

3364--A

2015-2016 Regular Sessions

I N   S E N A T E

February 5, 2015

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Introduced by Sens. ESPAILLAT, ADDABBO, AVELLA, BRESLIN, DIAZ, GIANARIS, HASSELL-THOMPSON, HOYLMAN, KRUEGER, MONTGOMERY, PARKER, PERALTA, PERKINS, RIVERA, SAMPSON, SAVINO, SERRANO, SQUADRON, STAVISKY, STEWART-COUSINS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to recovery of certain housing accommodations by a landlord (Part A); to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to limiting rent increase after vacancy of a housing accommodation; and 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 (Part B); to amend the emergency tenant protection act of nineteen seventy-four, in relation to limited-profit housing companies and other buildings or structures which received project-based rental assistance (Part C); to amend the local emergency housing rent control act, in relation to rent regulation laws (Part D); to amend chapter 576 of the laws of 1974 amending the emergency housing rent control law relating to the control of and stabilization of rent in certain cases, the emergency housing rent control law, chapter 329 of the laws of 1963 amending the emergency housing rent control law relating to recontrol of rents in Albany, chapter 555 of the laws of 1982 amending the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative or condominium ownership in the city of New York, chapter 402 of the laws of 1983 amending the general business law relating to conversion of rental residential property to cooperative or condominium ownership in certain municipalities in the counties of Nassau, Westchester and Rockland and the rent regulation reform act of 1997, in relation to

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

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extending the effectiveness thereof (Part E); to amend the public housing law, in relation to the definition of "family member"; 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 definition of a tenant (Part F); to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to making conforming technical changes; and to repeal paragraph 13 of subdivision a of section 5 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four, paragraph (n) of subdivision 2 of section 2 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, and section 26-504.2 and subparagraph (k) of paragraph 2 of subdivision e of section 26-403 of the administrative code of the city of New York, relating to vacancy decontrol (Part G); to amend the emergency tenant protection act of nineteen seventy-four and the administrative code of the city of New York, in relation to the regulation of rents (Part H); to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to hardship applications (Part I); to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to extending the length of time over which major capital improvement expenses may be recovered and in relation to approval of major capital improvement rent increases (Part J); 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; and repealing certain provisions of the administrative code of the city of New York relating thereto (Part K); and to amend the administrative code of the city of New York, in relation to surcharges for the installation or use of certain appliances in housing accommodations subject to rent control (Part L)

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

1 Section 1. This act enacts into law major components of legislation  
2 related to rent regulations in the state of New York. Each component is  
3 wholly contained within a Part identified as Parts A through L. The  
4 effective date for each particular provision contained within such Part  
5 is set forth in the last section of such Part. Any provision in any  
6 section contained within a Part, including the effective date of the  
7 Part, which makes reference to a section "of this act", when used in  
8 connection with that particular component, shall be deemed to mean and  
9 refer to the corresponding section of the Part in which it is found.  
10 Section four of this act sets forth the general effective date of this  
11 act.

12 S 2. This act shall be known and may be cited as the "Tenant  
13 Protection Act of 2015".

14 PART A

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

1 (1) The landlord seeks in good faith to recover possession of a hous-  
2 ing accommodation because of immediate and compelling necessity for his  
3 or her own personal use and occupancy AS HIS OR HER PRIMARY RESIDENCE or  
4 for the use and occupancy of his or her immediate family AS THEIR PRIMA-  
5 RY RESIDENCE provided, however, that this subdivision shall PERMIT  
6 RECOVERY OF ONLY ONE HOUSING ACCOMMODATION AND SHALL not apply where a  
7 member of the household lawfully occupying the housing accommodation is  
8 sixty-two years of age or older, has been a tenant in a housing accommo-  
9 dation in that building for twenty years or more, or has an impairment  
10 which results from anatomical, physiological or psychological condi-  
11 tions, other than addiction to alcohol, gambling, or any controlled  
12 substance, which are demonstrable by medically acceptable clinical and  
13 laboratory diagnostic techniques, and which are expected to be permanent  
14 and which prevent the tenant from engaging in any substantial gainful  
15 employment; or

16 S 2. Subparagraph (b) of paragraph 9 of subdivision c of section  
17 26-511 of the administrative code of the city of New York is amended to  
18 read as follows:

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

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

55 a. For cities having a population of less than one million and towns  
56 and villages, the state division of housing and community renewal shall

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

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

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

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

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

7 b. the amendments to section 26-511 of the rent stabilization law of  
8 nineteen hundred sixty-nine made by section two of this act shall expire  
9 on the same date as such law expires and shall not affect the expiration  
10 of such law as provided under section 26-520 of such law;

11 c. the amendments to subdivision a of section 10 of section 4 of the  
12 emergency tenant protection act of nineteen seventy-four made by section  
13 three of this act shall expire on the same date as such act expires and  
14 shall not affect the expiration of such act as provided in section 17 of  
15 chapter 576 of the laws of 1974; and

16 d. the amendments to paragraph (a) of subdivision 2 of section 5 of  
17 the emergency housing rent control law made by section four of this act  
18 shall expire on the same date as such law expires and shall not affect  
19 the expiration of such law as provided in subdivision 2 of section 1 of  
20 chapter 274 of the laws of 1946.

21 PART B

22 Section 1. Paragraph 5-a of subdivision c of section 26-511 of the  
23 administrative code of the city of New York, as amended by section 7 of  
24 part B of chapter 97 of the laws of 2011, is amended to read as follows:

25 (5-a) provides that, notwithstanding any provision of this chapter,  
26 the legal regulated rent for any vacancy lease entered into after the  
27 effective date of this paragraph shall be as hereinafter provided in  
28 this paragraph. [The previous legal regulated rent for such housing  
29 accommodation shall be increased by the following: (i) if the vacancy  
30 lease is for a term of two years, twenty percent of the previous legal  
31 regulated rent; or (ii) if the vacancy lease is for a term of one year  
32 the increase shall be twenty percent of the previous legal regulated  
33 rent less an amount equal to the difference between (a) the two year  
34 renewal lease guideline promulgated by the guidelines board of the city  
35 of New York applied to the previous legal regulated rent and (b) the one  
36 year renewal lease guideline promulgated by the guidelines board of the  
37 city of New York applied to the previous legal regulated rent. In addi-  
38 tion, if] IF the legal regulated rent was not increased with respect to  
39 such housing accommodation by a permanent vacancy allowance within eight  
40 years prior to a vacancy lease executed on or after the effective date  
41 of this paragraph, the legal regulated rent may be [further] increased  
42 by an amount equal to the product resulting from multiplying such previ-  
43 ous legal regulated rent by six-tenths of one percent and further multi-  
44 plying the amount of rent increase resulting therefrom by the greater of  
45 (A) the number of years since the imposition of the last permanent  
46 vacancy allowance, or (B) if the rent was not increased by a permanent  
47 vacancy allowance since the housing accommodation became subject to this  
48 chapter, the number of years that such housing accommodation has been  
49 subject to this chapter. Provided that if the previous legal regulated  
50 rent was less than three hundred dollars the total increase shall be as  
51 calculated above plus one hundred dollars per month. Provided, further,  
52 that if the previous legal regulated rent was at least three hundred  
53 dollars and no more than five hundred dollars in no event shall the  
54 total increase pursuant to this paragraph be less than one hundred

1 dollars per month. Such increase shall be [in lieu of any allowance  
2 authorized for the one or two year renewal component thereof, but shall  
3 be] in addition to any other increases authorized pursuant to this chap-  
4 ter including an adjustment based upon a major capital improvement, or a  
5 substantial modification or increase of dwelling space or services, or  
6 installation of new equipment or improvements or new furniture or  
7 furnishings provided in or to the housing accommodation pursuant to this  
8 section. The increase authorized in this paragraph may not be imple-  
9 mented more than one time in any calendar year, notwithstanding the  
10 number of vacancy leases entered into in such year, AND MAY NOT BE  
11 IMPLEMENTED WITHOUT THE LANDLORD PROVIDING TO THE NEW TENANT AN ITEMIZED  
12 COST ACCOUNTING OF ALL IMPROVEMENTS CLAIMED AS PART OF SUCH INCREASE AND  
13 COPIES OF THE CORRESPONDING RECEIPTS WITH THE LEASE AGREEMENT.

14 S 2. Subdivision (a-1) of section 10 of section 4 of chapter 576 of  
15 the laws of 1974, constituting the emergency tenant protection act of  
16 nineteen seventy-four, as amended by section 8 of part B of chapter 97  
17 of the laws of 2011, is amended to read as follows:

18 (a-1) provides that, notwithstanding any provision of this act, the  
19 legal regulated rent for any vacancy lease entered into after the effec-  
20 tive date of this subdivision shall be as hereinafter set forth. [The  
21 previous legal regulated rent for such housing accommodation shall be  
22 increased by the following: (i) if the vacancy lease is for a term of  
23 two years, twenty percent of the previous legal regulated rent; or (ii)  
24 if the vacancy lease is for a term of one year the increase shall be  
25 twenty percent of the previous legal regulated rent less an amount equal  
26 to the difference between (a) the two year renewal lease guideline  
27 promulgated by the guidelines board of the county in which the housing  
28 accommodation is located applied to the previous legal regulated rent  
29 and (b) the one year renewal lease guideline promulgated by the guide-  
30 lines board of the county in which the housing accommodation is located  
31 applied to the previous legal regulated rent. In addition, if] IF the  
32 legal regulated rent was not increased with respect to such housing  
33 accommodation by a permanent vacancy allowance within eight years prior  
34 to a vacancy lease executed on or after the effective date of this  
35 subdivision, the legal regulated rent may be [further] increased by an  
36 amount equal to the product resulting from multiplying such previous  
37 legal regulated rent by six-tenths of one percent and further multiply-  
38 ing the amount of rent increase resulting therefrom by the greater of  
39 (A) the number of years since the imposition of the last permanent  
40 vacancy allowance, or (B) if the rent was not increased by a permanent  
41 vacancy allowance since the housing accommodation became subject to this  
42 act, the number of years that such housing accommodation has been  
43 subject to this act. Provided that if the previous legal regulated rent  
44 was less than three hundred dollars the total increase shall be as  
45 calculated above plus one hundred dollars per month. Provided, further,  
46 that if the previous legal regulated rent was at least three hundred  
47 dollars and no more than five hundred dollars in no event shall the  
48 total increase pursuant to this subdivision be less than one hundred  
49 dollars per month. Such increase shall be [in lieu of any allowance  
50 authorized for the one or two year renewal component thereof, but shall  
51 be] in addition to any other increases authorized pursuant to this act  
52 including an adjustment based upon a major capital improvement, or a  
53 substantial modification or increase of dwelling space or services, or  
54 installation of new equipment or improvements or new furniture or  
55 furnishings provided in or to the housing accommodation pursuant to  
56 section six of this act. The increase authorized in this subdivision may

not be implemented more than one time in any calendar year, notwithstanding the number of vacancy leases entered into in such year, AND MAY NOT BE IMPLEMENTED WITHOUT THE LANDLORD PROVIDING TO THE NEW TENANT AN ITEMIZED COST ACCOUNTING OF ALL IMPROVEMENTS CLAIMED AS PART OF SUCH INCREASE AND COPIES OF THE CORRESPONDING RECEIPTS WITH THE LEASE AGREEMENT.

S 3. 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 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] ONE-EIGHTY-FOURTH, 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, 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, WITH AN ADJUSTMENT, IN BOTH CASES, BEING NO MORE THAN TWENTY PERCENT OF THE CURRENT RENT, provided further that an owner who is entitled to a rent increase pursuant to this subparagraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings. The owner shall give written notice to the city rent agency of any such adjustment pursuant to this subparagraph; or

S 4. 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. 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] ONE-EIGHTY-FOURTH, 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, 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, PROVIDED, HOWEVER, THAT IN BOTH CASES, THE PERMANENT INCREASE IS NO MORE THAN TWENTY PERCENT OF THE CURRENT LEGAL REGULATED RENT. 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 5. Paragraph 1 of subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection

1 act of nineteen seventy-four, as amended by section 18 of part B of  
2 chapter 97 of the laws of 2011, is amended to read as follows:

3 (1) there has been a substantial modification or increase of dwelling  
4 space or an increase in the services, or installation of new equipment  
5 or improvements or new furniture or furnishings, provided in or to a  
6 tenant's housing accommodation, on written tenant consent to the rent  
7 increase. In the case of a vacant housing accommodation, tenant consent  
8 shall not be required. The permanent increase in the legal regulated  
9 rent for the affected housing accommodation shall be one-fortieth, in  
10 the case of a building with thirty-five or fewer housing accommodations,  
11 or [one-sixtieth] ONE-EIGHTY-FOURTH, in the case of a building with more  
12 than thirty-five housing accommodations where such permanent increase  
13 takes effect on or after September twenty-fourth, two thousand eleven,  
14 of the total cost incurred by the landlord in providing such modifica-  
15 tion or increase in dwelling space, services, furniture, furnishings or  
16 equipment, including the cost of installation, but excluding finance  
17 charges, PROVIDED, HOWEVER, THAT IN BOTH CASES, THE PERMANENT INCREASE  
18 IS NO MORE THAN TWENTY PERCENT OF THE CURRENT LEGAL REGULATED RENT.  
19 Provided further that an owner who is entitled to a rent increase pursu-  
20 ant to this paragraph shall not be entitled to a further rent increase  
21 based upon the installation of similar equipment, or new furniture or  
22 furnishings within the useful life of such new equipment, or new furni-  
23 ture or furnishings.

24 S 6. Clause 5 of the second undesignated paragraph of paragraph (a) of  
25 subdivision 4 of section 4 of chapter 274 of the laws of 1946, consti-  
26 tuting the emergency housing rent control law, as amended by section 25  
27 of part B of chapter 97 of the laws of 2011, is amended to read as  
28 follows:

29 (5) the landlord and tenant by mutual voluntary written agreement  
30 agree to a substantial increase or decrease in dwelling space or a  
31 change in the services, furniture, furnishings or equipment provided in  
32 the housing accommodations; provided that an owner shall be entitled to  
33 a rent increase where there has been a substantial modification or  
34 increase of dwelling space or an increase in the services, or installa-  
35 tion of new equipment or improvements or new furniture or furnishings  
36 provided in or to a tenant's housing accommodation. The permanent  
37 increase in the maximum rent for the affected housing accommodation  
38 shall be one-fortieth, in the case of a building with thirty-five or  
39 fewer housing accommodations, or [one-sixtieth] ONE-EIGHTY-FOURTH, in  
40 the case of a building with more than thirty-five housing accommodations  
41 where such permanent increase takes effect on or after September twen-  
42 ty-fourth, two thousand eleven, of the total cost incurred by the land-  
43 lord in providing such modification or increase in dwelling space,  
44 services, furniture, furnishings or equipment, including the cost of  
45 installation, but excluding finance charges, PROVIDED, HOWEVER, THAT IN  
46 BOTH CASES, THE PERMANENT INCREASE IS NO MORE THAN TWENTY PERCENT OF THE  
47 CURRENT RENT, AND provided further that an owner who is entitled to a  
48 rent increase pursuant to this clause shall not be entitled to a further  
49 rent increase based upon the installation of similar equipment, or new  
50 furniture or furnishings within the useful life of such new equipment,  
51 or new furniture or furnishings. The owner shall give written notice to  
52 the commission of any such adjustment pursuant to this clause; or

53 S 7. This act shall take effect immediately; provided that:

54 a. the amendments to section 26-511 of chapter 4 of title 26 of the  
55 administrative code of the city of New York made by sections one and  
56 four of this act shall expire on the same date as such law expires and



shall not affect the expiration of such law as provided under section 26-520 of such law;

b. the amendments to sections 10 and 6 of the emergency tenant protection act of nineteen seventy-four made by sections two and 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 section 26-405 of the city rent and rehabilitation law made by section three 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; and

d. the amendments to section 4 of the emergency housing rent control law made by section six of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided in subdivision 2 of section 1 of chapter 274 of the laws of 1946.

#### PART C

Section 1. Legislative findings and declaration of emergency. The legislature hereby finds and declares that the serious public emergency which led to the enactment of the existing laws regulating residential rents and evictions continues to exist; that such laws would better serve the public interest if certain changes were made thereto, including extending to certain cities, towns and villages the authority to provide for the regulation of rents and evictions with regard to housing accommodations that cease or have ceased to be regulated pursuant to article 2 of the private housing finance law, known as the Mitchell-Lama law, or pursuant to project-based section eight contracts entered into with the federal government.

The legislature further recognizes that severe disruption of the rental housing market has occurred and threatens to be exacerbated as a result of the abrupt termination of rent and eviction regulation when buildings completed or substantially renovated as family units on or after January first, nineteen hundred seventy-four exit the Mitchell-Lama program or when buildings cease to be subject to project-based section eight contracts. The situation had permitted speculative and profiteering practices and has brought about the loss of vital and irreplaceable affordable housing for working persons and families.

The legislature therefore declares that in order to prevent uncertainty, potential hardship and dislocation of tenants living in housing accommodations subject to government regulations as to rentals and continued occupancy as well as those not subject to such regulations, the provisions of this act are necessary to protect the public health, safety and general welfare. The necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

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

C. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, NOTHING SHALL PREVENT THE DECLARATION OF AN EMERGENCY PURSUANT TO SECTION THREE OF THIS ACT FOR RENTAL HOUSING ACCOMMODATIONS LOCATED IN BUILDINGS OR STRUCTURES WHICH WERE OWNED BY A COMPANY ESTABLISHED UNDER ARTICLE TWO

1 OF THE PRIVATE HOUSING FINANCE LAW, OTHER THAN A MUTUAL COMPANY, WHICH  
2 ARE NO LONGER OWNED BY SUCH COMPANY BY REASON OF A VOLUNTARY DISSOLUTION  
3 PURSUANT TO SECTION THIRTY-FIVE OF SUCH LAW OR FOR RENTAL HOUSING ACCOM-  
4 MODATIONS LOCATED IN BUILDINGS OR STRUCTURES DEFINED AS COVERED PROJECTS  
5 PURSUANT TO SECTION 8 OF THE UNITED STATES HOUSING ACT OF NINETEEN THIR-  
6 TY-SEVEN, AS AMENDED, OR ANY SUCCESSOR STATUTE, AND ANY REGULATIONS  
7 PROMULGATED THEREUNDER IN WHICH RENTAL HOUSING ACCOMMODATIONS RECEIVED  
8 PROJECT-BASED RENTAL ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF  
9 HOUSING AND URBAN DEVELOPMENT PURSUANT TO CONTRACTS WITH THE OWNERS OF  
10 SUCH BUILDINGS OR STRUCTURES WHICH EXPIRED OR WERE TERMINATED. THE  
11 INITIAL LEGAL REGULATED RENT FOR HOUSING ACCOMMODATIONS LOCATED IN  
12 BUILDINGS OR STRUCTURES THAT WERE OWNED BY HOUSING COMPANIES OR THAT  
13 WERE COVERED PROJECTS PREVIOUSLY REGULATED UNDER THE PRIVATE HOUSING  
14 FINANCE LAW OR UNDER FEDERAL LAW, SHALL BE THE RENT CHARGED TO AND PAID  
15 BY THE TENANT IN OCCUPANCY ONE HUNDRED EIGHTY DAYS PRIOR TO THE EFFEC-  
16 TIVE DATE OF A CHAPTER OF THE LAWS OF TWO THOUSAND FIFTEEN WHICH ADDED  
17 THIS SUBDIVISION OR, FOR ACCOMMODATIONS VACANT ON SUCH DATE, THE MOST  
18 RECENT RENT CHARGED TO AND PAID BY A TENANT PRIOR TO SUCH DATE, INCLUD-  
19 ING ANY INCOME-RELATED SURCHARGES, AS ADJUSTED BY ALL APPLICABLE GUIDE-  
20 LINES INCREASES AND OTHER INCREASES AUTHORIZED BY LAW. THE PROVISIONS OF  
21 SUBDIVISION A OF SECTION NINE OF THIS ACT OR OF SUBDIVISION A OF SECTION  
22 26-513 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK SHALL NOT  
23 APPLY TO ANY HOUSING ACCOMMODATION WHICH BECAME SUBJECT TO THIS ACT  
24 PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION.

25 S 3. Notwithstanding any provision of law to the contrary, in a city  
26 having a population of one million or more, the New York city rent  
27 stabilization law of nineteen hundred sixty-nine may be amended by local  
28 law or ordinance to provide for the regulation of rents and evictions  
29 and the enforcement of such rent stabilization law with regard to hous-  
30 ing accommodations made subject to such law by a declaration of emergen-  
31 cy made pursuant to this act.

32 S 4. This act shall take effect immediately and shall apply to housing  
33 accommodations located in buildings or structures owned by housing  
34 companies that dissolved on, before or after such date and to housing  
35 accommodations in buildings or structures that were covered projects and  
36 had contracts for rental assistance that expired or were terminated on,  
37 before or after such date; provided that the amendments to section 5 of  
38 the emergency tenant protection act of nineteen seventy-four made by  
39 section two of this act shall expire on the same date as such act  
40 expires and shall not affect the expiration of such act as provided in  
41 section 17 of chapter 576 of the laws of 1974.

#### 42 PART D

43 Section 1. Subdivision 5 of section 1 of chapter 21 of the laws of  
44 1962, constituting the local emergency housing rent control act, as  
45 amended by chapter 82 of the laws of 2003 and the closing paragraph as  
46 amended by chapter 422 of the laws of 2010, is amended to read as  
47 follows:

48 5. Authority for local rent control legislation. Each city having a  
49 population of one million or more, acting through its local legislative  
50 body, may adopt and amend local laws or ordinances in respect of the  
51 establishment or designation of a city housing rent agency. When it  
52 deems such action to be desirable or necessitated by local conditions in  
53 order to carry out the purposes of this section, such city, except as  
54 hereinafter provided, acting through its local legislative body and not

1 otherwise, may adopt and amend local laws or ordinances in respect of  
2 the regulation and control of residential rents, including but not  
3 limited to provision for the establishment and adjustment of maximum  
4 rents, the classification of housing accommodations, the regulation of  
5 evictions, and the enforcement of such local laws or ordinances. The  
6 validity of any such local laws or ordinances, and the rules or regu-  
7 lations promulgated in accordance therewith, shall not be affected by  
8 and need not be consistent with the state emergency housing rent control  
9 law or with rules and regulations of the state division of housing and  
10 community renewal.

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

40 The term "immediate family" shall include a husband, wife, son, daugh-  
41 ter, stepson, stepdaughter, father, mother, father-in-law or mother-in-  
42 law.

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

55 Notwithstanding any other provision of law, on and after the effective  
56 date of this paragraph, a city having a population of one million or

1 more shall not, either through its local legislative body or otherwise,  
2 adopt or amend local laws or ordinances with respect to the regulation  
3 and control of residential rents and eviction, including but not limited  
4 to provision for the establishment and adjustment of rents, the classi-  
5 fication of housing accommodations, the regulation of evictions, and the  
6 enforcement of such local laws or ordinances, or otherwise adopt laws or  
7 ordinances pursuant to the provisions of this act, the emergency tenant  
8 protection act of nineteen seventy-four, the New York city rent and  
9 rehabilitation law or the New York city rent stabilization law, except  
10 to the extent that such city for the purpose of reviewing the continued  
11 need for the existing regulation and control of residential rents or to  
12 remove a classification of housing accommodation from such regulation  
13 and control adopts or amends local laws or ordinances pursuant to subdi-  
14 vision three of section one of this act, section three of the emergency  
15 tenant protection act of nineteen seventy-four, section 26-415 of the  
16 New York city rent and rehabilitation law, and sections 26-502 and  
17 26-520 of the New York city rent stabilization law of nineteen hundred  
18 sixty-nine.]

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

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

52 S 2. This act shall take effect immediately; provided, however, that:

53 a. the amendments to subdivision 5 of section 1 of chapter 21 of the  
54 laws of 1962 made by section one of this act shall remain in full force  
55 and effect only so long as the public emergency requiring the regulation  
56 and control of residential rents and evictions continues, as provided in

subdivision 3 of section 1 of the local emergency housing rent control act; and

b. the amendment to the second undesignated paragraph of subdivision 5 of section 1 of chapter 21 of the laws of 1962 made by section one of this act shall not affect the expiration of such paragraph and shall be deemed to expire therewith.

#### PART E

Section 1. Section 17 of chapter 576 of the laws of 1974 amending the emergency housing rent control law relating to the control of and stabilization of rent in certain cases, as amended by section 1-a of part B of chapter 97 of the laws of 2011, is amended to read as follows:

S 17. Effective date. This act shall take effect immediately and shall remain in full force and effect until and including the fifteenth day of June [2015] 2017; except that sections two and three shall take effect with respect to any city having a population of one million or more and section one shall take effect with respect to any other city, or any town or village whenever the local legislative body of a city, town or village determines the existence of a public emergency pursuant to section three of the emergency tenant protection act of nineteen seventy-four, as enacted by section four of this act, and provided that the housing accommodations subject on the effective date of this act to stabilization pursuant to the New York city rent stabilization law of nineteen hundred sixty-nine shall remain subject to such law upon the expiration of this act.

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

2. The provisions of this act, and all regulations, orders and requirements thereunder shall remain in full force and effect until and including June 15, [2015] 2017.

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

S 2. This act shall take effect immediately and the provisions of subdivision 6 of section 12 of the emergency housing rent control law, as added by this act, shall remain in full force and effect until and including June 15, [2015] 2017.

S 4. Section 10 of chapter 555 of the laws of 1982 amending the general business law and the administrative code of the city of New York relating to conversion of residential property to cooperative or condominium ownership in the city of New York, as amended by section 4 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

S 10. This act shall take effect immediately; provided, that the provisions of sections one, two and nine of this act shall remain in full force and effect only until and including June 15, [2015] 2017; provided further that the provisions of section three of this act shall remain in full force and effect only so long as the public emergency requiring the regulation and control of residential rents and evictions continues as provided in subdivision 3 of section 1 of the local emergency housing rent control act; provided further that the provisions of sections four, five, six and seven of this act shall expire in accordance with the provisions of section 26-520 of the administrative code of

1 the city of New York as such section of the administrative code is, from  
2 time to time, amended; provided further that the provisions of section  
3 26-511 of the administrative code of the city of New York, as amended by  
4 this act, which the New York City Department of Housing Preservation and  
5 Development must find are contained in the code of the real estate  
6 industry stabilization association of such city in order to approve it,  
7 shall be deemed contained therein as of the effective date of this act;  
8 and provided further that any plan accepted for filing by the department  
9 of law on or before the effective date of this act shall continue to be  
10 governed by the provisions of section 352-eeee of the general business  
11 law as they had existed immediately prior to the effective date of this  
12 act.

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

18 S 4. This act shall take effect immediately; provided, that the  
19 provisions of sections one and three of this act shall remain in full  
20 force and effect only until and including June 15, [2015] 2017; and  
21 provided further that any plan accepted for filing by the department of  
22 law on or before the effective date of this act shall continue to be  
23 governed by the provisions of section 352-eee of the general business  
24 law as they had existed immediately prior to the effective date of this  
25 act.

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

30 6. sections twenty-eight, twenty-eight-a, twenty-eight-b and twenty-  
31 eight-c of this act shall expire and be deemed repealed after June 15,  
32 [2015] 2017;

33 S 7. This act shall take effect immediately.

34

#### PART F

35 Section 1. Paragraph (c) of subdivision 4 of section 14 of the public  
36 housing law, as added by chapter 116 of the laws of 1997, is amended to  
37 read as follows:

38 (c) that for the purposes of such regulations: (i) "family member"  
39 shall be defined as a husband, wife, son, daughter, stepson, stepdaught-  
40 er, father, mother, stepfather, stepmother, brother, sister, UNCLE,  
41 AUNT, NEPHEW, NIECE, grandfather, grandmother, grandson, granddaughter,  
42 daughter-in-law, son-in-law, mother-in-law or father-in-law of the  
43 tenant; or any other person residing with the tenant in the housing  
44 accommodation as a primary residence who can prove emotional and finan-  
45 cial commitment, and interdependence between such person and the tenant.  
46 Although no single factor shall be solely determinative, evidence which  
47 is to be considered in determining whether such emotional and financial  
48 commitment and interdependence existed, may include, without limitation,  
49 such factors as listed below. In no event would evidence of a sexual  
50 relationship between such persons be required or considered.

51 (A) longevity of the relationship;

52 (B) sharing of or relying upon each other for payment of household or  
53 family expenses, or other common necessities of life;

1 (C) intermingling of finances as evidenced by, among other things,  
2 joint ownership of bank accounts, personal and real property, credit  
3 cards, loan obligations, sharing a household budget for purposes of  
4 receiving government benefits, or such other factors as may be deter-  
5 mined by regulation;

6 (D) engaging in family-type activities by jointly attending family  
7 functions, holidays and celebrations, social and recreational activ-  
8 ities, or such other factors as may be determined by regulation;

9 (E) formalizing of legal obligations, intentions, and responsibilities  
10 to each other by such means as executing wills naming each other as  
11 executor or beneficiary, conferring upon each other a power of attorney  
12 or authority to make health care decisions each for the other, entering  
13 into a personal relationship contract, making a domestic partnership  
14 declaration, or serving as a representative payee for purposes of public  
15 benefits, or such other factors as may be determined by regulation;

16 (F) holding themselves out as family members to other family members,  
17 friends, members of the community or religious institutions, or society  
18 in general, through their words or actions;

19 (G) regularly performing family functions, such as caring for each  
20 other or each other's extended family members, or relying upon each  
21 other for daily family services;

22 (H) engaging in any other pattern of behavior, agreement, or other  
23 action which evidences the intention of creating a long-term, emotional-  
24 ly-committed relationship.

25 (ii) a "senior citizen" is defined as a person who is sixty-two years  
26 of age or older;

27 (iii) a "disabled person" is defined as a person who has an impairment  
28 which results from anatomical, physiological or psychological condi-  
29 tions, other than addiction to alcohol, gambling, or any controlled  
30 substance, which are demonstrable by medically acceptable clinical and  
31 laboratory diagnostic techniques, and which are expected to be permanent  
32 and which substantially limit one or more of such person's major life  
33 activities.

34 S 2. Subdivision m of section 26-403 of the administrative code of the  
35 city of New York is amended to read as follows:

36 m. "Tenant." A tenant, subtenant, lessee, sublessee, or other person  
37 entitled to the possession or to the use or occupancy of any housing  
38 accommodation. THE TERM TENANT SHALL BE DEEMED TO INCLUDE A CHILD  
39 (REGARDLESS OF AGE) WHO HAS RESIDED WITH HIS OR HER PARENT FOR TWO YEARS  
40 OR MORE IN A HOUSING ACCOMMODATION SUBJECT TO THE PROVISIONS OF THIS  
41 CHAPTER AND OF WHICH SUCH PARENT IS A TENANT.

42 S 3. The administrative code of the city of New York is amended by  
43 adding a new section 26-504.4 to read as follows:

44 S 26-504.4 TENANT; DEFINITION. FOR THE PURPOSES OF THIS CHAPTER, THE  
45 TERM TENANT SHALL BE DEEMED TO INCLUDE A CHILD (REGARDLESS OF AGE) WHO  
46 HAS RESIDED WITH HIS OR HER PARENT FOR TWO YEARS OR MORE IN A HOUSING  
47 ACCOMMODATION SUBJECT TO THE PROVISIONS OF THIS CHAPTER AND OF WHICH  
48 SUCH PARENT IS A TENANT.

49 S 4. Section 14 of section 4 of chapter 576 of the laws of 1974,  
50 constituting the emergency tenant protection act of nineteen seventy-  
51 four, is renumbered section 15 and a new section 14 is added to read as  
52 follows:

53 S 14. TENANT; DEFINITION. FOR THE PURPOSES OF THIS ACT, THE TERM  
54 TENANT SHALL BE DEEMED TO INCLUDE A CHILD (REGARDLESS OF AGE) WHO HAS  
55 RESIDED WITH HIS OR HER PARENT FOR TWO YEARS OR MORE IN A HOUSING ACCOM-

MODATION SUBJECT TO THE PROVISIONS OF THIS ACT AND OF WHICH SUCH PARENT IS A TENANT.

S 5. This act shall take effect immediately, provided that the amendment to section 26-403 of the city rent and rehabilitation law made by section two of this act shall remain in full force and effect only so long as the public emergency requiring the regulation and control of residential rents and evictions continues, as provided in subdivision 3 of section 1 of the local emergency housing rent control act and provided further that section 26-504.4 of the rent stabilization law of nineteen hundred sixty-nine, as added by section three of this act, shall expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law, as amended, and provided further that section 15 of the emergency tenant protection act of nineteen seventy-four, as added by section four of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974, as amended.

## PART G

Section 1. Legislative findings and declaration of emergency. The legislature hereby finds and declares that the serious public emergency which led to the enactment of the existing laws regulating residential rents and evictions continues to exist; that such laws would better serve the public interest if certain changes were made thereto, including the continued regulation of certain housing accommodations that become vacant and the reinstatement of regulation of certain housing accommodations that have been deregulated upon vacancy.

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

The legislature therefore declares that in order to prevent uncertainty, potential hardship and dislocation of tenants living in housing accommodations subject to government regulations as to rentals and continued occupancy as well as those not subject to such regulation, the provisions of this act are necessary to protect the public health, safety and general welfare. The necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

S 2. 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 3. 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 4. 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 5. Section 26-504.2 of the administrative code of the city of New York is REPEALED.

S 6. 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



1 control law or the administrative code of the city of New York pursuant  
2 to the provisions of law repealed by sections two, three, four and five  
3 of this act, and where such housing accommodations were located outside  
4 the city of New York and were rented to a tenant between January 1, 2013  
5 and the effective date of this act for less than \$3,500.00 per month  
6 regardless of any subsequent payment of a higher monthly rent, or were  
7 located within the city of New York and were rented to a tenant between  
8 January 1, 2013 and the effective date of this act for less than  
9 \$5,000.00 per month, regardless of any subsequent payment of a higher  
10 monthly rent, shall be subject to the provisions of such act, law or  
11 administrative code, respectively. Notwithstanding the provisions of  
12 any lease or rental agreement, the legal regulated rent or maximum  
13 collectible rent of any housing accommodation excluded from regulation  
14 prior to the effective date of this act by reason of the provisions  
15 repealed by sections two, three, four and five of this act and made  
16 subject to regulation shall be the actual rent paid by a tenant on  
17 December 31, 2014 or, if no rent was paid for such accommodation on  
18 December 31, 2014, the most recent actual rent paid by a tenant for such  
19 accommodation prior to December 31, 2014, subject to further adjustment  
20 in accordance with applicable provisions of law.

21 S 7. Paragraph 14 of subdivision c of section 26-511 of the adminis-  
22 trative code of the city of New York, as amended by section 14 of part B  
23 of chapter 97 of the laws of 2011, is amended to read as follows:

24 (14) provides that where the amount of rent charged to and paid by the  
25 tenant is less than the legal regulated rent for the housing accommo-  
26 dation, the amount of rent for such housing accommodation which may be  
27 charged upon renewal or upon vacancy thereof may, at the option of the  
28 owner, be based upon such previously established legal regulated rent,  
29 as adjusted by the most recent applicable guidelines increases and any  
30 other increases authorized by law. [Where, subsequent to vacancy, such  
31 legal regulated rent, as adjusted by the most recent applicable guide-  
32 lines increases and any other increases authorized by law is two thou-  
33 sand dollars or more per month or, for any housing accommodation which  
34 is or becomes vacant on or after the effective date of the rent act of  
35 2011, is two thousand five hundred dollars or more per month, such hous-  
36 ing accommodation shall be excluded from the provisions of this law  
37 pursuant to section 26-504.2 of this chapter.]

38 S 8. Subdivision (a-2) of section 10 of section 4 of chapter 576 of  
39 the laws of 1974 constituting the emergency tenant protection act of  
40 nineteen seventy-four, as amended by section 13 of part B of chapter 97  
41 of the laws of 2011, is amended to read as follows:

42 (a-2) Provides that where the amount of rent charged to and paid by  
43 the tenant is less than the legal regulated rent for the housing accom-  
44 modation, 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 other  
48 increases authorized by law. [Where, subsequent to vacancy, such legal  
49 regulated rent, as adjusted by the most recent applicable guidelines  
50 increases and any other increases authorized by law is two thousand  
51 dollars or more per month or, for any housing accommodation which is or  
52 becomes vacant on or after the effective date of the rent act of 2011,  
53 is two thousand five hundred dollars or more per month, such housing  
54 accommodation shall be excluded from the provisions of this act pursuant  
55 to paragraph thirteen of subdivision a of section five of this act.]

56 S 9. This act shall take effect immediately; provided, however, that:

(a) the amendments to section 26-511 of chapter 4 of title 26 of the administrative code of the city of New York made by section seven of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law; and

(b) the amendments to subdivision (a-2) of section 10 of section 4 of the emergency tenant protection act of nineteen seventy-four made by section eight 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.

#### PART H

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

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

S 2. Paragraph 14 of subdivision c of section 26-511 of the administrative code of the city of New York, as amended by section 14 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

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

month, such housing accommodation shall be excluded from the provisions of this law pursuant to section 26-504.2 of this chapter.]

S 3. This act shall take effect immediately; provided, however, that the amendments to section 10 of the emergency tenant protection act of nineteen seventy-four made by section one 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; and provided, further, that the amendments to section 26-511 of the rent stabilization law of nineteen hundred sixty-nine made by section two of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law.

## PART I

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

(6-a) provides criteria whereby as an alternative to the hardship application provided under paragraph six of this subdivision owners of buildings acquired by the same owner or a related entity owned by the same principals [three] SIX years prior to the date of application may apply to the division for increases in excess of the level of applicable guideline increases established under this law based on a finding by the commissioner that such guideline increases are not sufficient to enable the owner to maintain an annual gross rent income for such building which exceeds the annual operating expenses of such building by a sum equal to at least five percent of such gross rent. For the purposes of this paragraph, operating expenses shall consist of the actual, reasonable, costs of fuel, labor, utilities, taxes, other than income or corporate franchise taxes, fees, permits, necessary contracted services and non-capital repairs, insurance, parts and supplies, management fees and other administrative costs and mortgage interest. For the purposes of this paragraph, mortgage interest shall be deemed to mean interest on a bona fide mortgage including an allocable portion of charges related thereto. Criteria to be considered in determining a bona fide mortgage other than an institutional mortgage shall include; condition of the property, location of the property, the existing mortgage market at the time the mortgage is placed, the term of the mortgage, the amortization rate, the principal amount of the mortgage, security and other terms and conditions of the mortgage. The commissioner shall set a rental value for any unit occupied by the owner or a person related to the owner or unoccupied at the owner's choice for more than one month at the last regulated rent plus the minimum number of guidelines increases or, if no such regulated rent existed or is known, the commissioner shall impute a rent consistent with other rents in the building. The amount of hardship increase shall be such as may be required to maintain the annual gross rent income as provided by this paragraph. The division shall not grant a hardship application under this paragraph or paragraph six of this subdivision for a period of three years subsequent to granting a hardship application under the provisions of this paragraph. The collection of any increase in the rent for any housing accommodation pursuant to this paragraph shall not exceed six percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to

1 the rent as established or set in future years. No application shall be  
2 approved unless the owner's equity in such building exceeds five percent  
3 of: (i) the arms length purchase price of the property; (ii) the cost of  
4 any capital improvements for which the owner has not collected a  
5 surcharge; (iii) any repayment of principal of any mortgage or loan used  
6 to finance the purchase of the property or any capital improvements for  
7 which the owner has not collected a surcharge and (iv) any increase in  
8 the equalized assessed value of the property which occurred subsequent  
9 to the first valuation of the property after purchase by the owner. For  
10 the purposes of this paragraph, owner's equity shall mean the sum of (i)  
11 the purchase price of the property less the principal of any mortgage or  
12 loan used to finance the purchase of the property, (ii) the cost of any  
13 capital improvement for which the owner has not collected a surcharge  
14 less the principal of any mortgage or loan used to finance said improve-  
15 ment, (iii) any repayment of the principal of any mortgage or loan used  
16 to finance the purchase of the property or any capital improvement for  
17 which the owner has not collected a surcharge, and (iv) any increase in  
18 the equalized assessed value of the property which occurred subsequent  
19 to the first valuation of the property after purchase by the owner.

20 S 2. Paragraph 5 of subdivision d of section 6 of section 4 of chapter  
21 576 of the laws of 1974 enacting the emergency tenant protection act of  
22 nineteen seventy-four, as amended by chapter 102 of the laws of 1984, is  
23 amended to read as follows:

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

1 increase in the rent for any housing accommodation pursuant to this  
2 paragraph shall not exceed six percent in any year from the effective  
3 date of the order granting the increase over the rent set forth in the  
4 schedule of gross rents, with collectability of any dollar excess above  
5 said sum to be spread forward in similar increments and added to the  
6 rent as established or set in future years. No application shall be  
7 approved unless the owner's equity in such building exceeds five percent  
8 of: (i) the arms length purchase price of the property; (ii) the cost of  
9 any capital improvements for which the owner has not collected a  
10 surcharge; (iii) any repayment of principal of any mortgage or loan used  
11 to finance the purchase of the property or any capital improvements for  
12 which the owner has not collected a surcharge; and (iv) any increase in  
13 the equalized assessed value of the property which occurred subsequent  
14 to the first valuation of the property after purchase by the owner. For  
15 the purposes of this paragraph, owner's equity shall mean the sum of (i)  
16 the purchase price of the property less the principal of any mortgage or  
17 loan used to finance the purchase of the property, (ii) the cost of any  
18 capital improvement for which the owner has not collected a surcharge  
19 less the principal of any mortgage or loan used to finance said improve-  
20 ment, (iii) any repayment of the principal of any mortgage or loan used  
21 to finance the purchase of the property or any capital improvement for  
22 which the owner has not collected a surcharge, and (iv) any increase in  
23 the equalized assessed value of the property which occurred subsequent  
24 to the first valuation of the property after purchase by the owner.

25 S 3. This act shall take effect immediately; provided that:

26 a. the amendments to section 26-511 of chapter 4 of title 26 of the  
27 administrative code of the city of New York made by section one of this  
28 act shall expire on the same date as such law expires and shall not  
29 affect the expiration of such law as provided under section 26-520 of  
30 such law; and

31 b. the amendments to section 6 of the emergency tenant protection act  
32 of nineteen seventy-four made by section two of this act shall expire on  
33 the same date as such act expires and shall not affect the expiration of  
34 such act as provided in section 17 of chapter 576 of the laws of 1974.

35 PART J

36 Section 1. Subparagraph (g) of paragraph 1 of subdivision g of section  
37 26-405 of the administrative code of the city of New York, as amended by  
38 chapter 749 of the laws of 1990, is amended to read as follows:

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

42 (II) There has been since July first, nineteen hundred seventy, a  
43 major capital improvement [required for the operation, preservation or  
44 maintenance of the structure. An adjustment under this subparagraph (g)  
45 shall be in an amount sufficient to amortize the cost of the improve-  
46 ments pursuant to this subparagraph (g) over a seven-year period];  
47 PROVIDED THAT THE COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED  
48 DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE  
49 REQUIRED FOR THE OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUC-  
50 TURE. THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE  
51 COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPA-  
52 RATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY  
53 OTHER ADJUSTMENT TO THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH  
54 APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT

1 DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING,  
2 AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED  
3 THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT  
4 EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY  
5 THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS  
6 RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND  
7 COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDI-  
8 TIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE  
9 EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT  
10 LIMITATION DID NOT APPLY; or

11 S 2. Paragraph 1 of subdivision g of section 26-405 of the administra-  
12 tive code of the city of New York is amended by adding a new subpara-  
13 graph (p) to read as follows:

14 (P) NOTWITHSTANDING SUBPARAGRAPH (G) OR (K) OF THIS PARAGRAPH, THERE  
15 SHALL BE NO ADJUSTMENT FOR ANY MAJOR CAPITAL IMPROVEMENT OR FOR ANY  
16 OTHER EXPENDITURES TO IMPROVE, RESTORE OR PRESERVE THE QUALITY OF A  
17 STRUCTURE IF SUCH MAJOR CAPITAL IMPROVEMENT OR SUCH OTHER EXPENDITURE IS  
18 FUNDED IN ANY PART FROM MONEYS PROVIDED BY THE NEW YORK STATE ENERGY  
19 RESEARCH AND DEVELOPMENT AUTHORITY.

20 S 3. Subparagraph (k) of paragraph 1 of subdivision g of section  
21 26-405 of the administrative code of the city of New York, as amended by  
22 chapter 749 of the laws of 1990, is amended to read as follows:

23 (k) The landlord has incurred, since January first, nineteen hundred  
24 seventy, in connection with and in addition to a concurrent major capi-  
25 tal improvement pursuant to subparagraph (g) of this paragraph, other  
26 expenditures to improve, restore or preserve the quality of the struc-  
27 ture. An adjustment under this subparagraph shall be granted only if  
28 such improvements represent an expenditure equal to at least ten per  
29 centum of the total operating and maintenance expenses for the preceding  
30 year. An adjustment under this subparagraph shall be in addition to any  
31 adjustment granted for the concurrent major capital improvement and  
32 shall be [in an amount sufficient to amortize the cost of the improve-  
33 ments pursuant to this subparagraph over a seven-year period] IMPLE-  
34 MENTED IN THE SAME MANNER AS SUCH MAJOR CAPITAL IMPROVEMENT AS A FURTHER  
35 SURCHARGE TO THE MAXIMUM RENT.

36 S 4. Section 26-405 of the administrative code of the city of New  
37 York is amended by adding a new subdivision n to read as follows:

38 N. (1) NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE WILL BE APPROVED BY  
39 THE DIVISION OF HOUSING AND COMMUNITY RENEWAL UNLESS THE WORK PERFORMED  
40 IS AN ENHANCEMENT OR UPGRADE TO A HOUSING ACCOMMODATION OR SERVICE THER-  
41 EIN; OR IS AN ADDITION TO SUCH HOUSING ACCOMMODATION AND OTHERWISE  
42 ELIGIBLE ACCORDING TO THE PREREQUISITES FOR MAJOR CAPITAL IMPROVEMENT  
43 RENT INCREASES. ANY REPAIR OR REPLACEMENT INTENDED TO MAINTAIN AN  
44 EXISTING SERVICE SHALL NOT BE ELIGIBLE FOR A MAJOR CAPITAL IMPROVEMENT  
45 RENT INCREASE.

46 (2) NO APPLICATION FOR A MAJOR CAPITAL IMPROVEMENT RENT INCREASE MAY  
47 BE APPROVED IF THERE EXIST ANY OUTSTANDING HAZARDOUS VIOLATIONS AT THE  
48 TIME OF THE CONSIDERATION OF SUCH APPLICATION, AS DETERMINED PURSUANT TO  
49 REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL OR ANY  
50 AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE IN THE JURISDICTION  
51 IN WHICH THE PROPERTY IS LOCATED, UNLESS IT IS DETERMINED BY THE DIVI-  
52 SION OF HOUSING AND COMMUNITY RENEWAL THAT SUCH WORK IS ESSENTIAL TO THE  
53 ALLEVIATION OF THE VIOLATIONS AND SUCH APPROVAL IS CONSISTENT WITH THE  
54 PROVISIONS OF THIS SECTION. EXCEPT IN THE CASE OF EMERGENCY OR GOOD  
55 CAUSE, THE OWNER OF THE PROPERTY SHALL FILE, NOT LESS THAN THIRTY DAYS  
56 BEFORE THE COMMENCEMENT OF THE IMPROVEMENT, WITH THE DIVISION OF HOUSING

1 AND COMMUNITY RENEWAL A STATEMENT CONTAINING INFORMATION OUTLINING THE  
2 SCOPE OF WORK, EXPECTED DATE OF COMPLETION FOR SUCH WORK AND AN AFFIDA-  
3 VIT SETTING FORTH THE FOLLOWING INFORMATION:

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

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

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

21 S 5. Paragraph 6 of subdivision c of section 26-511 of the administra-  
22 tive code of the city of New York, as amended by chapter 116 of the laws  
23 of 1997, is amended to read as follows:

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

tion, an insurance company, a retirement fund or welfare fund which is operated under the supervision of the banking or insurance laws of the state of New York or the United States, and (iv) eight and one-half percent of that portion of the fair market value of the property which exceeds the unpaid principal amount of the mortgage indebtedness referred to in subparagraph (iii) of this paragraph. Fair market value for the purposes of this paragraph shall be six times the annual gross rent. The collection of any increase in the stabilized rent for any apartment pursuant to this paragraph shall not exceed six percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the stabilized rent as established or set in future years;

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

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

(1) NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE WILL BE APPROVED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL UNLESS THE WORK PERFORMED IS AN ENHANCEMENT OR UPGRADE TO A HOUSING ACCOMMODATION OR SERVICE THEREIN; OR IS AN ADDITION TO SUCH HOUSING ACCOMMODATION AND OTHERWISE ELIGIBLE ACCORDING TO THE PREREQUISITES FOR MAJOR CAPITAL IMPROVEMENT RENT INCREASES. ANY REPAIR OR REPLACEMENT INTENDED TO MAINTAIN AN EXISTING SERVICE SHALL NOT BE ELIGIBLE FOR A MAJOR CAPITAL IMPROVEMENT RENT INCREASE.

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

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

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

UPON RECEIPT OF THE SCOPE OF WORK AND AFFIDAVIT PROVIDED FOR HEREIN, THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL PROVIDE THE TENANTS IN OCCUPANCY IN SUCH BUILDINGS WITH SUCH INFORMATION. THE DIVISION OF HOUSING AND COMMUNITY RENEWAL SHALL, IN ADDITION, IMPLEMENT PROCEDURES INCLUDING, BUT NOT LIMITED TO, ELICITING TENANT COMMENTS TO DETERMINE



1 WHETHER MAJOR CAPITAL IMPROVEMENT REHABILITATION WORK HAS BEEN SATISFAC-  
2 TORILY COMPLETED. NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE SHALL  
3 BECOME EFFECTIVE UNTIL ANY DEFECTIVE OR DEFICIENT REHABILITATION WORK  
4 HAS BEEN CURED.

5 (6-C) THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE  
6 COLLECTED AS A MONTHLY SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL  
7 BE SEPARATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED  
8 BY ANY ANNUAL ADJUSTMENT OF THE LEVEL OF FAIR RENT PROVIDED FOR UNDER  
9 SUBDIVISION B OF SECTION 26-510 OF THIS LAW. THE SURCHARGE ALLOCABLE TO  
10 EACH APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT  
11 DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING,  
12 AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED  
13 THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT, IN ANY ONE YEAR MAY NOT  
14 EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY  
15 THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS  
16 RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND  
17 COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDI-  
18 TIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE  
19 EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT  
20 LIMITATION DID NOT APPLY.

21 (6-D) COLLECTION OF SURCHARGES IN EXCESS OF THE LEVEL OF FAIR RENT  
22 AUTHORIZED PURSUANT TO PARAGRAPH SIX-B OF THIS SUBDIVISION SHALL CEASE  
23 WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL IMPROVEMENT.

24 S 7. Paragraph 3 of subdivision d of section 6 of section 4 of chapter  
25 576 of the laws of 1974, constituting the emergency tenant protection  
26 act of nineteen seventy-four, as amended by chapter 749 of the laws of  
27 1990, is amended to read as follows:

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

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

1 S 8. Section 6 of section 4 of chapter 576 of the laws of 1974,  
2 constituting the emergency tenant protection act of nineteen seventy-  
3 four, is amended by adding a new subdivision d-1 to read as follows:

4 D-1. (1) NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE WILL BE APPROVED  
5 BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL UNLESS THE WORK  
6 PERFORMED IS AN ENHANCEMENT OR UPGRADE TO A HOUSING ACCOMMODATION OR  
7 SERVICE THEREIN; OR IS AN ADDITION TO SUCH HOUSING ACCOMMODATION AND  
8 OTHERWISE ELIGIBLE ACCORDING TO THE PREREQUISITES FOR MAJOR CAPITAL  
9 IMPROVEMENT RENT INCREASES. ANY REPAIR OR REPLACEMENT INTENDED TO MAIN-  
10 TAIN AN EXISTING SERVICE SHALL NOT BE ELIGIBLE FOR A MAJOR CAPITAL  
11 IMPROVEMENT RENT INCREASE.

12 (2) 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 S 9. Subdivision d of section 6 of section 4 of chapter 576 of the  
44 laws of 1974 constituting the emergency tenant protection act of nine-  
45 teen seventy-four is amended by adding a new paragraph 6 to read as  
46 follows:

47 (6) NOTWITHSTANDING PARAGRAPH THREE OF THIS SUBDIVISION THERE SHALL BE  
48 NO ADJUSTMENT FOR ANY MAJOR CAPITAL IMPROVEMENT FUNDED IN ANY PART FROM  
49 MONEYS PROVIDED BY THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT  
50 AUTHORITY.

51 S 10. The second undesignated paragraph of paragraph (a) of subdivi-  
52 sion 4 of section 4 of chapter 274 of the laws of 1946, constituting the  
53 emergency housing rent control law, as amended by section 25 of part B  
54 of chapter 97 of the laws of 2011, is amended to read as follows:

55 No application for adjustment of maximum rent based upon a sales price  
56 valuation shall be filed by the landlord under this subparagraph prior

1 to six months from the date of such sale of the property. In addition,  
2 no adjustment ordered by the commission based upon such sales price  
3 valuation shall be effective prior to one year from the date of such  
4 sale. Where, however, the assessed valuation of the land exceeds four  
5 times the assessed valuation of the buildings thereon, the commission  
6 may determine a valuation of the property equal to five times the equal-  
7 ized assessed valuation of the buildings, for the purposes of this  
8 subparagraph. The commission may make a determination that the valuation  
9 of the property is an amount different from such equalized assessed  
10 valuation where there is a request for a reduction in such assessed  
11 valuation currently pending; or where there has been a reduction in the  
12 assessed valuation for the year next preceding the effective date of the  
13 current assessed valuation in effect at the time of the filing of the  
14 application. Net annual return shall be the amount by which the earned  
15 income exceeds the operating expenses of the property, excluding mort-  
16 gage interest and amortization, and excluding allowances for obsoles-  
17 cence and reserves, but including an allowance for depreciation of two  
18 per centum of the value of the buildings exclusive of the land, or the  
19 amount shown for depreciation of the buildings in the latest required  
20 federal income tax return, whichever is lower; provided, however, that  
21 (1) no allowance for depreciation of the buildings shall be included  
22 where the buildings have been fully depreciated for federal income tax  
23 purposes or on the books of the owner; or (2) the landlord who owns no  
24 more than four rental units within the state has not been fully compen-  
25 sated by increases in rental income sufficient to offset unavoidable  
26 increases in property taxes, fuel, utilities, insurance and repairs and  
27 maintenance, excluding mortgage interest and amortization, and excluding  
28 allowances for depreciation, obsolescence and reserves, which have  
29 occurred since the federal date determining the maximum rent or the date  
30 the property was acquired by the present owner, whichever is later; or  
31 (3) the landlord operates a hotel or rooming house or owns a cooperative  
32 apartment and has not been fully compensated by increases in rental  
33 income from the controlled housing accommodations sufficient to offset  
34 unavoidable increases in property taxes and other costs as are allocable  
35 to such controlled housing accommodations, including costs of operation  
36 of such hotel or rooming house, but excluding mortgage interest and  
37 amortization, and excluding allowances for depreciation, obsolescence  
38 and reserves, which have occurred since the federal date determining the  
39 maximum rent or the date the landlord commenced the operation of the  
40 property, whichever is later; or (4) the landlord and tenant voluntarily  
41 enter into a valid written lease in good faith with respect to any hous-  
42 ing accommodation, which lease provides for an increase in the maximum  
43 rent not in excess of fifteen per centum and for a term of not less than  
44 two years, except that where such lease provides for an increase in  
45 excess of fifteen per centum, the increase shall be automatically  
46 reduced to fifteen per centum; or (5) the landlord and tenant by mutual  
47 voluntary written agreement agree to a substantial increase or decrease  
48 in dwelling space or a change in the services, furniture, furnishings or  
49 equipment provided in the housing accommodations; provided that an owner  
50 shall be entitled to a rent increase where there has been a substantial  
51 modification or increase of dwelling space or an increase in the  
52 services, or installation of new equipment or improvements or new furni-  
53 ture or furnishings provided in or to a tenant's housing accommodation.  
54 The permanent increase in the maximum rent for the affected housing  
55 accommodation shall be one-fortieth, in the case of a building with  
56 thirty-five or fewer housing accommodations, or one-sixtieth, in the

1 case of a building with more than thirty-five housing accommodations  
2 where such permanent increase takes effect on or after September twen-  
3 ty-fourth, two thousand eleven, of the total cost incurred by the land-  
4 lord in providing such modification or increase in dwelling space,  
5 services, furniture, furnishings or equipment, including the cost of  
6 installation, but excluding finance charges provided further that an  
7 owner who is entitled to a rent increase pursuant to this clause shall  
8 not be entitled to a further rent increase based upon the installation  
9 of similar equipment, or new furniture or furnishings within the useful  
10 life of such new equipment, or new furniture or furnishings. The owner  
11 shall give written notice to the commission of any such adjustment  
12 pursuant to this clause; or (6) there has been, since March first, nine-  
13 teen hundred fifty, an increase in the rental value of the housing  
14 accommodations as a result of a substantial rehabilitation of the build-  
15 ing or housing accommodation therein which materially adds to the value  
16 of the property or appreciably prolongs its life, excluding ordinary  
17 repairs, maintenance and replacements; or (7) (I) COLLECTION OF  
18 SURCHARGES TO THE MAXIMUM RENT AUTHORIZED PURSUANT TO ITEM (II) OF THIS  
19 CLAUSE SHALL CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR  
20 CAPITAL IMPROVEMENT; (II) there has been since March first, nineteen  
21 hundred fifty, a major capital improvement [required for the operation,  
22 preservation or maintenance of the structure]; PROVIDED THAT THE COMMIS-  
23 SIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER THE  
24 INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE OPERA-  
25 TION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE PERMIT-  
26 TED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY  
27 SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND  
28 BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO  
29 THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN  
30 AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR,  
31 DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY  
32 THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLO-  
33 CABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO  
34 SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APART-  
35 MENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID  
36 SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A  
37 FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE  
38 YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE  
39 BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY; or (8)  
40 there has been since March first, nineteen hundred fifty, in structures  
41 containing more than four housing accommodations, other improvements  
42 made with the express consent of the tenants in occupancy of at least  
43 seventy-five per centum of the housing accommodations, provided, howev-  
44 er, that no adjustment granted hereunder shall exceed fifteen per centum  
45 unless the tenants have agreed to a higher percentage of increase, as  
46 herein provided; or (9) there has been, since March first, nineteen  
47 hundred fifty, a subletting without written consent from the landlord or  
48 an increase in the number of adult occupants who are not members of the  
49 immediate family of the tenant, and the landlord has not been compen-  
50 sated therefor by adjustment of the maximum rent by lease or order of  
51 the commission or pursuant to the federal act; or (10) the presence of  
52 unique or peculiar circumstances materially affecting the maximum rent  
53 has resulted in a maximum rent which is substantially lower than the  
54 rents generally prevailing in the same area for substantially similar  
55 housing accommodations.

56 S 11. This act shall take effect immediately; provided that:

1 a. the amendments to section 26-405 of the city rent and rehabili-  
2 tation law made by sections one, two, three and four of this act shall  
3 remain in full force and effect only so long as the public emergency  
4 requiring the regulation and control of residential rents and evictions  
5 continues, as provided in subdivision 3 of section 1 of the local emer-  
6 gency housing rent control act;  
7 b. the amendments to section 26-511 of the rent stabilization law of  
8 nineteen hundred sixty-nine made by sections five and six of this act  
9 shall expire on the same date as such law expires and shall not affect  
10 the expiration of such law as provided under section 26-520 of such law,  
11 as from time to time amended;  
12 c. the amendment to section 6 of the emergency tenant protection act  
13 of nineteen seventy-four made by sections seven, eight and nine of this  
14 act shall expire on the same date as such act expires and shall not  
15 affect the expiration of such act as provided in section 17 of chapter  
16 576 of the laws of 1974, as from time to time amended; and  
17 d. the amendment to section 4 of the emergency housing rent control  
18 law made by section ten of this act shall expire on the same date as  
19 such law expires and shall not affect the expiration of such law as  
20 provided in subdivision 2 of section 1 of chapter 274 of the laws of  
21 1946.

## PART K

22  
23 Section 1. Paragraph 5 of subdivision a of section 26-405 of the  
24 administrative code of the city of New York is amended to read as  
25 follows:  
26 (5) Where a maximum rent established pursuant to this chapter on or  
27 after January first, nineteen hundred seventy-two, is higher than the  
28 previously existing maximum rent, the landlord may not collect AN  
29 INCREASE FROM A TENANT IN OCCUPANCY IN ANY ONE YEAR PERIOD OF more than  
30 THE LESSER OF EITHER seven and one-half percentum [increase from a  
31 tenant in occupancy on such date in any one year period, provided howev-  
32 er, that where] OR AN AVERAGE OF THE PREVIOUS FIVE YEARS OF ONE-YEAR  
33 RENT INCREASES ON RENT STABILIZED APARTMENTS AS ESTABLISHED BY THE RENT  
34 GUIDELINES BOARD, PURSUANT TO SUBDIVISION B OF SECTION 26-510 OF THIS  
35 TITLE. IF the period for which the rent is established exceeds one year,  
36 regardless of how the collection thereof is averaged over such period,  
37 the rent the landlord shall be entitled to receive during the first  
38 twelve months shall not be increased by more than THE LESSER OF EITHER  
39 seven and one-half percentum OR AN AVERAGE OF THE PREVIOUS FIVE YEARS OF  
40 ONE-YEAR RENT INCREASES ON RENT STABILIZED APARTMENTS AS ESTABLISHED BY  
41 THE RENT GUIDELINES BOARD, PURSUANT TO SUBDIVISION B OF SECTION 26-510  
42 OF THIS TITLE, over the previous rent [and]. ANY additional annual rents  
43 shall not exceed THE LESSER OF EITHER seven and one-half percentum OR AN  
44 AVERAGE OF THE PREVIOUS FIVE YEARS OF ONE-YEAR RENT INCREASES ON RENT  
45 STABILIZED APARTMENTS AS ESTABLISHED BY THE RENT GUIDELINES BOARD,  
46 PURSUANT TO SUBDIVISION B OF SECTION 26-510 OF THIS TITLE, of the rent  
47 paid during the previous year. Notwithstanding any of the foregoing  
48 limitations in this paragraph five, maximum rent shall be increased if  
49 ordered by the agency pursuant to subparagraphs (d), (e), (f), (g), (h),  
50 (i), (k), [(l),] OR (m) [or (n)] of paragraph one of subdivision g of  
51 this section. [Commencing January first, nineteen hundred eighty, rent  
52 adjustments pursuant to subparagraph (n) of paragraph one of subdivision  
53 g of this section shall be excluded from the maximum rent when computing  
54 the seven and one-half percentum increase authorized by this paragraph

five.] Where a housing accommodation is vacant on January first, nineteen hundred seventy-two, or becomes vacant thereafter by voluntary surrender of possession by the tenants, the maximum rent established for such accommodations may be collected.

S 2. Subparagraphs (l) and (n) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York are REPEALED.

S 3. Section 4 of chapter 274 of the laws of 1946, constituting the emergency housing rent control law, is amended by adding a new subdivision 9 to read as follows:

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

S 4. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided that the amendments to section 26-405 of the city rent and rehabilitation law made by section one 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; and provided that the amendments to section 4 of the emergency housing rent control law made by section three 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.

#### PART L

Section 1. The administrative code of the city of New York is amended by adding a new section 26-416 to read as follows:

S 26-416 SURCHARGES FOR TENANT-INSTALLED APPLIANCES. THE IMPOSITION OF ANY SURCHARGE FOR THE INSTALLATION OR USE OF A TENANT-INSTALLED APPLIANCE IS PROHIBITED WHERE THE TENANT PAYS FOR ELECTRIC UTILITY SERVICE.

S 2. This act shall take effect immediately; provided that section 26-416 of the city rent and rehabilitation law as added by section one 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.

S 3. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 4. This act shall take effect immediately provided, however, that the applicable effective dates of Parts A through L of this act shall be as specifically set forth in the last section of such Parts.