

3704

2015-2016 Regular Sessions

I N S E N A T E

February 17, 2015

Introduced by Sens. ESPAILLAT, HOYLMAN, KRUEGER -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to the establishment of rent adjustments; and to repeal paragraph 5-a of subdivision c of section 25-511 of the administrative code of the city of New York and subdivision (a-1) of section 10 of the emergency tenant protection act of nineteen seventy-four, relating to vacancy leases

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "rent board reform act of 2015".
3 S 2. Legislative findings and declaration. The legislature hereby
4 finds and declares that the public emergency which led to the enactment
5 of the laws regulating residential rents and evictions continues to
6 exist, that such emergency continues to necessitate the intervention of
7 state and local governments in order to prevent speculative, unwarranted
8 and abnormal increases in rents and unjust and arbitrary evictions so
9 long as such emergency exists, without further periodic authorization by
10 the legislature; that because of the shortage of decent, safe and avail-
11 able housing, market forces do not operate properly, and it is necessary
12 therefore to prevent the exaction of unjust or unreasonable rents and
13 rental agreements, and to forestall eviction and other disruptive prac-
14 tices tending to produce threats to the public health, safety and gener-
15 al welfare; that the general welfare depends in part on the maintenance
16 and preservation of the existing stock of privately owned rental hous-
17 ing, and to assure such maintenance and preservation, responsible owners
18 should be encouraged to own, invest in and maintain such housing without
19 exacting unwarranted rent increases or rental agreements; that the

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

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existing laws regulating residential rents and evictions would better promote equity and serve the public interest if certain amendments were made thereto, including the restructuring of the system of promulgating general rent adjustments, repeal of the statutory vacancy bonus and the substitution of statutory tenancies for the current renewal lease system for rent stabilized housing accommodations.

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

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

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

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

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

(10) NOTWITHSTANDING ANY PROVISIONS OF PARAGRAPHS ONE AND SIX OF THIS SUBDIVISION TO THE CONTRARY, EFFECTIVE JANUARY FIRST, TWO THOUSAND SIXTEEN, A TWO YEAR RENEWAL LEASE SHALL NOT BE A PREREQUISITE FOR A TENANT TO BE ELIGIBLE FOR A RENT EXEMPTION UNDER THIS SUBDIVISION WHO OTHERWISE QUALIFIES FOR SUCH RENT EXEMPTION. A RENT EXEMPTION ORDER SHALL NO LONGER CONTAIN A PROVISION GIVING NOTICE THAT A TENANT MUST ENTER INTO A TWO YEAR RENEWAL LEASE FOR CONTINUED ELIGIBILITY FOR A RENT EXEMPTION UNDER THIS SUBDIVISION.

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

S 26-510 Rent [guidelines] board. a. There shall be a rent [guidelines] board to consist of nine members, appointed by the mayor UPON THE ADVICE AND CONSENT OF THE CITY COUNCIL. [Two] THREE members shall be representative of tenants, [two] THREE shall be representative of owners of property, and [five] THREE shall be public members [each of whom]. EACH OF THE PUBLIC MEMBERS shall have had at least five years experience in [either] PUBLIC SERVICE, PHILANTHROPY, SOCIAL SERVICES, URBAN PLANNING, ARCHITECTURE, SOCIAL SCIENCES, SERVICE WITH NOT-FOR-PROFIT ORGANIZATIONS, finance, economics or housing. One public member shall be designated by the mayor UPON THE ADVICE AND CONSENT OF THE CITY COUNCIL to serve as [chairman] CHAIR and shall hold no other public office. No [member, officer or] employee of THE CITY OF NEW YORK OR OF any [municipal rent regulation] MAYORAL OR NON-MAYORAL agency THEREOF or the state division of housing and community renewal and no person who owns or manages real estate covered by THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR this law or [who is an officer of any owner or tenant organization] THE CITY RENT AND REHABILITATION LAW OR WHO OWNS MORE THAN TWO RENTAL HOUSING ACCOMMODATIONS NOT COVERED BY THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS LAW shall serve on [a] THE rent [guidelines] board. [One public member, one member representative of tenants and one member representative of owners shall

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

21 b. The rent [guidelines] board shall establish annually [guidelines
22 for] rent adjustments, and in determining whether rents for housing
23 accommodations subject to the emergency tenant protection act of nine-
24 teen seventy-four or this law shall be adjusted shall consider, among
25 other things (1) THE STATE OF THE RENTAL REAL ESTATE MARKET AND SUBMAR-
26 KETS WITHIN THE CITY OF NEW YORK, INCLUDING THE AVAILABILITY OF AFFORDA-
27 BLE, HABITABLE RENTAL HOUSING ACCOMMODATIONS; (2) the economic condition
28 of the residential real estate industry in the [affected area] CITY OF
29 NEW YORK including CHANGES IN THE VALUE OF RESIDENTIAL REAL ESTATE, THE
30 PROFITABILITY OF OWNERSHIP OF RENTAL HOUSING AND such factors as the
31 prevailing and projected (i) INCREASES OR DECREASES IN RENTS AND GROSS
32 RENTAL INCOME, INCLUDING INCOME FROM OTHER THAN RESIDENTIAL RENTS, AS
33 WELL AS THE IMPUTED RENTAL VALUE FOR APARTMENTS OCCUPIED BY OWNERS OR
34 MEMBERS OR THEIR FAMILIES OR ASSOCIATES OF OWNERS, FOR BUILDINGS SUBJECT
35 TO THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR OR THIS
36 LAW, (II) INCREASES OR DECREASES IN OPERATION AND MAINTENANCE COSTS OF
37 BUILDINGS SUBJECT TO THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN
38 SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND REHABILITATION LAW,
39 INCLUDING real estate taxes [and], sewer and water rates, [(ii) gross
40 operating maintenance costs (including] insurance rates, ADMINISTRATIVE
41 COSTS, governmental fees, [cost of] fuel, UTILITIES, and labor [costs)],
42 (iii) costs and availability of financing (including effective rates of
43 interest) AND COSTS, AVAILABILITY AND PROFITABILITY OF REFINANCING, (iv)
44 ECONOMIC BENEFITS, OTHER THAN RENTAL INCOME, DERIVED FROM OWNERSHIP AND
45 UPGRADING OF RENTAL PROPERTY, (V) RETURNS ON CAPITAL PLACED AT RISK BY
46 OWNERS, (VI) over-all supply of housing accommodations and over-all
47 vacancy rates, [(2)] (VII) INCREASES OR DECREASES IN NET OPERATING
48 INCOME OF BUILDINGS SUBJECT TO THE EMERGENCY TENANT PROTECTION ACT OF
49 NINETEEN SEVENTY-FOUR OR THIS LAW OR THE CITY RENT AND REHABILITATION
50 LAW, (3) relevant data from the current and projected cost of living
51 indices for the affected area, [(3)] AND (4) such other data as may be
52 made available to it. NET OPERATING INCOME SHALL MEAN THE PERCENTAGE OF
53 EACH DOLLAR OF GROSS RENTAL INCOME REMAINING AFTER PAYMENT OF ALL COSTS
54 OF OPERATION AND MAINTENANCE. DEBT SERVICE PAYMENTS, CAPITAL EXPENDI-
55 TURES AND DEPRECIATION SHALL NOT BE CONSIDERED TO BE OPERATION AND MAIN-
56 TENANCE COSTS, AND THE RENT BOARD SHALL NOT CONSIDER DEBT SERVICE

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

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

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

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

50 [g.] E. From September twenty-fifth, nineteen hundred sixty-nine until
51 the rate of permissible increase is established by the council pursuant
52 to subdivision [e] D of this section, there shall not be collected from
53 any permanent hotel tenant any rent increase in excess of ten percent
54 over the rent payable for his or her dwelling unit on May thirty-first,
55 nineteen hundred sixty-eight, except for hardship increases authorized
56 by the conciliation and appeals board. Any owner who collects or permits

1 any rent to be collected in excess of the amount authorized by this
2 subdivision shall not be eligible to be a member in good standing of a
3 hotel industry stabilization association.

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

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

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

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

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

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

51 (2) NO LATER THAN OCTOBER FIRST, TWO THOUSAND FIFTEEN THE RENT BOARD
52 SHALL ESTABLISH TRANSITIONAL RENT ADJUSTMENTS APPLICABLE TO LEASES WHICH
53 EXPIRE BETWEEN JANUARY FIRST, TWO THOUSAND SIXTEEN AND DECEMBER THIRTY-
54 FIRST, TWO THOUSAND SIXTEEN. NO LATER THAN OCTOBER FIRST, TWO THOUSAND
55 SIXTEEN THE BOARD SHALL ESTABLISH TRANSITIONAL RENT ADJUSTMENTS APPLICA-
56 BLE TO LEASES WHICH EXPIRE BETWEEN JANUARY FIRST, TWO THOUSAND SEVENTEEN

1 AND DECEMBER THIRTY-FIRST, TWO THOUSAND SEVENTEEN. SUCH TRANSITIONAL
2 ADJUSTMENT SHALL BE A PRO-RATA PORTION OF THE ONE OR TWO YEAR RENEWAL
3 ADJUSTMENTS.

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

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

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

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

8 F. NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS CHAPTER, ON OR
9 AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN:

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

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

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

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

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

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

51 (7) ANY TENANT WHOSE LEASE IN EFFECT ON DECEMBER THIRTY-FIRST, TWO
52 THOUSAND FIFTEEN HAS EXPIRED, OR WHOSE VACANCY LEASE ENTERED INTO ON OR
53 AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN HAS EXPIRED AND WHO THEREAFTER
54 VACATES A HOUSING ACCOMMODATION WITHOUT GIVING THE OWNER AT LEAST THIRTY
55 DAYS' WRITTEN NOTICE BY REGISTERED OR CERTIFIED MAIL OF HIS OR HER
56 INTENTION TO VACATE SHALL BE LIABLE TO THE OWNER FOR THE LOSS OF RENT

1 SUFFERED BY THE OWNER, BUT NOT EXCEEDING ONE MONTH'S RENT, EXCEPT WHERE
2 THE TENANT VACATES PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION. SUCH
3 NOTICE SHALL BE POSTMARKED ON OR BEFORE THE LAST DAY OF THE RENTAL PERI-
4 OD IMMEDIATELY PRIOR TO SUCH THIRTY DAY PERIOD.

5 (8) (A) THE LEGAL REGULATED RENT FOR ANY LEASE WHICH EXPIRES ON DECEM-
6 BER THIRTY-FIRST, TWO THOUSAND FIFTEEN SHALL BE ADJUSTED EFFECTIVE JANU-
7 ARY FIRST, TWO THOUSAND SIXTEEN AND ON THE FIRST DAY OF JANUARY OF EACH
8 YEAR THEREAFTER BY THE RENT ADJUSTMENT ESTABLISHED BY THE RENT BOARD.

9 (B) THE LEGAL REGULATED RENT FOR ANY LEASE ENTERED INTO PRIOR TO JANU-
10 ARY FIRST, TWO THOUSAND SIXTEEN WHICH EXPIRES BETWEEN JANUARY FIRST, TWO
11 THOUSAND SIXTEEN AND DECEMBER THIRTY-FIRST, TWO THOUSAND SEVENTEEN SHALL
12 BE ADJUSTED EFFECTIVE THE FIRST DAY FOLLOWING ITS EXPIRATION BY THE
13 APPLICABLE TRANSITIONAL ADJUSTMENTS ESTABLISHED BY THE RENT BOARD AND ON
14 THE FIRST DAY OF JANUARY EACH YEAR THEREAFTER BY THE RENT ADJUSTMENT
15 ESTABLISHED BY THE RENT BOARD.

16 (C) THE LEGAL REGULATED RENT FOR ANY VACANCY LEASE ENTERED ON OR AFTER
17 JANUARY FIRST, TWO THOUSAND SIXTEEN SHALL, IN ADDITION TO ANY ADJUSTMENT
18 PROVIDED FOR IN PARAGRAPH FIVE OF THIS SUBDIVISION, BE ADJUSTED ON THE
19 FIRST DAY OF JANUARY EACH YEAR THEREAFTER BY THE RENT ADJUSTMENT ESTAB-
20 LISHED BY THE RENT BOARD.

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

24 (10) (A) NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS SUBDIVISION,
25 EFFECTIVE JANUARY FIRST, TWO THOUSAND SIXTEEN, MAXIMUM RENTS FOR HOUSING
26 ACCOMMODATIONS SUBJECT TO THIS CHAPTER SHALL NO LONGER BE ESTABLISHED
27 PURSUANT TO PARAGRAPHS THREE AND FOUR OF THIS SUBDIVISION, OR LIMITED BY
28 PARAGRAPH FIVE OF THIS SUBDIVISION, OR ADJUSTED BY SUBPARAGRAPH (L) OR
29 (N) OF PARAGRAPH ONE OF SUBDIVISION G OF THIS SECTION.

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

46 (C) EFFECTIVE JANUARY FIRST, TWO THOUSAND SIXTEEN, THE MAXIMUM RENT
47 COLLECTIBLE FROM THE TENANT SHALL BE THE MAXIMUM RENT COLLECTIBLE ON
48 DECEMBER THIRTY-FIRST, TWO THOUSAND FIFTEEN, INCLUDING ANY RENT ADJUST-
49 MENTS THEN COLLECTIBLE PURSUANT TO SUBPARAGRAPH (N) OF PARAGRAPH ONE OF
50 SUBDIVISION G OF THIS SECTION, AS SUCH RENT MAY BE ADJUSTED PURSUANT TO
51 SUBPARAGRAPH (B) OF THIS PARAGRAPH ANNUALLY, WITHOUT AN ORDER OF THE
52 CITY RENT AGENCY, OR AS ADJUSTED PURSUANT TO ANY OTHER PROVISION OF THIS
53 CHAPTER, PROVIDED THAT A LANDLORD SHALL NOT COLLECT ANY RENT INCREASE OR
54 ADJUSTMENT OTHERWISE COLLECTIBLE UNDER SUBPARAGRAPH (B) OF THIS PARA-
55 GRAPH UNLESS AND UNTIL THE FIRST RENT PAYMENT DATE AFTER THE LANDLORD
56 CERTIFIES TO THE CITY RENT AGENCY THAT ALL RENT IMPAIRING VIOLATIONS, AS

1 DEFINED BY SECTION THREE HUNDRED TWO-A OF THE MULTIPLE DWELLING LAW, AND
2 AT LEAST EIGHTY PER CENTUM OF ALL OTHER VIOLATIONS OF THE HOUSING MAIN-
3 TENANCE CODE OR OTHER STATE OR LOCAL LAWS THAT IMPOSE REQUIREMENTS ON
4 PROPERTY AND WHICH WERE RECORDED AGAINST THE PROPERTY ON JULY FIRST, TWO
5 THOUSAND FIFTEEN, OR JULY FIRST OF THE YEAR PRECEDING THE ADJUSTMENT,
6 WHICHEVER IS LATER, HAVE BEEN CLEARED, CORRECTED OR ABATED AND THE LAND-
7 LORD HAS RECEIVED A CERTIFICATE OF ELIGIBILITY FROM THE CITY RENT AGENCY
8 THAT THE VIOLATION CLEARING REQUIREMENTS SET FORTH ABOVE HAVE BEEN MET
9 AND FURTHER AUTHORIZING THE LANDLORD TO COLLECT ANY RENT INCREASE OR
10 ADJUSTMENT AUTHORIZED PURSUANT TO SUBPARAGRAPH (B) OF THIS PARAGRAPH,
11 AND THE LANDLORD HAS SERVED SUCH CERTIFICATE UPON THE TENANT RESIDING IN
12 THE HOUSING ACCOMMODATION.

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

18 (E) NOTHING CONTAINED IN THIS PARAGRAPH OR IN SUBDIVISION F OF SECTION
19 26-511 OF THIS TITLE SHALL ALTER, RESTRICT OR IMPAIR AN OWNER'S RIGHT TO
20 ESTABLISH THE INITIAL REGULATED RENT FOR ACCOMMODATIONS SUBJECT TO THIS
21 CHAPTER WHICH BECOME VACANT.

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

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

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

46 b. A county rent [guidelines] board shall establish annually [guide-
47 lines for] rent adjustments which, at its sole discretion may be varied
48 and different for and within the several zones and jurisdictions of the
49 [board] COUNTY, and in determining whether rents for housing accommo-
50 dations as to which an emergency has been declared pursuant to this act
51 shall be adjusted, shall consider among other things (1) THE STATE OF
52 THE RENTAL REAL ESTATE MARKET AND SUBMARKETS WITHIN THOSE AREAS OF THE
53 COUNTY WITH HOUSING ACCOMMODATIONS SUBJECT TO THIS ACT, INCLUDING THE
54 AVAILABILITY OF AFFORDABLE, HABITABLE RENTAL HOUSING ACCOMMODATIONS; (2)
55 the economic condition of the residential real estate industry in [the
56 affected area including] THOSE AREAS OF THE COUNTY WITH HOUSING ACCOMMO-

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

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

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

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

51 c. [In a city having a population of one million or more, the rent
52 guidelines board shall be the rent guidelines board established pursuant
53 to the New York city rent stabilization law of nineteen hundred sixty-
54 nine as amended, and such board shall have the powers granted pursuant
55 to the New York city rent stabilization law of nineteen hundred sixty-
56 nine as amended.] A COUNTY RENT BOARD, PRIOR TO THE ANNUAL ADJUSTMENT OF

1 THE LEVEL OF RENTS PROVIDED FOR UNDER SUBDIVISION B OF THIS SECTION FOR
2 HOUSING ACCOMMODATIONS SUBJECT TO THIS ACT OR THE EMERGENCY HOUSING RENT
3 CONTROL LAW, SHALL HOLD A PUBLIC HEARING OR HEARINGS FOR THE PURPOSE OF
4 COLLECTING INFORMATION RELATING TO ALL FACTORS SET FORTH IN SUBDIVISION
5 B OF THIS SECTION. NOTICE OF THE DATE, TIME, LOCATION AND SUMMARY OF
6 SUBJECT MATTER FOR THE PUBLIC HEARING OR HEARINGS SHALL BE PUBLISHED AT
7 LEAST ONCE IN ONE OR MORE NEWSPAPERS OF GENERAL CIRCULATION AT LEAST
8 EIGHT DAYS IMMEDIATELY PRECEDING EACH HEARING DATE, AT THE EXPENSE OF
9 THE COUNTY, AND THE HEARING OR HEARINGS SHALL BE OPEN FOR TESTIMONY FROM
10 ANY INDIVIDUAL, GROUP, ASSOCIATION OR REPRESENTATIVE THEREOF WHO WANTS
11 TO TESTIFY.

12 d. NO OWNER OF ANY HOUSING ACCOMMODATION SUBJECT TO THIS ACT OR THE
13 EMERGENCY HOUSING RENT CONTROL LAW MAY IMPOSE OR COLLECT DURING CALENDAR
14 YEAR TWO THOUSAND FIFTEEN AN ANNUAL RENT ADJUSTMENT AS ADOPTED PURSUANT
15 TO THE PROVISIONS OF SUBDIVISION B OF THIS SECTION IF THERE EXIST OF
16 RECORD WITH REGARD TO THE PROPERTY CONTAINING SUCH HOUSING ACCOMMODATION
17 ON JANUARY FIRST OF SUCH YEAR ANY OUTSTANDING HAZARDOUS VIOLATIONS OF
18 RECORD AS OF JULY 1, 2015 OR MORE THAN TWENTY PERCENT OF ALL OTHER
19 VIOLATIONS OF RECORD AS OF JULY 1, 2015; OR DURING A SUBSEQUENT CALENDAR
20 YEAR IF THERE EXIST OF RECORD WITH REGARD TO SUCH PROPERTY ON JANUARY
21 FIRST OF SUCH YEAR ANY OUTSTANDING HAZARDOUS VIOLATIONS OF RECORD AS OF
22 JULY FIRST OF THE PRIOR YEAR OR MORE THAN TWENTY PERCENT OF ALL OTHER
23 VIOLATIONS OF RECORD AS OF JULY FIRST OF THE PRIOR YEAR, AS DETERMINED
24 PURSUANT TO REGULATIONS OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL
25 OR ANY AGENCY ADMINISTERING AND ENFORCING A BUILDING CODE OR HOUSING
26 MAINTENANCE CODE IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED.

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

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

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

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

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

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

54 D. NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS ACT, ON OR AFTER
55 JANUARY 1, 2016:

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

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

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

25 (4) PURSUANT TO THE PROVISIONS OF PARAGRAPH ONE OF THIS SUBDIVISION,
26 OWNERS SHALL NO LONGER OFFER OR ENTER INTO RENEWAL LEASES FOR ANY
27 RENEWAL WHICH COMMENCED ON OR AFTER JANUARY 1, 2016; HOWEVER OWNERS
28 SHALL BE REQUIRED TO GRANT AND FURNISH TO A NEW TENANT A VACANCY LEASE,
29 IN ACCORDANCE WITH THE PROVISIONS OF SUBDIVISIONS A AND C OF THIS
30 SECTION, FOR A TERM WHICH SHALL EXPIRE ON THE THIRTY-FIRST DAY OF DECEM-
31 BER OF THE YEAR IN WHICH IT COMMENCED.

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

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

41 (7) ANY TENANT WHOSE LEASE IN EFFECT ON DECEMBER 31, 2016 HAS EXPIRED,
42 OR WHOSE VACANCY LEASE ENTERED INTO ON OR AFTER JANUARY 1, 2016 HAS
43 EXPIRED, AND WHO THEREAFTER VACATES A HOUSING ACCOMMODATION WITHOUT
44 GIVING THE OWNER AT LEAST THIRTY DAYS' WRITTEN NOTICE BY REGISTERED OR
45 CERTIFIED MAIL OF HIS OR HER INTENTION TO VACATE, SHALL BE LIABLE TO THE
46 OWNER FOR THE LOSS OF RENT SUFFERED BY THE OWNER, BUT NOT EXCEEDING ONE
47 MONTH'S RENT, WHERE THE TENANT VACATES PURSUANT TO THE PROVISIONS OF
48 THIS SECTION. SUCH NOTICE SHALL BE POSTMARKED ON OR BEFORE THE LAST DAY
49 OF THE RENTAL PERIOD IMMEDIATELY PRIOR TO THE THIRTY DAY PERIOD.

50 (8) (A) THE LEGAL REGULATED RENT FOR ANY LEASE WHICH EXPIRES ON DECEM-
51 BER 31, 2015 SHALL BE ADJUSTED EFFECTIVE JANUARY 1, 2016 AND ON THE
52 FIRST DAY OF JANUARY OF EACH YEAR THEREAFTER BY THE RENT ADJUSTMENT
53 ESTABLISHED BY THE RENT BOARD.

54 (B) THE LEGAL REGULATED RENT FOR ANY LEASE ENTERED INTO PRIOR TO JANU-
55 ARY 1, 2016 WHICH EXPIRES BETWEEN JANUARY 1, 2016 AND DECEMBER 31, 2017
56 SHALL BE ADJUSTED EFFECTIVE THE FIRST DAY FOLLOWING ITS EXPIRATION BY

1 THE APPLICABLE TRANSITIONAL ADJUSTMENTS ESTABLISHED BY THE RENT BOARD
2 AND ON THE FIRST DAY OF JANUARY OF EACH YEAR THEREAFTER BY THE RENT
3 ADJUSTMENT ESTABLISHED BY THE RENT BOARD.

4 (C) THE LEGAL REGULATED RENT FOR ANY VACANCY LEASE ENTERED INTO ON OR
5 AFTER JANUARY 1, 2016 SHALL, IN ADDITION TO ANY ADJUSTMENT PROVIDED FOR
6 IN PARAGRAPH FIVE OF THIS SUBDIVISION, BE ADJUSTED ON THE FIRST DAY OF
7 JANUARY OF EACH YEAR THEREAFTER BY THE RENT ADJUSTMENT ESTABLISHED BY
8 THE RENT BOARD.

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

13 S 10-a. Right to sublease. Units subject to this law may be sublet
14 pursuant to section [two hundred twenty-six-b] 226-B of the real proper-
15 ty law provided that (a) the rental charged to the subtenant does not
16 exceed the legal regulated rent plus a ten percent surcharge payable to
17 the tenant if the unit sublet was furnished with the tenant's furniture;
18 (b) the tenant can establish that at all times he has maintained the
19 unit as his primary residence and intends to occupy it as such at the
20 expiration of the sublease; (c) an owner may terminate the tenancy of a
21 tenant who sublets or assigns contrary to the terms of this section [but
22 no action or proceeding based on the non-primary residence of a tenant
23 may be commenced prior to the expiration date of his lease]; (d) where
24 an apartment is sublet the prime tenant shall retain the right to a
25 [renewal lease] STATUTORY TENANCY and the rights and status of a tenant
26 in occupancy as they relate to conversion to condominium or cooperative
27 ownership; (e) where a tenant violates the provisions of subdivision (a)
28 of this section the subtenant shall be entitled to damages of three
29 times the overcharge and may also be awarded attorneys fees and interest
30 from the date of the overcharge at the rate of interest payable on a
31 judgment pursuant to section five thousand four of the civil practice
32 law and rules; AND (f) the tenant may not sublet the unit for more than
33 a total of two years, including the term of the proposed sublease, out
34 of the four-year period preceding the termination date of the proposed
35 sublease. The provisions of this subdivision [(f)] shall only apply to
36 subleases commencing on and after July first, nineteen hundred eighty-
37 three; (g) for the purposes of this section only, the term of the
38 proposed sublease may extend beyond the term of the tenant's lease]. In
39 such event, such sublease shall be subject to the tenant's right to a
40 [renewal lease] STATUTORY TENANCY PURSUANT TO THIS ACT. The subtenant
41 shall have no right to a renewal lease. It shall be unreasonable for an
42 owner to refuse to consent to a sublease solely because such sublease
43 extends beyond the tenant's lease; and (h) notwithstanding the
44 provisions of section two hundred twenty-six-b of the real property law,
45 a not-for-profit hospital shall have the right to sublet any housing
46 accommodation leased by it to its affiliated personnel without requiring
47 the landlord's consent to any such sublease and without being bound by
48 the provisions of subdivisions (b), (c) and (f) of this section.
49 Commencing with the effective date of this subdivision, whenever a not-
50 for-profit hospital executes a renewal lease for a housing accommo-
51 dation, the legal regulated rent shall be increased by a sum equal to
52 fifteen percent of the previous lease rental for such housing accommo-
53 dation, hereinafter referred to as a vacancy surcharge, unless the land-
54 lord shall have received within the seven year period prior to the
55 commencement date of such renewal lease any vacancy increases or vacancy
56 surcharges allocable to the said housing accommodation. In the event the

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

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

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

9. NOTWITHSTANDING ANY CONTRARY PROVISIONS OF THIS LAW, EFFECTIVE JANUARY 1, 2016, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, THE RENT FOR HOUSING ACCOMMODATIONS SUBJECT TO THIS CHAPTER LOCATED IN THE COUNTIES OF WESTCHESTER AND NASSAU SHALL BE ADJUSTED AS FOLLOWS:

(A) THE COUNTY RENT BOARDS ESTABLISHED PURSUANT TO SECTION 4 OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, SHALL ESTABLISH ANNUAL RENT ADJUSTMENTS FOR THE CLASS OF HOUSING ACCOMMODATIONS SUBJECT TO THIS CHAPTER LOCATED IN THE COUNTIES OF WESTCHESTER AND NASSAU, IN THE MANNER PROVIDED BY SUCH SECTION. THE FACT THAT THE HOUSING ACCOMMODATION IS SUBJECT TO THIS LAW MAY NOT BE CONSIDERED AS A FACTOR IN DETERMINING THE RATE OF RENT ADJUSTMENT. NOT LATER THAN OCTOBER 1, 2015, AND NOT LATER THAN OCTOBER FIRST ANNUALLY THEREAFTER, THE COUNTY RENT BOARDS SHALL FILE WITH THE COMMISSION THEIR FINDINGS ESTABLISHED IN CONSIDERATION OF THE ECONOMIC FACTORS LISTED IN SUBDIVISION B OF SECTION 4 OF THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, AND SHALL ACCOMPANY SUCH FINDINGS WITH A STATEMENT OF THE MAXIMUM RATE OR RATES OF RENT ADJUSTMENT, IF ANY, FOR ONE OR MORE CLASSES OF ACCOMMODATIONS SUBJECT TO THIS LAW WITHIN SUCH COUNTIES AUTHORIZED FOR THE ADJUSTMENT OF THE MAXIMUM RENT OF THE HOUSING ACCOMMODATION FOR THE TWELVE MONTH PERIOD COMMENCING JANUARY 1, 2016, AND FOR EACH SUCCEEDING TWELVE MONTH PERIOD.

(B) EFFECTIVE JANUARY 1, 2016, THE MAXIMUM RENT COLLECTIBLE FROM THE TENANT SHALL BE THE MAXIMUM RENT COLLECTIBLE ON DECEMBER 31, 2015, AS SUCH RENT MAY BE ADJUSTED PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION ANNUALLY, WITHOUT AN ORDER OF THE COMMISSION, OR AS ADJUSTED PURSUANT TO ANY OTHER PROVISION OF THIS LAW. HOWEVER, NO SUCH INCREASE PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION SHALL BE AUTHORIZED UNTIL THE EXPIRATION OF TWELVE MONTHS FROM THE EFFECTIVE DATE OF ANY RENT ADJUSTMENT AUTHORIZED PURSUANT TO REGULATIONS ADOPTED FOR RENT ADJUSTMENTS TO COMPENSATE FOR UNAVOIDABLE INCREASED COSTS OF OPERATIONS AS PROVIDED FOR UNDER THIS LAW.

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

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

1 S 13. Any reference in chapter 576 of the laws of 1974, constituting
2 the emergency tenant protection act of nineteen seventy-four, the admin-
3 istrative code of the city of New York, section 421-c of the real prop-
4 erty tax law or section 286 of the multiple dwelling law to "rent guide-
5 lines board" shall be deemed to refer to the rent board as provided in
6 this act. Any reference in chapter 576 of the laws of 1974, constituting
7 the emergency tenant protection act of nineteen seventy-four, or in the
8 administrative code of the city of New York to "rent guidelines" shall
9 be deemed to refer to rent adjustments as provided in this act. Any
10 reference in chapter 576 of the laws of 1974, constituting the emergency
11 tenant protection act of nineteen seventy-four, the administrative code
12 of the city of New York, the real property tax law or the public housing
13 law to "renewal lease" shall be deemed to refer to the statutory tenancy
14 as provided in this act.

15 S 14. If any provision of this act or the application thereof shall,
16 for any reason, be adjudged by any court of competent jurisdiction to be
17 invalid or unconstitutional, such judgment shall not affect, impair or
18 invalidate the remainder of this act, but shall be confined in its oper-
19 ation to the provision directly involved in the controversy in which the
20 judgment shall have been rendered; provided, however, that in the event
21 the entire system of rent control or stabilization shall be finally
22 adjudged invalid or unconstitutional by a court of competent jurisdic-
23 tion because of the operation of any provision of this act, such
24 provision shall be null, void and without effect, and all other
25 provisions of this act which can be given effect without such invalid
26 provision, as well as provisions of any other law relating to the
27 control or stabilization of rent, as in effect prior to the enactment of
28 this act and as otherwise amended by this act, shall continue in full
29 force and effect for the period of effectiveness set forth in section
30 26-520 of the rent stabilization law of nineteen hundred sixty-nine and
31 in section 17 of chapter 576 of the laws of 1974, constituting the emer-
32 gency tenant protection act of nineteen seventy-four, as amended.

33 S 15. This act shall take effect immediately, provided that:

34 (a) the amendments to sections 26-509, 26-510 and 26-511 of the rent
35 stabilization law of nineteen hundred sixty-nine made by sections three,
36 four and six 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
38 under section 26-520 of such law;

39 (b) the amendments to sections 4, 10 and 10-a of the emergency tenant
40 protection act of nineteen seventy-four made by sections eight, ten and
41 eleven of this act shall expire on the same date as such act expires and
42 shall not affect the expiration of such act as provided in section 17 of
43 chapter 576 of the laws of 1974, as amended;

44 (c) the rent boards as reconstituted pursuant to sections four and
45 eight of this act shall be appointed and confirmed within sixty days
46 after the effective date of this act and the methodological and proce-
47 dural changes made by sections four and eight of this act shall become
48 operational on October 1, 2015; and provided further that the rent
49 adjustments, if any, adopted in 2013 pursuant to the rent stabilization
50 law of nineteen hundred sixty-nine or the emergency tenant protection
51 act of nineteen seventy-four shall be effective for annual rent adjust-
52 ments commencing on January 1, 2016 and during the next twelve months
53 through December 31, 2016; and provided further that the rent adjust-
54 ments, if any, adopted in subsequent years pursuant to the rent stabili-
55 zation law of nineteen hundred sixty-nine or the emergency tenant
56 protection act of nineteen seventy-four shall be effective for annual

1 rent adjustments commencing on January first of each subsequent year and
2 during the next succeeding twelve months thereafter through December
3 thirty-first of each such year;
4 (d) the amendments to section 26-405 of the city rent and rehabili-
5 tation law made by section seven of this act shall remain in full force
6 and effect only as long as the public emergency requiring the regulation
7 and control of residential rents and evictions continues, as provided in
8 subdivision 3 of section 1 of the local emergency housing rent control
9 act; and
10 (e) the amendments to section 4 of the emergency housing rent control
11 law made by section twelve of this act shall expire on the same date as
12 such law expires and shall not affect the expiration of such law as
13 provided in subdivision 2 of section 1 of chapter 274 of the laws of
14 1946.