

3364--B

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, DILAN, 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 -- 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 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

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

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reform act of 1997, in relation to extending the effectiveness thereof (Part D); 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 E); 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 the emergency tenant protection act of nineteen seventy-four, paragraph (n) of subdivision 2 of section 2 of 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 F); 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 G); 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 H); 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 I); 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 J)

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 J. 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:

18 (1) The landlord seeks in good faith to recover possession of a hous-  
19 ing accommodation because of immediate and compelling necessity for his  
20 or her own personal use and occupancy AS HIS OR HER PRIMARY RESIDENCE or  
21 for the use and occupancy of his or her immediate family AS THEIR PRIMA-

1 RY RESIDENCE provided, however, that this subdivision shall PERMIT  
2 RECOVERY OF ONLY ONE HOUSING ACCOMMODATION AND SHALL not apply where a  
3 member of the household lawfully occupying the housing accommodation is  
4 sixty-two years of age or older, has been a tenant in a housing accommo-  
5 dation in that building for twenty years or more, or has an impairment  
6 which results from anatomical, physiological or psychological condi-  
7 tions, other than addiction to alcohol, gambling, or any controlled  
8 substance, which are demonstrable by medically acceptable clinical and  
9 laboratory diagnostic techniques, and which are expected to be permanent  
10 and which prevent the tenant from engaging in any substantial gainful  
11 employment; or

12 S 2. Subparagraph (b) of paragraph 9 of subdivision c of section  
13 26-511 of the administrative code of the city of New York is amended to  
14 read as follows:

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

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

51 a. For cities having a population of less than one million and towns  
52 and villages, the state division of housing and community renewal shall  
53 be empowered to implement this act by appropriate regulations. Such  
54 regulations may encompass such speculative or manipulative practices or  
55 renting or leasing practices as the state division of housing and commu-  
56 nity renewal determines constitute or are likely to cause circumvention

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

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

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

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

53 a. the amendments to section 26-408 of the city rent and rehabili-  
54 tation law made by section one of this act shall remain in full force  
55 and effect only as 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;

b. 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;

c. the amendments to subdivision a of section 10 of the emergency tenant protection act of nineteen seventy-four made by section three 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

d. the amendments to paragraph (a) of subdivision 2 of section 5 of the emergency housing rent control law made by section 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 in subdivision 2 of section 1 of chapter 274 of the laws of 1946.

#### PART B

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

(5-a) provides that, notwithstanding any provision of this chapter, the legal regulated rent for any vacancy lease entered into after the effective date of this paragraph shall be as hereinafter provided in this paragraph. [The previous legal regulated rent for such housing accommodation shall be increased by the following: (i) if the vacancy lease is for a term of two years, twenty percent of the previous legal regulated rent; or (ii) if the vacancy lease is for a term of one year the increase shall be twenty percent of the previous legal regulated rent less an amount equal to the difference between (a) the two year renewal lease guideline promulgated by the guidelines board of the city of New York applied to the previous legal regulated rent and (b) the one year renewal lease guideline promulgated by the guidelines board of the city of New York applied to the previous legal regulated rent. In addition, if] IF the legal regulated rent was not increased with respect to such housing accommodation by a permanent vacancy allowance within eight years prior to a vacancy lease executed on or after the effective date of this paragraph, the legal regulated rent may be [further] increased by an amount equal to the product resulting from multiplying such previous legal regulated rent by six-tenths of one percent and further multiplying the amount of rent increase resulting therefrom by the greater of (A) the number of years since the imposition of the last permanent vacancy allowance, or (B) if the rent was not increased by a permanent vacancy allowance since the housing accommodation became subject to this chapter, the number of years that such housing accommodation has been subject to this chapter. Provided that if the previous legal regulated rent was less than three hundred dollars the total increase shall be as calculated above plus one hundred dollars per month. Provided, further, that if the previous legal regulated rent was at least three hundred dollars and no more than five hundred dollars in no event shall the total increase pursuant to this paragraph be less than one hundred dollars per month. Such increase shall be [in lieu of any allowance authorized for the one or two year renewal component thereof, but shall be] in addition to any other increases authorized pursuant to this chapter including an adjustment based upon a major capital improvement, or a

1 substantial modification or increase of dwelling space or services, or  
2 installation of new equipment or improvements or new furniture or  
3 furnishings provided in or to the housing accommodation pursuant to this  
4 section. The increase authorized in this paragraph may not be imple-  
5 mented more than one time in any calendar year, notwithstanding the  
6 number of vacancy leases entered into in such year, AND MAY NOT BE  
7 IMPLEMENTED WITHOUT THE LANDLORD PROVIDING TO THE NEW TENANT AN ITEMIZED  
8 COST ACCOUNTING OF ALL IMPROVEMENTS CLAIMED AS PART OF SUCH INCREASE AND  
9 COPIES OF THE CORRESPONDING RECEIPTS WITH THE LEASE AGREEMENT.

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

14 (a-1) provides that, notwithstanding any provision of this act, the  
15 legal regulated rent for any vacancy lease entered into after the effec-  
16 tive date of this subdivision shall be as hereinafter set forth. [The  
17 previous legal regulated rent for such housing accommodation shall be  
18 increased by the following: (i) if the vacancy lease is for a term of  
19 two years, twenty percent of the previous legal regulated rent; or (ii)  
20 if the vacancy lease is for a term of one year the increase shall be  
21 twenty percent of the previous legal regulated rent less an amount equal  
22 to the difference between (a) the two year renewal lease guideline  
23 promulgated by the guidelines board of the county in which the housing  
24 accommodation is located applied to the previous legal regulated rent  
25 and (b) the one year renewal lease guideline promulgated by the guide-  
26 lines board of the county in which the housing accommodation is located  
27 applied to the previous legal regulated rent. In addition, if] IF the  
28 legal regulated rent was not increased with respect to such housing  
29 accommodation by a permanent vacancy allowance within eight years prior  
30 to a vacancy lease executed on or after the effective date of this  
31 subdivision, the legal regulated rent may be [further] increased by an  
32 amount equal to the product resulting from multiplying such previous  
33 legal regulated rent by six-tenths of one percent and further multiply-  
34 ing the amount of rent increase resulting therefrom by the greater of  
35 (A) the number of years since the imposition of the last permanent  
36 vacancy allowance, or (B) if the rent was not increased by a permanent  
37 vacancy allowance since the housing accommodation became subject to this  
38 act, the number of years that such housing accommodation has been  
39 subject to this act. Provided that if the previous legal regulated rent  
40 was less than three hundred dollars the total increase shall be as  
41 calculated above plus one hundred dollars per month. Provided, further,  
42 that if the previous legal regulated rent was at least three hundred  
43 dollars and no more than five hundred dollars in no event shall the  
44 total increase pursuant to this subdivision be less than one hundred  
45 dollars per month. Such increase shall be [in lieu of any allowance  
46 authorized for the one or two year renewal component thereof, but shall  
47 be] in addition to any other increases authorized pursuant to this act  
48 including an adjustment based upon a major capital improvement, or a  
49 substantial modification or increase of dwelling space or services, or  
50 installation of new equipment or improvements or new furniture or  
51 furnishings provided in or to the housing accommodation pursuant to  
52 section six of this act. The increase authorized in this subdivision may  
53 not be implemented more than one time in any calendar year, notwith-  
54 standing the number of vacancy leases entered into in such year, AND MAY  
55 NOT BE IMPLEMENTED WITHOUT THE LANDLORD PROVIDING TO THE NEW TENANT AN  
56 ITEMIZED COST ACCOUNTING OF ALL IMPROVEMENTS CLAIMED AS PART OF SUCH

1 INCREASE AND COPIES OF THE CORRESPONDING RECEIPTS WITH THE LEASE AGREE-  
2 MENT.

3 S 3. Subparagraph (e) of paragraph 1 of subdivision g of section  
4 26-405 of the administrative code of the city of New York, as amended by  
5 section 15 of part B of chapter 97 of the laws of 2011, is amended to  
6 read as follows:

7 (e) The landlord and tenant by mutual voluntary written agreement  
8 agree to a substantial increase or decrease in dwelling space or a  
9 change in the services, furniture, furnishings or equipment provided in  
10 the housing accommodations. An adjustment under this subparagraph shall  
11 be TEMPORARY UNTIL SUCH INCREASE OR MODIFICATION IS PAID FOR AND SHALL  
12 BE equal to one-fortieth, in the case of a building with thirty-five or  
13 fewer housing accommodations, or [one-sixtieth] ONE-EIGHTY-FOURTH, in  
14 the case of a building with more than thirty-five housing accommodations  
15 where such adjustment takes effect on or after September twenty-fourth,  
16 two thousand eleven, of the total cost incurred by the landlord in  
17 providing such modification or increase in dwelling space, services,  
18 furniture, furnishings or equipment, including the cost of installation,  
19 but excluding finance charges AND COSMETIC IMPROVEMENTS, WITH AN ADJUST-  
20 MENT, IN BOTH CASES, BEING NO MORE THAN TWENTY PERCENT OF THE CURRENT  
21 RENT, provided further that an owner who is entitled to a rent increase  
22 pursuant to this subparagraph shall not be entitled to a further rent  
23 increase based upon the installation of similar equipment, or new furni-  
24 ture or furnishings within the useful life of such new equipment, or new  
25 furniture or furnishings. The owner shall give written notice to the  
26 city rent agency of any such adjustment pursuant to this subparagraph;  
27 or

28 S 4. Paragraph 13 of subdivision c of section 26-511 of the adminis-  
29 trative code of the city of New York, as amended by section 16 of part B  
30 of chapter 97 of the laws of 2011, is amended to read as follows:

31 (13) provides that an owner is entitled to a TEMPORARY rent increase  
32 where there has been a substantial modification or increase of dwelling  
33 space or an increase in the services, or installation of new equipment  
34 or improvements or new furniture or furnishings provided in or to a  
35 tenant's housing accommodation UNTIL SUCH MODIFICATION OR INCREASE HAS  
36 BEEN PAID FOR, on written tenant consent to the rent increase. In the  
37 case of a vacant housing accommodation, tenant consent shall not be  
38 required. The [permanent] TEMPORARY increase in the legal regulated rent  
39 for the affected housing accommodation shall be one-fortieth, in the  
40 case of a building with thirty-five or fewer housing accommodations, or  
41 [one-sixtieth] ONE-EIGHTY-FOURTH, in the case of a building with more  
42 than thirty-five housing accommodations where such [permanent] TEMPORARY  
43 increase takes effect on or after September twenty-fourth, two thousand  
44 eleven, of the total cost incurred by the landlord in providing such  
45 modification or increase in dwelling space, services, furniture,  
46 furnishings or equipment, including the cost of installation, but  
47 excluding finance charges AND COSMETIC IMPROVEMENTS, PROVIDED, HOWEVER,  
48 THAT IN BOTH CASES, THE TEMPORARY INCREASE IS NO MORE THAN TWENTY  
49 PERCENT OF THE CURRENT LEGAL REGULATED RENT. Provided further that an  
50 owner who is entitled to a rent increase pursuant to this paragraph  
51 shall not be entitled to a further rent increase based upon the instal-  
52 lation of similar equipment, or new furniture or furnishings within the  
53 useful life of such new equipment, or new furniture or furnishings.

54 S 5. Paragraph 1 of subdivision d of section 6 of section 4 of chapter  
55 576 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 TEMPORARY UNTIL  
10 SUCH MODIFICATION OR INCREASE IS PAID FOR AND SHALL BE one-fortieth, in  
11 the case of a building with thirty-five or fewer housing accommodations,  
12 or [one-sixtieth] ONE-EIGHTY-FOURTH, in the case of a building with more  
13 than thirty-five housing accommodations where such [permanent] increase  
14 takes effect on or after September twenty-fourth, two thousand eleven,  
15 of the total cost incurred by the landlord in providing such modifica-  
16 tion or increase in dwelling space, services, furniture, furnishings or  
17 equipment, including the cost of installation, but excluding finance  
18 charges AND COSMETIC IMPROVEMENTS, PROVIDED, HOWEVER, THAT IN BOTH  
19 CASES, THE TEMPORARY INCREASE IS NO MORE THAN TWENTY PERCENT OF THE  
20 CURRENT LEGAL REGULATED RENT. Provided further that an owner who is  
21 entitled to a rent increase pursuant to this paragraph shall not be  
22 entitled to a further rent increase based upon the installation of simi-  
23 lar equipment, or new furniture or furnishings within the useful life of  
24 such new equipment, or new furniture or furnishings.

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

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

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



1 a. the amendments to section 26-511 of chapter 4 of title 26 of the  
2 administrative code of the city of New York made by sections one and  
3 four of this act shall expire on the same date as such law expires and  
4 shall not affect the expiration of such law as provided under section  
5 26-520 of such law;  
6 b. the amendments to sections 10 and 6 of the emergency tenant  
7 protection act of nineteen seventy-four made by sections two and five of  
8 this act shall expire on the same date as such act expires and shall not  
9 affect the expiration of such act as provided in section 17 of chapter  
10 576 of the laws of 1974;  
11 c. the amendments to section 26-405 of the city rent and rehabili-  
12 tation law made by section three of this act shall remain in full force  
13 and effect only as long as the public emergency requiring the regulation  
14 and control of residential rents and evictions continues, as provided in  
15 subdivision 3 of section 1 of the local emergency housing rent control  
16 act; and  
17 d. the amendments to section 4 of the emergency housing rent control  
18 law made by section six 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.

22 PART C

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

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

43 The legislature therefore declares that in order to prevent uncertain-  
44 ty, potential hardship and dislocation of tenants living in housing  
45 accommodations subject to government regulations as to rentals and  
46 continued occupancy as well as those not subject to such regulations,  
47 the provisions of this act are necessary to protect the public health,  
48 safety and general welfare. The necessity in the public interest for the  
49 provisions hereinafter enacted is hereby declared as a matter of legis-  
50 lative determination.

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

1 C. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, NOTHING SHALL  
2 PREVENT THE DECLARATION OF AN EMERGENCY PURSUANT TO SECTION THREE OF  
3 THIS ACT FOR RENTAL HOUSING ACCOMMODATIONS LOCATED IN BUILDINGS OR  
4 STRUCTURES WHICH WERE OWNED BY A COMPANY ESTABLISHED UNDER ARTICLE TWO  
5 OF THE PRIVATE HOUSING FINANCE LAW, OTHER THAN A MUTUAL COMPANY, WHICH  
6 ARE NO LONGER OWNED BY SUCH COMPANY BY REASON OF A VOLUNTARY DISSOLUTION  
7 PURSUANT TO SECTION THIRTY-FIVE OF SUCH LAW OR FOR RENTAL HOUSING ACCOM-  
8 MODATIONS LOCATED IN BUILDINGS OR STRUCTURES DEFINED AS COVERED PROJECTS  
9 PURSUANT TO SECTION 8 OF THE UNITED STATES HOUSING ACT OF NINETEEN THIR-  
10 TY-SEVEN, AS AMENDED, OR ANY SUCCESSOR STATUTE, AND ANY REGULATIONS  
11 PROMULGATED THEREUNDER IN WHICH RENTAL HOUSING ACCOMMODATIONS RECEIVED  
12 PROJECT-BASED RENTAL ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF  
13 HOUSING AND URBAN DEVELOPMENT PURSUANT TO CONTRACTS WITH THE OWNERS OF  
14 SUCH BUILDINGS OR STRUCTURES WHICH EXPIRED OR WERE TERMINATED. THE  
15 INITIAL LEGAL REGULATED RENT FOR HOUSING ACCOMMODATIONS LOCATED IN  
16 BUILDINGS OR STRUCTURES THAT WERE OWNED BY HOUSING COMPANIES OR THAT  
17 WERE COVERED PROJECTS PREVIOUSLY REGULATED UNDER THE PRIVATE HOUSING  
18 FINANCE LAW OR UNDER FEDERAL LAW, SHALL BE THE RENT CHARGED TO AND PAID  
19 BY THE TENANT IN OCCUPANCY ONE HUNDRED EIGHTY DAYS PRIOR TO THE EFFEC-  
20 TIVE DATE OF A CHAPTER OF THE LAWS OF TWO THOUSAND FIFTEEN WHICH ADDED  
21 THIS SUBDIVISION OR, FOR ACCOMMODATIONS VACANT ON SUCH DATE, THE MOST  
22 RECENT RENT CHARGED TO AND PAID BY A TENANT PRIOR TO SUCH DATE, INCLUD-  
23 ING ANY INCOME-RELATED SURCHARGES, AS ADJUSTED BY ALL APPLICABLE GUIDE-  
24 LINES INCREASES AND OTHER INCREASES AUTHORIZED BY LAW. THE PROVISIONS OF  
25 SUBDIVISION A OF SECTION NINE OF THIS ACT OR OF SUBDIVISION A OF SECTION  
26 26-513 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK SHALL NOT  
27 APPLY TO ANY HOUSING ACCOMMODATION WHICH BECAME SUBJECT TO THIS ACT  
28 PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION.

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

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

46 PART D

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

51 S 17. Effective date. This act shall take effect immediately and  
52 shall remain in full force and effect until and including the fifteenth  
53 day of June [2015] 2017; except that sections two and three shall take  
54 effect with respect to any city having a population of one million or

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

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

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

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

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

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

30 S 10. This act shall take effect immediately; provided, that the  
31 provisions of sections one, two and nine of this act shall remain in  
32 full force and effect only until and including June 15, [2015] 2017;  
33 provided further that the provisions of section three of this act shall  
34 remain in full force and effect only so long as the public emergency  
35 requiring the regulation and control of residential rents and evictions  
36 continues as provided in subdivision 3 of section 1 of the local emer-  
37 gency housing rent control act; provided further that the provisions of  
38 sections four, five, six and seven of this act shall expire in accord-  
39 ance with the provisions of section 26-520 of the administrative code of  
40 the city of New York as such section of the administrative code is, from  
41 time to time, amended; provided further that the provisions of section  
42 26-511 of the administrative code of the city of New York, as amended by  
43 this act, which the New York City Department of Housing Preservation and  
44 Development must find are contained in the code of the real estate  
45 industry stabilization association of such city in order to approve it,  
46 shall be deemed contained therein as of the effective date of this act;  
47 and provided further that any plan accepted for filing by the department  
48 of law on or before the effective date of this act shall continue to be  
49 governed by the provisions of section 352-eeee of the general business  
50 law as they had existed immediately prior to the effective date of this  
51 act.

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

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

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

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

16 S 7. This act shall take effect immediately.

17 PART E

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

21 (c) that for the purposes of such regulations: (i) "family member"  
22 shall be defined as a husband, wife, son, daughter, stepson, stepdaught-  
23 er, father, mother, stepfather, stepmother, brother, sister, UNCLE,  
24 AUNT, NEPHEW, NIECE, grandfather, grandmother, grandson, granddaughter,  
25 daughter-in-law, son-in-law, mother-in-law or father-in-law of the  
26 tenant; or any other person residing with the tenant in the housing  
27 accommodation as a primary residence who can prove emotional and finan-  
28 cial commitment, and interdependence between such person and the tenant.  
29 Although no single factor shall be solely determinative, evidence which  
30 is to be considered in determining whether such emotional and financial  
31 commitment and interdependence existed, may include, without limitation,  
32 such factors as listed below. In no event would evidence of a sexual  
33 relationship between such persons be required or considered.

34 (A) longevity of the relationship;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 S 4. Subparagraph (k) of paragraph 2 of subdivision e of section  
31 26-403 of the administrative code of the city of New York is REPEALED.

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

34 S 6. Any housing accommodations that prior to the effective date of  
35 this act were excluded from coverage from the emergency tenant  
36 protection act of nineteen seventy-four, the emergency housing rent  
37 control law or the administrative code of the city of New York pursuant  
38 to the provisions of law repealed by sections two, three, four and five  
39 of this act, and where such housing accommodations were located outside  
40 the city of New York and were rented to a tenant between January 1, 2013  
41 and the effective date of this act for less than \$3,500.00 per month  
42 regardless of any subsequent payment of a higher monthly rent, or were  
43 located within the city of New York and were rented to a tenant between  
44 January 1, 2013 and the effective date of this act for less than  
45 \$5,000.00 per month, regardless of any subsequent payment of a higher  
46 monthly rent, shall be subject to the provisions of such act, law or  
47 administrative code, respectively. Notwithstanding the provisions of  
48 any lease or rental agreement, the legal regulated rent or maximum  
49 collectible rent of any housing accommodation excluded from regulation  
50 prior to the effective date of this act by reason of the provisions  
51 repealed by sections two, three, four and five of this act and made  
52 subject to regulation shall be the actual rent paid by a tenant on  
53 December 31, 2014 or, if no rent was paid for such accommodation on  
54 December 31, 2014, the most recent actual rent paid by a tenant for such  
55 accommodation prior to December 31, 2014, subject to further adjustment  
56 in accordance with applicable provisions of law.

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

4 (14) provides that where the amount of rent charged to and paid by the  
5 tenant is less than the legal regulated rent for the housing accommo-  
6 dation, the amount of rent for such housing accommodation which may be  
7 charged upon renewal or upon vacancy thereof may, at the option of the  
8 owner, be based upon such previously established legal regulated rent,  
9 as adjusted by the most recent applicable guidelines increases and any  
10 other increases authorized by law. [Where, subsequent to vacancy, such  
11 legal regulated rent, as adjusted by the most recent applicable guide-  
12 lines increases and any other increases authorized by law is two thou-  
13 sand dollars or more per month or, for any housing accommodation which  
14 is or becomes vacant on or after the effective date of the rent act of  
15 2011, is two thousand five hundred dollars or more per month, such hous-  
16 ing accommodation shall be excluded from the provisions of this law  
17 pursuant to section 26-504.2 of this chapter.]

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

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

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

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

42 (b) the amendments to subdivision (a-2) of section 10 of section 4 of  
43 the emergency tenant protection act of nineteen seventy-four made by  
44 section eight of this act shall expire on the same date as such act  
45 expires and shall not affect the expiration of such act as provided in  
46 section 17 of chapter 576 of the laws of 1974.

47 PART G

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

52 (a-2) Provides that where the amount of rent charged to and paid by  
53 the tenant is less than the legal regulated rent for the housing accom-  
54 modation, the amount of rent for such housing accommodation which may be

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

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

20 (14) provides that where the amount of rent charged to and paid by the  
21 tenant is less than the legal regulated rent for the housing accommo-  
22 dation, the amount of rent for such housing accommodation which may be  
23 charged [upon renewal or] upon vacancy thereof may, at the option of the  
24 owner, be based upon such previously established legal regulated rent,  
25 as adjusted by the most recent applicable guidelines increases and any  
26 other increases authorized by law; PROVIDED, HOWEVER, THAT SUCH VACANCY  
27 SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT OF THE  
28 OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH THE  
29 WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO  
30 HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. [Where, subsequent to  
31 vacancy, such legal regulated rent, as adjusted by the most recent  
32 applicable guidelines increases and any other increases authorized by  
33 law is two thousand dollars or more per month or, for any housing accom-  
34 modation which is or becomes vacant on or after the effective date of  
35 the rent act of 2011, is two thousand five hundred dollars or more per  
36 month, such housing accommodation shall be excluded from the provisions  
37 of this law pursuant to section 26-504.2 of this chapter.]

38 S 3. This act shall take effect immediately; provided, however, that  
39 the amendments to section 10 of the emergency tenant protection act of  
40 nineteen seventy-four made by section one of this act shall expire on  
41 the same date as such act expires and shall not affect the expiration of  
42 such act as provided in section 17 of chapter 576 of the laws of 1974;  
43 and provided, further, that the amendments to section 26-511 of the rent  
44 stabilization law of nineteen hundred sixty-nine made by section two of  
45 this act shall expire on the same date as such law expires and shall not  
46 affect the expiration of such law as provided under section 26-520 of  
47 such law.

48 PART H

49 Section 1. Subparagraph (g) of paragraph 1 of subdivision g of section  
50 26-405 of the administrative code of the city of New York, as amended by  
51 chapter 749 of the laws of 1990, is amended to read as follows:

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



1 (II) There has been since July first, nineteen hundred seventy, a  
2 major capital improvement [required for the operation, preservation or  
3 maintenance of the structure. An adjustment under this subparagraph (g)  
4 shall be in an amount sufficient to amortize the cost of the improve-  
5 ments pursuant to this subparagraph (g) over a seven-year period];  
6 PROVIDED THAT THE COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED  
7 DEPRECIABLE UNDER THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE  
8 REQUIRED FOR THE OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUC-  
9 TURE. THE INCREASE PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE  
10 COLLECTED AS A MONTHLY SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPA-  
11 RATELY DESIGNATED AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY  
12 OTHER ADJUSTMENT TO THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH  
13 APARTMENT SHALL BE AN AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT  
14 DIVIDED BY EIGHTY-FOUR, DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING,  
15 AND THEN MULTIPLIED BY THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED  
16 THAT THE SURCHARGE ALLOCABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT  
17 EXCEED AN AMOUNT EQUAL TO SIX PERCENT OF THE MONTHLY RENT COLLECTED BY  
18 THE OWNER FOR SUCH APARTMENT AS SET FORTH IN THE SCHEDULE OF GROSS  
19 RENTS. ANY EXCESS ABOVE SAID SIX PERCENT SHALL BE CARRIED FORWARD AND  
20 COLLECTED IN FUTURE YEARS AS A FURTHER SURCHARGE NOT TO EXCEED AN ADDI-  
21 TIONAL SIX PERCENT IN ANY ONE YEAR PERIOD UNTIL THE TOTAL SURCHARGE  
22 EQUALS THE AMOUNT IT WOULD HAVE BEEN IF THE AFOREMENTIONED SIX PERCENT  
23 LIMITATION DID NOT APPLY; or

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

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

33 S 3. Subparagraph (k) of paragraph 1 of subdivision g of section  
34 26-405 of the administrative code of the city of New York, as amended by  
35 chapter 749 of the laws of 1990, is amended to read as follows:

36 (k) The landlord has incurred, since January first, nineteen hundred  
37 seventy, in connection with and in addition to a concurrent major capi-  
38 tal improvement pursuant to subparagraph (g) of this paragraph, other  
39 expenditures to improve, restore or preserve the quality of the struc-  
40 ture. An adjustment under this subparagraph shall be granted only if  
41 such improvements represent an expenditure equal to at least ten per  
42 centum of the total operating and maintenance expenses for the preceding  
43 year. An adjustment under this subparagraph shall be in addition to any  
44 adjustment granted for the concurrent major capital improvement and  
45 shall be [in an amount sufficient to amortize the cost of the improve-  
46 ments pursuant to this subparagraph over a seven-year period] IMPLE-  
47 MENTED IN THE SAME MANNER AS SUCH MAJOR CAPITAL IMPROVEMENT AS A FURTHER  
48 SURCHARGE TO THE MAXIMUM RENT.

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

51 N. (1) NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE WILL BE APPROVED BY  
52 THE DIVISION OF HOUSING AND COMMUNITY RENEWAL UNLESS THE WORK PERFORMED  
53 IS AN ENHANCEMENT OR UPGRADE TO A HOUSING ACCOMMODATION OR SERVICE THER-  
54 EIN; OR IS AN ADDITION TO SUCH HOUSING ACCOMMODATION AND OTHERWISE  
55 ELIGIBLE ACCORDING TO THE PREREQUISITES FOR MAJOR CAPITAL IMPROVEMENT  
56 RENT INCREASES. ANY REPAIR OR REPLACEMENT INTENDED TO MAINTAIN AN

1 EXISTING SERVICE SHALL NOT BE ELIGIBLE FOR A MAJOR CAPITAL IMPROVEMENT  
2 RENT INCREASE.

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

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

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

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

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

37 (6) provides criteria whereby the commissioner may act upon applica-  
38 tions by owners for increases in excess of the level of fair rent  
39 increase established under this law provided, however, that such crite-  
40 ria shall provide [(a)] as to hardship applications, for a finding that  
41 the level of fair rent increase is not sufficient to enable the owner to  
42 maintain approximately the same average annual net income (which shall  
43 be computed without regard to debt service, financing costs or manage-  
44 ment fees) for the three year period ending on or within six months of  
45 the date of an application pursuant to such criteria as compared with  
46 annual net income, which prevailed on the average over the period nine-  
47 teen hundred sixty-eight through nineteen hundred seventy, or for the  
48 first three years of operation if the building was completed since nine-  
49 teen hundred sixty-eight or for the first three fiscal years after a  
50 transfer of title to a new owner provided the new owner can establish to  
51 the satisfaction of the commissioner that he or she acquired title to  
52 the building as a result of a bona fide sale of the entire building and  
53 that the new owner is unable to obtain requisite records for the fiscal  
54 years nineteen hundred sixty-eight through nineteen hundred seventy  
55 despite diligent efforts to obtain same from predecessors in title and  
56 further provided that the new owner can provide financial data covering

1 a minimum of six years under his or her continuous and uninterrupted  
2 operation of the building to meet the three year to three year compar-  
3 ative test periods herein provided[; and (b) as to completed building-  
4 wide major capital improvements, for a finding that such improvements  
5 are deemed depreciable under the Internal Revenue Code and that the cost  
6 is to be amortized over a seven-year period, based upon cash purchase  
7 price exclusive of interest or service charges]. Notwithstanding  
8 anything to the contrary contained herein, no hardship increase granted  
9 pursuant to this paragraph shall, when added to the annual gross rents,  
10 as determined by the commissioner, exceed the sum of, (i) the annual  
11 operating expenses, (ii) an allowance for management services as deter-  
12 mined by the commissioner, (iii) actual annual mortgage debt service  
13 (interest and amortization) on its indebtedness to a lending institu-  
14 tion, an insurance company, a retirement fund or welfare fund which is  
15 operated under the supervision of the banking or insurance laws of the  
16 state of New York or the United States, and (iv) eight and one-half  
17 percent of that portion of the fair market value of the property which  
18 exceeds the unpaid principal amount of the mortgage indebtedness  
19 referred to in subparagraph (iii) of this paragraph. Fair market value  
20 for the purposes of this paragraph shall be six times the annual gross  
21 rent. The collection of any increase in the stabilized rent for any  
22 apartment pursuant to this paragraph shall not exceed six percent in any  
23 year from the effective date of the order granting the increase over the  
24 rent set forth in the schedule of gross rents, with collectability of  
25 any dollar excess above said sum to be spread forward in similar incre-  
26 ments and added to the stabilized rent as established or set in future  
27 years;

28 S 6. Subdivision c of section 26-511 of the administrative code of the  
29 city of New York is amended by adding three new paragraphs 6-b, 6-c, and  
30 6-d to read as follows:

31 (6-B) PROVIDES CRITERIA WHEREBY THE COMMISSIONER MAY ACT UPON APPLICA-  
32 TION BY OWNERS FOR INCREASES IN EXCESS OF THE LEVEL OF FAIR RENT  
33 INCREASE ESTABLISHED UNDER THIS LAW PROVIDED HOWEVER, THAT SUCH CRITERIA  
34 SHALL PROVIDE THAT:

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

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

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

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

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

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

34 (6-D) COLLECTION OF SURCHARGES IN EXCESS OF THE LEVEL OF FAIR RENT  
35 AUTHORIZED PURSUANT TO PARAGRAPH SIX-B OF THIS SUBDIVISION SHALL CEASE  
36 WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR CAPITAL IMPROVEMENT.

37 S 7. Paragraph 3 of subdivision d of section 6 of section 4 of chapter  
38 576 of the laws of 1974, constituting the emergency tenant protection  
39 act of nineteen seventy-four, as amended by chapter 749 of the laws of  
40 1990, is amended to read as follows:

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

45 (II) there has been since January first, nineteen hundred seventy-four  
46 a major capital improvement [required for the operation, preservation or  
47 maintenance of the structure. An adjustment under this paragraph shall  
48 be in an amount sufficient to amortize the cost of the improvements  
49 pursuant to this paragraph over a seven-year period]; PROVIDED THAT THE  
50 COMMISSIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER  
51 THE INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE  
52 OPERATION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE  
53 PERMITTED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY  
54 SURCHARGE TO THE LEGAL REGULATED RENT. IT SHALL BE SEPARATELY DESIGNATED  
55 AND BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY ANNUAL RENT  
56 ADJUSTMENT AUTHORIZED BY THE RENT GUIDELINES BOARD UNDER THIS ACT. THE

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

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

15 D-1. (1) NO MAJOR CAPITAL IMPROVEMENT RENT INCREASE WILL BE APPROVED  
16 BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL UNLESS THE WORK  
17 PERFORMED IS AN ENHANCEMENT OR UPGRADE TO A HOUSING ACCOMMODATION OR  
18 SERVICE THEREIN; OR IS AN ADDITION TO SUCH HOUSING ACCOMMODATION AND  
19 OTHERWISE ELIGIBLE ACCORDING TO THE PREREQUISITES FOR MAJOR CAPITAL  
20 IMPROVEMENT RENT INCREASES. ANY REPAIR OR REPLACEMENT INTENDED TO MAIN-  
21 TAIN AN EXISTING SERVICE SHALL NOT BE ELIGIBLE FOR A MAJOR CAPITAL  
22 IMPROVEMENT RENT INCREASE.

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

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

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

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

54 S 9. Subdivision d of section 6 of section 4 of chapter 576 of the  
55 laws of 1974 constituting the emergency tenant protection act of nine-

1 teen seventy-four is amended by adding a new paragraph 6 to read as  
2 follows:

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

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

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

1 excess of fifteen per centum, the increase shall be automatically  
2 reduced to fifteen per centum; or (5) the landlord and tenant by mutual  
3 voluntary written agreement agree to a substantial increase or decrease  
4 in dwelling space or a change in the services, furniture, furnishings or  
5 equipment provided in the housing accommodations; provided that an owner  
6 shall be entitled to a rent increase where there has been a substantial  
7 modification or increase of dwelling space or an increase in the  
8 services, or installation of new equipment or improvements or new furni-  
9 ture or furnishings provided in or to a tenant's housing accommodation.  
10 The permanent increase in the maximum rent for the affected housing  
11 accommodation shall be one-fortieth, in the case of a building with  
12 thirty-five or fewer housing accommodations, or one-sixtieth, in the  
13 case of a building with more than thirty-five housing accommodations  
14 where such permanent increase takes effect on or after September twen-  
15 ty-fourth, two thousand eleven, of the total cost incurred by the land-  
16 lord in providing such modification or increase in dwelling space,  
17 services, furniture, furnishings or equipment, including the cost of  
18 installation, but excluding finance charges provided further that an  
19 owner who is entitled to a rent increase pursuant to this clause shall  
20 not be entitled to a further rent increase based upon the installation  
21 of similar equipment, or new furniture or furnishings within the useful  
22 life of such new equipment, or new furniture or furnishings. The owner  
23 shall give written notice to the commission of any such adjustment  
24 pursuant to this clause; or (6) there has been, since March first, nine-  
25 teen hundred fifty, an increase in the rental value of the housing  
26 accommodations as a result of a substantial rehabilitation of the build-  
27 ing or housing accommodation therein which materially adds to the value  
28 of the property or appreciably prolongs its life, excluding ordinary  
29 repairs, maintenance and replacements; or (7) (I) COLLECTION OF  
30 SURCHARGES TO THE MAXIMUM RENT AUTHORIZED PURSUANT TO ITEM (II) OF THIS  
31 CLAUSE SHALL CEASE WHEN THE OWNER HAS RECOVERED THE COST OF THE MAJOR  
32 CAPITAL IMPROVEMENT; (II) there has been since March first, nineteen  
33 hundred fifty, a major capital improvement [required for the operation,  
34 preservation or maintenance of the structure]; PROVIDED THAT THE COMMIS-  
35 SIONER FINDS THAT SUCH IMPROVEMENTS ARE DEEMED DEPRECIABLE UNDER THE  
36 INTERNAL REVENUE CODE AND SUCH IMPROVEMENTS ARE REQUIRED FOR THE OPERA-  
37 TION, PRESERVATION OR MAINTENANCE OF THE STRUCTURE. THE INCREASE PERMIT-  
38 TED FOR SUCH CAPITAL IMPROVEMENT SHALL BE COLLECTED AS A MONTHLY  
39 SURCHARGE TO THE MAXIMUM RENT. IT SHALL BE SEPARATELY DESIGNATED AND  
40 BILLED AS SUCH AND SHALL NOT BE COMPOUNDED BY ANY OTHER ADJUSTMENT TO  
41 THE MAXIMUM RENT. THE SURCHARGE ALLOCABLE TO EACH APARTMENT SHALL BE AN  
42 AMOUNT EQUAL TO THE COST OF THE IMPROVEMENT DIVIDED BY EIGHTY-FOUR,  
43 DIVIDED BY THE NUMBER OF ROOMS IN THE BUILDING, AND THEN MULTIPLIED BY  
44 THE NUMBER OF ROOMS IN SUCH APARTMENT; PROVIDED THAT THE SURCHARGE ALLO-  
45 CABLE TO ANY APARTMENT IN ANY ONE YEAR MAY NOT EXCEED AN AMOUNT EQUAL TO  
46 SIX PERCENT OF THE MONTHLY RENT COLLECTED BY THE OWNER FOR SUCH APART-  
47 MENT AS SET FORTH IN THE SCHEDULE OF GROSS RENTS. ANY EXCESS ABOVE SAID  
48 SIX PERCENT SHALL BE CARRIED FORWARD AND COLLECTED IN FUTURE YEARS AS A  
49 FURTHER SURCHARGE NOT TO EXCEED AN ADDITIONAL SIX PERCENT IN ANY ONE  
50 YEAR PERIOD UNTIL THE TOTAL SURCHARGE EQUALS THE AMOUNT IT WOULD HAVE  
51 BEEN IF THE AFOREMENTIONED SIX PERCENT LIMITATION DID NOT APPLY; or (8)  
52 there has been since March first, nineteen hundred fifty, in structures  
53 containing more than four housing accommodations, other improvements  
54 made with the express consent of the tenants in occupancy of at least  
55 seventy-five per centum of the housing accommodations, provided, howev-  
56 er, that no adjustment granted hereunder shall exceed fifteen per centum

1 unless the tenants have agreed to a higher percentage of increase, as  
2 herein provided; or (9) there has been, since March first, nineteen  
3 hundred fifty, a subletting without written consent from the landlord or  
4 an increase in the number of adult occupants who are not members of the  
5 immediate family of the tenant, and the landlord has not been compen-  
6 sated therefor by adjustment of the maximum rent by lease or order of  
7 the commission or pursuant to the federal act; or (10) the presence of  
8 unique or peculiar circumstances materially affecting the maximum rent  
9 has resulted in a maximum rent which is substantially lower than the  
10 rents generally prevailing in the same area for substantially similar  
11 housing accommodations.

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

13 a. the amendments to section 26-405 of the city rent and rehabili-  
14 tation law made by sections one, two, three and four of this act shall  
15 remain in full force and effect only so long as the public emergency  
16 requiring the regulation and control of residential rents and evictions  
17 continues, as provided in subdivision 3 of section 1 of the local emer-  
18 gency housing rent control act;

19 b. the amendments to section 26-511 of the rent stabilization law of  
20 nineteen hundred sixty-nine made by sections five and six of this act  
21 shall expire on the same date as such law expires and shall not affect  
22 the expiration of such law as provided under section 26-520 of such law,  
23 as from time to time amended;

24 c. the amendment to section 6 of the emergency tenant protection act  
25 of nineteen seventy-four made by sections seven, eight and nine of this  
26 act shall expire on the same date as such act expires and shall not  
27 affect the expiration of such act as provided in section 17 of chapter  
28 576 of the laws of 1974, as from time to time amended; and

29 d. the amendment to section 4 of the emergency housing rent control  
30 law made by section ten of this act shall expire on the same date as  
31 such law expires and shall not affect the expiration of such law as  
32 provided in subdivision 2 of section 1 of chapter 274 of the laws of  
33 1946.

34

#### PART I

35 Section 1. Paragraph 5 of subdivision a of section 26-405 of the  
36 administrative code of the city of New York is amended to read as  
37 follows:

38 (5) Where a maximum rent established pursuant to this chapter on or  
39 after January first, nineteen hundred seventy-two, is higher than the  
40 previously existing maximum rent, the landlord may not collect AN  
41 INCREASE FROM A TENANT IN OCCUPANCY IN ANY ONE YEAR PERIOD OF more than  
42 THE LESSER OF EITHER seven and one-half percentum [increase from a  
43 tenant in occupancy on such date in any one year period, provided howev-  
44 er, that where] OR AN AVERAGE OF THE PREVIOUS FIVE YEARS OF ONE-YEAR  
45 RENT INCREASES ON RENT STABILIZED APARTMENTS AS ESTABLISHED BY THE RENT  
46 GUIDELINES BOARD, PURSUANT TO SUBDIVISION B OF SECTION 26-510 OF THIS  
47 TITLE. IF the period for which the rent is established exceeds one year,  
48 regardless of how the collection thereof is averaged over such period,  
49 the rent the landlord shall be entitled to receive during the first  
50 twelve months shall not be increased by more than THE LESSER OF EITHER  
51 seven and one-half percentum OR AN AVERAGE OF THE PREVIOUS FIVE YEARS OF  
52 ONE-YEAR RENT INCREASES ON RENT STABILIZED APARTMENTS AS ESTABLISHED BY  
53 THE RENT GUIDELINES BOARD, PURSUANT TO SUBDIVISION B OF SECTION 26-510  
54 OF THIS TITLE, over the previous rent [and]. ANY additional annual rents



1 shall not exceed THE LESSER OF EITHER seven and one-half percentum OR AN  
2 AVERAGE OF THE PREVIOUS FIVE YEARS OF ONE-YEAR RENT INCREASES ON RENT  
3 STABILIZED APARTMENTS AS ESTABLISHED BY THE RENT GUIDELINES BOARD,  
4 PURSUANT TO SUBDIVISION B OF SECTION 26-510 OF THIS TITLE, of the rent  
5 paid during the previous year. Notwithstanding any of the foregoing  
6 limitations in this paragraph five, maximum rent shall be increased if  
7 ordered by the agency pursuant to subparagraphs (d), (e), (f), (g), (h),  
8 (i), (k), [(l),] OR (m) [or (n)] of paragraph one of subdivision g of  
9 this section. [Commencing January first, nineteen hundred eighty, rent  
10 adjustments pursuant to subparagraph (n) of paragraph one of subdivision  
11 g of this section shall be excluded from the maximum rent when computing  
12 the seven and one-half percentum increase authorized by this paragraph  
13 five.] Where a housing accommodation is vacant on January first, nine-  
14 teen hundred seventy-two, or becomes vacant thereafter by voluntary  
15 surrender of possession by the tenants, the maximum rent established for  
16 such accommodations may be collected.

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

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

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

28 S 4. This act shall take effect on the one hundred eightieth day after  
29 it shall have become a law; provided that the amendments to section  
30 26-405 of the city rent and rehabilitation law made by section one of  
31 this act shall remain in full force and effect only as long as the  
32 public emergency requiring the regulation and control of residential  
33 rents and evictions continues, as provided in subdivision 3 of section 1  
34 of the local emergency housing rent control act; and provided that the  
35 amendments to section 4 of the emergency housing rent control law made  
36 by section three of this act shall expire on the same date as such law  
37 expires and shall not affect the expiration of such law as provided in  
38 subdivision 2 of section 1 of chapter 274 of the laws of 1946.

39

## PART J

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

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

45 S 2. This act shall take effect immediately; provided that section  
46 26-416 of the city rent and rehabilitation law as added by section one  
47 of this act shall remain in full force and effect only as long as the  
48 public emergency requiring the regulation and control of residential  
49 rents and evictions continues, as provided in subdivision 3 of section 1  
50 of the local emergency housing rent control act.

51 S 3. Severability clause. If any clause, sentence, paragraph, subdivi-  
52 sion, section or part of this act shall be adjudged by any court of  
53 competent jurisdiction to be invalid, such judgment shall not affect,  
54 impair, or invalidate the remainder thereof, but shall be confined in

1 its operation to the clause, sentence, paragraph, subdivision, section  
2 or part thereof directly involved in the controversy in which such judg-  
3 ment shall have been rendered. It is hereby declared to be the intent  
4 of the legislature that this act would have been enacted even if such  
5 invalid provisions had not been included herein.

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