN THE PROPERTY OR ENTITY OWNING THE  
14 PROPERTY OR SPONSORING THE IMPROVEMENT; AND (B) A STATEMENT THAT NONE OF  
15 SUCH PERSONS HAD, WITHIN THE FIVE YEARS PRIOR TO THE IMPROVEMENT, BEEN  
16 FOUND TO HAVE HARASSED OR UNLAWFULLY EVICTED TENANTS BY JUDGMENT OR  
17 DETERMINATION OF A COURT OR AGENCY UNDER THE PENAL LAW, ANY STATE OR  
18 LOCAL LAW REGULATING RENTS OR ANY STATE OR LOCAL LAW RELATING TO HARASS-  
19 MENT OF TENANTS OR UNLAWFUL EVICTION. UPON RECEIPT OF THE SCOPE OF WORK  
20 AND AFFIDAVIT PROVIDED FOR HEREIN, THE DIVISION OF HOUSING AND COMMUNITY  
21 RENEWAL SHALL PROVIDE THE TENANTS IN OCCUPANCY IN SUCH BUILDINGS WITH  
22 SUCH INFORMATION. THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL,  
23 IN ADDITION, IMPLEMENT PROCEDURES INCLUDING, BUT NOT LIMITED TO, ELICIT-  
24 ING TENANT COMMENTS TO DETERMINE WHETHER MAJOR CAPITAL IMPROVEMENT REHA-  
25 BILITATION WORK HAS BEEN SATISFACTORILY COMPLETED. NO MAJOR CAPITAL  
26 IMPROVEMENT RENT INCREASE SHALL BECOME EFFECTIVE UNTIL ANY DEFECTIVE OR  
27 DEFICIENT REHABILITATION WORK HAS BEEN CURED. THE INCREASE PERMITTED FOR  
28 SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO  
29 THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH  
30 AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT.  
31 THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO  
32 THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE  
33 NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF  
34 ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY  
35 APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT  
36 OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET  
37 FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT  
38 SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER  
39 SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD  
40 UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE  
41 AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY. NOTWITHSTANDING ANY  
42 LAW TO THE CONTRARY, WHEN CALCULATING A SURCHARGE, THE COST OF THE  
43 IMPROVEMENT SHALL BE REDUCED BY ANY MONEYS PROVIDED BY THE NEW YORK  
44 STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY; or

45 S 35. Subparagraph (k) of paragraph 1 of subdivision g of section  
46 26-405 of the administrative code of the city of New York, as amended by  
47 chapter 749 of the laws of 1990, is amended to read as follows:

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

1 shall be [in an amount sufficient to amortize the cost of the improve-  
2 ments pursuant to this subparagraph over a seven-year period] IMPLE-  
3 MENTED IN THE SAME MANNER AS SUCH MAJOR CAPITAL IMPROVEMENT AS A FURTHER  
4 SURCHARGE TO THE MAXIMUM RENT.

5 S 36. Paragraph 6 of subdivision c of section 26-511 of the adminis-  
6 trative code of the city of New York, as amended by chapter 116 of the  
7 laws of 1997, is amended to read as follows:

8 (6) provides criteria whereby the commissioner may act upon applica-  
9 tions by owners for increases in excess of the level of fair rent  
10 increase established under this law provided, however, that such crite-  
11 ria shall provide [(a) as] IN REGARD to hardship applications, for a  
12 finding that the level of fair rent increase is not sufficient to enable  
13 the owner to maintain approximately the same average annual net income  
14 (which shall be computed without regard to debt service, financing costs  
15 or management fees) for the three year period ending on or within six  
16 months of the date of an application pursuant to such criteria as  
17 compared with annual net income, which prevailed on the average over the  
18 period nineteen hundred sixty-eight through nineteen hundred seventy, or  
19 for the first three years of operation if the building was completed  
20 since nineteen hundred sixty-eight or for the first three fiscal years  
21 after a transfer of title to a new owner provided the new owner can  
22 establish to the satisfaction of the commissioner that he or she  
23 acquired title to the building as a result of a bona fide sale of the  
24 entire building and that the new owner is unable to obtain requisite  
25 records for the fiscal years nineteen hundred sixty-eight through nine-  
26 teen hundred seventy despite diligent efforts to obtain same from prede-  
27 cessors in title and further provided that the new owner can provide  
28 financial data covering a minimum of six years under his or her contin-  
29 uous and uninterrupted operation of the building to meet the three year  
30 to three year comparative test periods herein provided[; and (b) as to  
31 completed building-wide major capital improvements, for a finding that  
32 such improvements are deemed depreciable under the Internal Revenue Code  
33 and that the cost is to be amortized over a seven-year period, based  
34 upon cash purchase price exclusive of interest or service charges].  
35 Notwithstanding anything to the contrary contained herein, no hardship  
36 increase granted pursuant to this paragraph shall, when added to the  
37 annual gross rents, as determined by the commissioner, exceed the sum  
38 of, (i) the annual operating expenses, (ii) an allowance for management  
39 services as determined by the commissioner, (iii) actual annual mortgage  
40 debt service (interest and amortization) on its indebtedness to a lend-  
41 ing institution, an insurance company, a retirement fund or welfare fund  
42 which is operated under the supervision of the banking or insurance laws  
43 of the state of New York or the United States, and (iv) eight and one-  
44 half percent of that portion of the fair market value of the property  
45 which exceeds the unpaid principal amount of the mortgage indebtedness  
46 referred to in subparagraph (iii) of this paragraph. Fair market value  
47 for the purposes of this paragraph shall be six times the annual gross  
48 rent. The collection of any increase in the stabilized rent for any  
49 apartment pursuant to this paragraph shall not exceed six percent in any  
50 year from the effective date of the order granting the increase over the  
51 rent set forth in the schedule of gross rents, with collectability of  
52 any dollar excess above said sum to be spread forward in similar incre-  
53 ments and added to the stabilized rent as established or set in future  
54 years;



1 S 37. Subdivision c of section 26-511 of the administrative code of  
2 the city of New York is amended by adding four new paragraphs 6-b, 6-c,  
3 6-d and 6-e to read as follows:

4 (6-B) PROVIDES CRITERIA WHEREBY THE COMMISSIONER MAY ACT UPON APPLICA-  
5 TION BY OWNERS FOR INCREASES IN EXCESS OF THE LEVEL OF FAIR RENT  
6 INCREASE ESTABLISHED UNDER THIS LAW PROVIDED, HOWEVER, THAT SUCH CRITE-  
7 RIA SHALL PROVIDE THAT:

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

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

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

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

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

43 (6-C) THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE  
44 COLLECTED AS A MONTHLY SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL  
45 BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED  
46 BY ANY ANNUAL ADJUSTMENT OF THE LEVEL OF FAIR RENT PROVIDED FOR UNDER  
47 SUBDIVISION B OF SECTION 26-510 OF THIS LAW. THE SURCHARGE ALLOCABLE TO  
48 EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT  
49 DIVIDED BY EIGHTY-FOUR DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING,  
50 AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED  
51 THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT, IN ANY ONE YEAR MAY NOT  
52 EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY  
53 THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS  
54 RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND  
55 COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDI-  
56 TIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE

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

3 (6-D) COLLECTION OF SURCHARGES IN EXCESS OF THE LEVEL OF FAIR RENT  
4 AUTHORIZED PURSUANT TO PARAGRAPH SIX-B AND SIX-C OF THIS SUBDIVISION  
5 SHALL CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL  
6 IMPROVEMENT.

7 (6-E) NOTWITHSTANDING ANY LAW TO THE CONTRARY, WHEN CALCULATING A  
8 SURCHARGE, THE COST OF THE IMPROVEMENT SHALL BE REDUCED BY ANY MONEYS  
9 PROVIDED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORI-  
10 TY.

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

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

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

1 LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS  
2 SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL RENT ADJUSTMENT AUTHOR-  
3 IZED BY THE RENT GUIDELINES BOARD UNDER THIS ACT. THE SURCHARGE ALLOCA-  
4 BLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE  
5 IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN  
6 THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APART-  
7 MENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE  
8 YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT  
9 COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE  
10 OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED  
11 FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO  
12 EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL  
13 SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX  
14 PERCENT LIMITATION DID NOT APPLY. NOTWITHSTANDING ANY LAW TO THE CONTRA-  
15 RY, WHEN CALCULATING A SURCHARGE, THE COST OF THE IMPROVEMENT SHALL BE  
16 REDUCED BY ANY MONEYS PROVIDED BY THE NEW YORK STATE ENERGY RESEARCH AND  
17 DEVELOPMENT AUTHORITY, or

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

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

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

1 PROPERTY IS LOCATED, UNLESS IT IS DETERMINED BY THE DIVISION OF HOUSING  
2 AND COMMUNITY RENEWAL THAT SUCH WORK IS ESSENTIAL TO THE ALLEVIATION OF  
3 THE VIOLATIONS AND SUCH APPROVAL IS CONSISTENT WITH THE PROVISIONS OF  
4 THIS SECTION. EXCEPT IN THE CASE OF EMERGENCY OR GOOD CAUSE, THE OWNER  
5 OF THE PROPERTY SHALL FILE, NOT LESS THAN THIRTY DAYS BEFORE THE  
6 COMMENCEMENT OF THE IMPROVEMENT, WITH THE DIVISION OF HOUSING AND COMMU-  
7 NITY RENEWAL A STATEMENT CONTAINING INFORMATION OUTLINING THE SCOPE OF  
8 WORK, EXPECTED DATE OF COMPLETION FOR SUCH WORK AND AN AFFIDAVIT SETTING  
9 FORTH THE FOLLOWING INFORMATION: (A) EVERY OWNER OF RECORD AND OWNER OF  
10 A SUBSTANTIAL INTEREST IN THE PROPERTY OR ENTITY OWNING THE PROPERTY OR  
11 SPONSORING THE IMPROVEMENT; AND (B) A STATEMENT THAT NONE OF SUCH  
12 PERSONS HAD, WITHIN THE FIVE YEARS PRIOR TO THE IMPROVEMENT, BEEN FOUND  
13 TO HAVE HARASSED OR UNLAWFULLY EVICTED TENANTS BY JUDGMENT OR DETERMI-  
14 NATION OF A COURT OR AGENCY UNDER THE PENAL LAW, ANY STATE OR LOCAL LAW  
15 REGULATING RENTS OR ANY STATE OR LOCAL LAW RELATING TO HARASSMENT OF  
16 TENANTS OR UNLAWFUL EVICTION. UPON RECEIPT OF THE SCOPE OF WORK AND  
17 AFFIDAVIT PROVIDED FOR HEREIN, THE DIVISION OF HOUSING AND COMMUNITY  
18 RENEWAL SHALL PROVIDE THE TENANTS IN OCCUPANCY IN SUCH BUILDINGS WITH  
19 SUCH INFORMATION. THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL,  
20 IN ADDITION, IMPLEMENT PROCEDURES INCLUDING, BUT NOT LIMITED TO, ELICIT-  
21 ING TENANT COMMENTS TO DETERMINE WHETHER MAJOR CAPITAL IMPROVEMENT REHA-  
22 BILITATION WORK HAS BEEN SATISFACTORILY COMPLETED. NO MAJOR CAPITAL  
23 IMPROVEMENT RENT INCREASE SHALL BECOME EFFECTIVE UNTIL ANY DEFECTIVE OR  
24 DEFICIENT REHABILITATION WORK HAS BEEN CURED. THE INCREASE PERMITTED FOR  
25 SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY SURCHARGE TO  
26 THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND BILLED AS SUCH  
27 AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO THE MAXIMUM RENT.  
28 THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO  
29 THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE  
30 NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY THE NUMBER OF  
31 ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLOCABLE TO ANY  
32 APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO SIX PERCENT  
33 OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APARTMENT AS SET  
34 FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID SIX PERCENT  
35 SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A FURTHER  
36 SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE YEAR PERIOD  
37 UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE  
38 AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY. NOTWITHSTANDING ANY  
39 LAW TO THE CONTRARY, WHEN CALCULATING A SURCHARGE, THE COST OF THE  
40 IMPROVEMENT SHALL BE REDUCED BY ANY MONEYS PROVIDED BY THE NEW YORK  
41 STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY; or (8) there has been  
42 since March first, nineteen hundred fifty, in structures containing more  
43 than four housing accommodations, other improvements made with the  
44 express consent of the tenants in occupancy of at least seventy-five per  
45 centum of the housing accommodations, provided, however, that no adjust-  
46 ment granted hereunder shall exceed fifteen per centum unless the  
47 tenants have agreed to a higher percentage of increase, as herein  
48 provided; or (9) there has been, since March first, nineteen hundred  
49 fifty, a subletting without written consent from the landlord or an  
50 increase in the number of adult occupants who are not members of the  
51 immediate family of the tenant, and the landlord has not been compen-  
52 sated therefor by adjustment of the maximum rent by lease or order of  
53 the commission or pursuant to the federal act; or (10) the presence of  
54 unique or peculiar circumstances materially affecting the maximum rent  
55 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

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

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

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

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

40 (C) WITHIN THIRTY DAYS OF THE SIGNING OF A MUTUAL VOLUNTARY WRITTEN  
41 AGREEMENT INCLUDING A RENT INCREASE THAT EXCEEDS TEN PERCENT OF THE  
42 MAXIMUM COLLECTIBLE RENT, THE LANDLORD WILL FILE WITH THE DIVISION OF  
43 HOUSING AND COMMUNITY RENEWAL AN EXPLANATION OF HOW THE RENT WAS  
44 COMPUTED, AND ALL DOCUMENTS NECESSARY TO SUPPORT THE COLLECTION OF SUCH  
45 INCREASE, INCLUDING BUT NOT LIMITED TO, CANCELLED CHECKS, INVOICES AND  
46 SIGNED CONTRACTS CONTEMPORANEOUSLY WITH THE IMPROVEMENTS ALLEGED AND A  
47 STATEMENT THAT ANY INCREASE ABOVE THE PREVIOUS RENT IS IN ACCORDANCE  
48 WITH ADJUSTMENTS PERMITTED BY LAW. UPON RECEIPT OF ALL DOCUMENTS  
49 SUBMITTED BY THE OWNER, AND AFTER GIVING THE TENANT AN OPPORTUNITY TO  
50 RESPOND, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE AN  
51 ORDER APPROVING OR DISAPPROVING SUCH INCREASE IN WHOLE OR IN PART. BASED  
52 UPON SUCH DETERMINATION, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL  
53 SHALL ORDER A REFUND TO THE TENANT EQUAL TO THE AMOUNT COLLECTED IN  
54 EXCESS OF THE RENT APPROVED BY THE DIVISION OF HOUSING AND COMMUNITY  
55 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

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

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

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

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

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

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

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

49 (6) (A) WITHIN ONE HUNDRED TWENTY DAYS OF THE EFFECTIVE DATE OF THIS  
50 PARAGRAPH, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL ISSUE A  
51 SCHEDULE OF REASONABLE COSTS FOR UPGRADES AND IMPROVEMENTS THAT MAY BE  
52 CLAIMED AS A BASIS FOR AN ADJUSTMENT OF RENT PURSUANT TO PARAGRAPH ONE  
53 OF THIS SUBDIVISION. THE SCHEDULE OF REASONABLE COSTS SHALL EXCLUDE  
54 COSMETIC IMPROVEMENTS. THE SCHEDULE OF REASONABLE COSTS SHALL BE BASED  
55 ON THE AVERAGE COSTS FOR SIMILAR UPGRADES OR IMPROVEMENTS MADE TO COMPA-  
56 RABLE 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

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

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

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

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

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

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

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

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

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

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

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

34 (10) ANY COMPLAINT BASED ON FRAUD SHALL BE REVIEWED BY THE STATE DIVI-  
35 SION OF HOUSING AND COMMUNITY RENEWAL IRRESPECTIVE OF WHETHER SUCH FRAUD  
36 OCCURRED OUTSIDE OF THE FOUR YEAR PERIOD PRECEDING THE FILING OF SUCH  
37 COMPLAINT.

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

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

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

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

55 S 54. Paragraph 1 of subdivision a of section 12 of section 4 of chap-  
56 ter 576 of the laws of 1974 constituting the emergency tenant protection

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 S 62. Section 235-e of the real property law, as amended by chapter  
48 848 of the laws of 1986, is amended to read as follows:

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

- 55 1. The date;
- 56 2. The amount;



1 3. The identity of the premises and period for which paid; and

2 4. The signature and title of the person receiving the rent.

3 (b) [Where a tenant] A LESSEE MAY REQUEST, in writing, [requests] that  
4 a [landlord] LESSOR provide a receipt for rent paid by personal check[,  
5 it shall be the duty of]. IF SUCH REQUEST IS MADE, the [landlord to]  
6 LESSOR, OR ANY AGENT OF THE LESSOR AUTHORIZED TO RECEIVE RENT, SHALL  
7 provide the [payor] LESSEE with the receipt described in subdivision (a)  
8 of this section [for each such request made in writing]. SUCH REQUEST  
9 SHALL, UNLESS OTHERWISE SPECIFIED BY THE LESSEE, REMAIN IN EFFECT FOR  
10 THE DURATION OF SUCH LESSEE'S TENANCY.

11 (C) IF A PAYMENT OF RENT IS PERSONALLY TRANSMITTED TO A LESSOR, OR AN  
12 AGENT OF A LESSOR AUTHORIZED TO RECEIVE RENT, THE RECEIPT FOR SUCH  
13 PAYMENT SHALL BE ISSUED IMMEDIATELY TO A LESSEE. IF A PAYMENT OF RENT IS  
14 TRANSMITTED INDIRECTLY TO A LESSOR, OR AN AGENT OF A LESSOR AUTHORIZED  
15 TO RECEIVE RENT, A LESSEE SHALL BE PROVIDED WITH A RECEIPT WITHIN TEN  
16 BUSINESS DAYS OF SUCH LESSOR OR AGENT'S RECEIPT OF A RENT PAYMENT.

17 (D) IF A LESSOR, OR AN AGENT OF A LESSOR AUTHORIZED TO RECEIVE RENT,  
18 FAILS TO RECEIVE PAYMENT FOR RENT WITHIN TEN BUSINESS DAYS OF THE DATE  
19 SPECIFIED IN A LEASE AGREEMENT, SUCH LESSOR OR AGENT SHALL SEND, BY  
20 CERTIFIED MAIL, WITHIN TWO BUSINESS DAYS THEREAFTER, A LESSEE A WRITTEN  
21 NOTICE STATING THE FAILURE TO RECEIVE SUCH RENT PAYMENT. THE FAILURE OF  
22 A LESSOR, OR ANY AGENT OF THE LESSOR AUTHORIZED TO RECEIVE RENT, TO  
23 PROVIDE A LESSEE WITH A WRITTEN NOTICE OF THE NON-PAYMENT OF RENT MAY BE  
24 USED AS AN AFFIRMATIVE DEFENSE BY SUCH LESSEE IN AN EVICTION PROCEEDING  
25 BASED ON THE NON-PAYMENT OF RENT.

26 S 63. Section 282-a of the multiple dwelling law, as amended by chap-  
27 ter 159 of the laws of 2011, is amended to read as follows:

28 S 282-a. [Limitation on applications] APPLICATIONS for coverage of  
29 interim multiple dwellings and residential units. [1. All applications  
30 for registration as an interim multiple dwelling or for coverage of  
31 residential units under this article shall be filed with the loft board  
32 within six months after the date the loft board shall have adopted all  
33 rules or regulations necessary in order to implement the provisions of  
34 chapter one hundred forty-seven of the laws of two thousand ten. The  
35 loft board may subsequently amend such rules and regulations but such  
36 amendments shall not recommence the time period in which applications  
37 may be filed. Notwithstanding any other provision of this article,  
38 after such date no further applications for registration or coverage as  
39 an interim multiple dwelling or for coverage under this article shall be  
40 accepted for owners or occupants of buildings that would otherwise qual-  
41 ify as interim multiple dwellings or for coverage pursuant to this arti-  
42 cle.

43 2.] Where any occupant has filed an application for coverage pursuant  
44 to this article and has received a docket number from the loft board, it  
45 shall be unlawful for an owner to cause or intend to cause such occupant  
46 to vacate, surrender or waive any rights in relation to such occupancy,  
47 due to repeated interruptions or discontinuances of essential services,  
48 or an interruption or discontinuance of an essential service for an  
49 extended duration or of such significance as to substantially impair  
50 habitability of such unit, at any time before the loft board has made a  
51 final determination, including appeals, to approve or deny such applica-  
52 tion. This [subdivision] SECTION shall not grant any rights of continued  
53 occupancy other than those otherwise granted by law. Any agreement that  
54 waives or limits the benefits of this [subdivision] SECTION shall be  
55 deemed void as against public policy. In addition to any other remedies  
56 provided in this article for failure to be in compliance, in article

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

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

12 (vi) Notwithstanding the provisions of paragraphs (i) through (v) of  
13 this subdivision the owner of an interim multiple dwelling made subject  
14 to this article by subdivision five of section two hundred eighty-one of  
15 this article (A) shall file an alteration application [within nine  
16 months from the effective date of the chapter of the laws of two thou-  
17 sand ten which amended this subparagraph] ON OR BEFORE MARCH  
18 TWENTY-FIRST, TWO THOUSAND ELEVEN, or, for units that became subject to  
19 this article pursuant to the chapter of the laws of two thousand thir-  
20 teen which amended this paragraph, [within nine months of the promulga-  
21 tion of all necessary rules and regulations pursuant to section two  
22 hundred eighty-two-a of this article] ON OR BEFORE JUNE ELEVENTH, TWO  
23 THOUSAND FOURTEEN, OR, FOR UNITS IN AN INTERIM MULTIPLE DWELLING THAT  
24 WERE LISTED ON AN APPLICATION FOR COVERAGE OR REGISTRATION FILED WITH  
25 THE LOFT BOARD PURSUANT TO THIS ARTICLE OR IN A COURT PLEADING AFTER  
26 MARCH ELEVENTH, TWO THOUSAND FOURTEEN, WITHIN NINE MONTHS OF EITHER THE  
27 DATE OF THE INITIAL APPLICATION FOR COVERAGE OR THE DATE OF THE LOFT  
28 BOARD'S ISSUANCE OF AN INTERIM MULTIPLE DWELLING NUMBER OR THE DATE OF  
29 THE SERVICE OF THE PLEADING, WHICHEVER IS EARLIER, and (B) shall take  
30 all reasonable and necessary action to obtain an approved alteration  
31 permit [within twelve months from such effective date] ON OR BEFORE JUNE  
32 TWENTY-FIRST, TWO THOUSAND ELEVEN, or, for units that became subject to  
33 this article pursuant to the chapter of the laws of two thousand thir-  
34 teen which amended this paragraph, [within twelve months of the promul-  
35 gation of all necessary rules and regulations pursuant to section two  
36 hundred eighty-two-a of this article] ON OR BEFORE SEPTEMBER ELEVENTH,  
37 TWO THOUSAND FOURTEEN, OR, FOR UNITS IN AN INTERIM MULTIPLE DWELLING  
38 THAT WERE LISTED ON AN APPLICATION FOR COVERAGE OR REGISTRATION FILED  
39 WITH THE LOFT BOARD PURSUANT TO THIS ARTICLE OR IN A COURT PLEADING  
40 AFTER MARCH ELEVENTH, TWO THOUSAND FOURTEEN, WITHIN TWELVE MONTHS OF  
41 EITHER THE DATE OF THE INITIAL APPLICATION FOR COVERAGE OR THE DATE OF  
42 THE LOFT BOARD'S ISSUANCE OF AN INTERIM MULTIPLE DWELLING NUMBER OR THE  
43 DATE OF THE SERVICE OF THE PLEADING, WHICHEVER IS EARLIER, and (C) shall  
44 achieve compliance with the standards of safety and fire protection set  
45 forth in article seven-B of this chapter for the residential portions of  
46 the building within eighteen months from obtaining such alteration  
47 permit, and (D) shall take all reasonable and necessary action to obtain  
48 a certificate of occupancy as a class A multiple dwelling for the resi-  
49 dential portions of the building or structure [within thirty months from  
50 such effective date] ON OR BEFORE DECEMBER TWENTY-FIRST, TWO THOUSAND  
51 TWELVE, or for units that became subject to this article pursuant to the  
52 chapter of the laws of two thousand thirteen which amended this para-  
53 graph [within thirty months of the promulgation of all necessary rules  
54 and regulations pursuant to section two hundred eighty-two-a of this  
55 article] ON OR BEFORE MARCH ELEVENTH, TWO THOUSAND SIXTEEN, OR, FOR  
56 UNITS IN AN INTERIM MULTIPLE DWELLING THAT WERE LISTED ON AN APPLICATION

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

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

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

17 S 3012-C. PREREQUISITES; CERTIFICATE OF MERIT IN AN EVICTION PROCEED-  
18 ING OR AN ACTION TO DEREGULATE A RENT-REGULATED UNIT. (A) IN ANY  
19 EVICTION PROCEEDING PREMISED UPON ANY GROUND ESTABLISHED BY ARTICLE  
20 SEVEN OF THE REAL PROPERTY ACTIONS AND PROCEEDINGS LAW; OR, IN ANY  
21 ACTION TO DEREGULATE A UNIT THAT IS REGULATED PURSUANT TO THE EMERGENCY  
22 HOUSING RENT CONTROL LAW OF NINETEEN HUNDRED FORTY-SIX, THE LOCAL EMER-  
23 GENCY HOUSING RENT CONTROL ACT OF NINETEEN HUNDRED SIXTY-TWO, THE EMER-  
24 GENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, OR THE ADMINISTRA-  
25 TIVE CODE OF THE CITY OF NEW YORK, THE COMPLAINT SHALL BE ACCOMPANIED BY  
26 A CERTIFICATE OF MERIT. SUCH CERTIFICATE SHALL BE SIGNED BY AN ATTORNEY  
27 FOR THE PLAINTIFF, OR, WHERE THE PLAINTIFF IS NOT REPRESENTED BY COUN-  
28 SEL, BY THE PLAINTIFF, AND SHALL CERTIFY THAT SUCH ATTORNEY OR PLAINTIFF  
29 HAS:

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

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

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

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

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

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

48 (C) IF A PLAINTIFF WILLFULLY FAILS TO PROVIDE A COPY OF THE WRITTEN  
49 LEASE BETWEEN THE PLAINTIFF AND DEFENDANT; IF AN ORAL LEASE, DOCUMENTA-  
50 TION ESTABLISHING DEFENDANT'S TENANCY; WHERE APPLICABLE, THE ANNUAL RENT  
51 REGISTRATION STATEMENT; AND/OR ANY OTHER DOCUMENTATION SUPPORTING THE  
52 ACTION, AS REQUIRED BY SUBDIVISION (B) OF THIS SECTION, AND THE COURT  
53 FINDS, UPON THE MOTION OF ANY PARTY OR ON ITS OWN MOTION ON NOTICE TO  
54 THE PARTIES, THAT SUCH PAPERS AND/OR DOCUMENTS WERE NOT PROVIDED, THE  
55 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

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

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

12 (k) notwithstanding section 13 of part A of chapter 97 of the laws of  
13 2011, the effectiveness of such part shall not be contingent upon the  
14 continuance of subdivision 3 of section 1 of the local emergency rent  
15 control act, sections 26-501, 26-502 and 26-520 of the administrative  
16 code of the city of New York, section 17 of chapter 576 of the laws of  
17 1974 and subdivision 2 of section 1 of chapter 274 of the laws of 1946  
18 constituting the emergency housing rent control law, and section 10 of  
19 chapter 555 of the laws of 1982, amending the general business law and  
20 the administrative code of the city of New York relating to conversions  
21 of residential property to cooperative or condominium ownership in the  
22 city of New York as such laws are continued by chapter 93 of the laws of  
23 2011; and

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