

3364--A

2015-2016 Regular Sessions

I N S E N A T E

February 5, 2015

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

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

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

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

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

1 Section 1. This act enacts into law major components of legislation
2 related to rent regulations in the state of New York. Each component is
3 wholly contained within a Part identified as Parts A through L. The
4 effective date for each particular provision contained within such Part
5 is set forth in the last section of such Part. Any provision in any
6 section contained within a Part, including the effective date of the
7 Part, which makes reference to a section "of this act", when used in
8 connection with that particular component, shall be deemed to mean and
9 refer to the corresponding section of the Part in which it is found.
10 Section four of this act sets forth the general effective date of this
11 act.
12 S 2. This act shall be known and may be cited as the "Tenant
13 Protection Act of 2015".

14 PART A

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

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

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

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

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

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

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

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

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

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

1 a. the amendments to section 26-408 of the city rent and rehabili-
2 tation law made by section one of this act shall remain in full force
3 and effect only as long as the public emergency requiring the regulation
4 and control of residential rents and evictions continues, as provided in
5 subdivision 3 of section 1 of the local emergency housing rent control
6 act;
7 b. the amendments to section 26-511 of the rent stabilization law of
8 nineteen hundred sixty-nine made by section two of this act shall expire
9 on the same date as such law expires and shall not affect the expiration
10 of such law as provided under section 26-520 of such law;
11 c. the amendments to subdivision a of section 10 of section 4 of the
12 emergency tenant protection act of nineteen seventy-four made by section
13 three of this act shall expire on the same date as such act expires and
14 shall not affect the expiration of such act as provided in section 17 of
15 chapter 576 of the laws of 1974; and
16 d. the amendments to paragraph (a) of subdivision 2 of section 5 of
17 the emergency housing rent control law made by section four of this act
18 shall expire on the same date as such law expires and shall not affect
19 the expiration of such law as provided in subdivision 2 of section 1 of
20 chapter 274 of the laws of 1946.

21

PART B

22 Section 1. Paragraph 5-a of subdivision c of section 26-511 of the
23 administrative code of the city of New York, as amended by section 7 of
24 part B of chapter 97 of the laws of 2011, is amended to read as follows:
25 (5-a) provides that, notwithstanding any provision of this chapter,
26 the legal regulated rent for any vacancy lease entered into after the
27 effective date of this paragraph shall be as hereinafter provided in
28 this paragraph. [The previous legal regulated rent for such housing
29 accommodation shall be increased by the following: (i) if the vacancy
30 lease is for a term of two years, twenty percent of the previous legal
31 regulated rent; or (ii) if the vacancy lease is for a term of one year
32 the increase shall be twenty percent of the previous legal regulated
33 rent less an amount equal to the difference between (a) the two year
34 renewal lease guideline promulgated by the guidelines board of the city
35 of New York applied to the previous legal regulated rent and (b) the one
36 year renewal lease guideline promulgated by the guidelines board of the
37 city of New York applied to the previous legal regulated rent. In addi-
38 tion, if] IF the legal regulated rent was not increased with respect to
39 such housing accommodation by a permanent vacancy allowance within eight
40 years prior to a vacancy lease executed on or after the effective date
41 of this paragraph, the legal regulated rent may be [further] increased
42 by an amount equal to the product resulting from multiplying such previ-
43 ous legal regulated rent by six-tenths of one percent and further multi-
44 plying the amount of rent increase resulting therefrom by the greater of
45 (A) the number of years since the imposition of the last permanent
46 vacancy allowance, or (B) if the rent was not increased by a permanent
47 vacancy allowance since the housing accommodation became subject to this
48 chapter, the number of years that such housing accommodation has been
49 subject to this chapter. Provided that if the previous legal regulated
50 rent was less than three hundred dollars the total increase shall be as
51 calculated above plus one hundred dollars per month. Provided, further,
52 that if the previous legal regulated rent was at least three hundred
53 dollars and no more than five hundred dollars in no event shall the
54 total increase pursuant to this paragraph be less than one hundred

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

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

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

1 not be implemented more than one time in any calendar year, notwith-
2 standing the number of vacancy leases entered into in such year, AND MAY
3 NOT BE IMPLEMENTED WITHOUT THE LANDLORD PROVIDING TO THE NEW TENANT AN
4 ITEMIZED COST ACCOUNTING OF ALL IMPROVEMENTS CLAIMED AS PART OF SUCH
5 INCREASE AND COPIES OF THE CORRESPONDING RECEIPTS WITH THE LEASE AGREE-
6 MENT.

7 S 3. Subparagraph (e) of paragraph 1 of subdivision g of section
8 26-405 of the administrative code of the city of New York, as amended by
9 section 15 of part B of chapter 97 of the laws of 2011, is amended to
10 read as follows:

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

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

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

55 S 5. Paragraph 1 of subdivision d of section 6 of section 4 of chapter
56 576 of the laws of 1974, constituting the emergency tenant protection

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

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

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

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

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

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

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

19

PART C

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

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

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

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

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

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

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

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

42 PART D

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

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

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

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

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

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

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

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

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

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

52 S 2. This act shall take effect immediately; provided, however, that:
53 a. the amendments to subdivision 5 of section 1 of chapter 21 of the
54 laws of 1962 made by section one of this act shall remain in full force
55 and effect only so long as the public emergency requiring the regulation
56 and control of residential rents and evictions continues, as provided in

1 subdivision 3 of section 1 of the local emergency housing rent control
2 act; and
3 b. the amendment to the second undesignated paragraph of subdivision 5
4 of section 1 of chapter 21 of the laws of 1962 made by section one of
5 this act shall not affect the expiration of such paragraph and shall be
6 deemed to expire therewith.

7

PART E

8 Section 1. Section 17 of chapter 576 of the laws of 1974 amending the
9 emergency housing rent control law relating to the control of and
10 stabilization of rent in certain cases, as amended by section 1-a of
11 part B of chapter 97 of the laws of 2011, is amended to read as follows:
12 S 17. Effective date. This act shall take effect immediately and
13 shall remain in full force and effect until and including the fifteenth
14 day of June [2015] 2017; except that sections two and three shall take
15 effect with respect to any city having a population of one million or
16 more and section one shall take effect with respect to any other city,
17 or any town or village whenever the local legislative body of a city,
18 town or village determines the existence of a public emergency pursuant
19 to section three of the emergency tenant protection act of nineteen
20 seventy-four, as enacted by section four of this act, and provided that
21 the housing accommodations subject on the effective date of this act to
22 stabilization pursuant to the New York city rent stabilization law of
23 nineteen hundred sixty-nine shall remain subject to such law upon the
24 expiration of this act.

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

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

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

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

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

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

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

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

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

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

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

33 S 7. This act shall take effect immediately.

34

PART F

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

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

51 (A) longevity of the relationship;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18

PART G

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

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

34 The legislature therefore declares that in order to prevent uncertain-
35 ty, potential hardship and dislocation of tenants living in housing
36 accommodations subject to government regulations as to rentals and
37 continued occupancy as well as those not subject to such regulation, the
38 provisions of this act are necessary to protect the public health, safe-
39 ty and general welfare. The necessity in the public interest for the
40 provisions hereinafter enacted is hereby declared as a matter of legis-
41 lative determination.

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

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

48 S 4. Subparagraph (k) of paragraph 2 of subdivision e of section
49 26-403 of the administrative code of the city of New York is REPEALED.

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

52 S 6. Any housing accommodations that prior to the effective date of
53 this act were excluded from coverage from the emergency tenant
54 protection act of nineteen seventy-four, the emergency housing rent

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

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

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

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

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

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

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 section seven of
3 this act shall expire on the same date as such law expires and shall not
4 affect the expiration of such law as provided under section 26-520 of
5 such law; and
6 (b) the amendments to subdivision (a-2) of section 10 of section 4 of
7 the emergency tenant protection act of nineteen seventy-four made by
8 section eight of this act shall expire on the same date as such act
9 expires and shall not affect the expiration of such act as provided in
10 section 17 of chapter 576 of the laws of 1974.

11

PART H

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

16 (a-2) Provides that where the amount of rent charged to and paid by
17 the tenant is less than the legal regulated rent for the housing accom-
18modation, the amount of rent for such housing accommodation which may be
19 charged [upon renewal or] upon vacancy thereof may, at the option of the
20 owner, be based upon such previously established legal regulated rent,
21 as adjusted by [the most recent] ALL applicable guidelines increases and
22 other increases authorized by law; PROVIDED, HOWEVER, THAT SUCH VACANCY
23 SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT OF THE
24 OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH THE
25 WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO
26 HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. [Where, subsequent to
27 vacancy, such legal regulated rent, as adjusted by the most recent
28 applicable guidelines increases and any other increases authorized by
29 law is two thousand dollars or more per month or, for any housing accom-
30modation which is or becomes vacant on or after the effective date of
31 the rent act of 2011, is two thousand five hundred dollars or more per
32 month, such housing accommodation shall be excluded from the provisions
33 of this act pursuant to paragraph thirteen of subdivision a of section
34 five of this act.]

35 S 2. Paragraph 14 of subdivision c of section 26-511 of the adminis-
36trative code of the city of New York, as amended by section 14 of part B
37of chapter 97 of the laws of 2011, is amended to read as follows:

38 (14) provides that where the amount of rent charged to and paid by the
39 tenant is less than the legal regulated rent for the housing accommo-
40dation, the amount of rent for such housing accommodation which may be
41 charged [upon renewal or] upon vacancy thereof may, at the option of the
42 owner, be based upon such previously established legal regulated rent,
43 as adjusted by the most recent applicable guidelines increases and any
44 other increases authorized by law; PROVIDED, HOWEVER, THAT SUCH VACANCY
45 SHALL NOT BE CAUSED BY THE FAILURE OF THE OWNER OR AN AGENT OF THE
46 OWNER, TO MAINTAIN THE HOUSING ACCOMMODATION IN COMPLIANCE WITH THE
47 WARRANTY OF HABITABILITY SET FORTH IN SUBDIVISION ONE OF SECTION TWO
48 HUNDRED THIRTY-FIVE-B OF THE REAL PROPERTY LAW. [Where, subsequent to
49 vacancy, such legal regulated rent, as adjusted by the most recent
50 applicable guidelines increases and any other increases authorized by
51 law is two thousand dollars or more per month or, for any housing accom-
52modation which is or becomes vacant on or after the effective date of
53 the rent act of 2011, is two thousand five hundred dollars or more per

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

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

PART I

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

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

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

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

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

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

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

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

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

35

PART J

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 S 6. Subdivision c of section 26-511 of the administrative code of the
16 city of New York is amended by adding three new paragraphs 6-b, 6-c, and
17 6-d to read as follows:

18 (6-B) PROVIDES CRITERIA WHEREBY THE COMMISSIONER MAY ACT UPON APPLICA-
19 TION BY OWNERS FOR INCREASES IN EXCESS OF THE LEVEL OF FAIR RENT
20 INCREASE ESTABLISHED UNDER THIS LAW PROVIDED HOWEVER, THAT SUCH CRITERIA
21 SHALL PROVIDE THAT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22

PART K

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

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

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

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

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

16 S 4. This act shall take effect on the one hundred eightieth day after
17 it shall have become a law; provided that the amendments to section
18 26-405 of the city rent and rehabilitation law made by section one of
19 this act shall remain in full force and effect only as long as the
20 public emergency requiring the regulation and control of residential
21 rents and evictions continues, as provided in subdivision 3 of section 1
22 of the local emergency housing rent control act; and provided that the
23 amendments to section 4 of the emergency housing rent control law made
24 by section three of this act shall expire on the same date as such law
25 expires and shall not affect the expiration of such law as provided in
26 subdivision 2 of section 1 of chapter 274 of the laws of 1946.

27

PART L

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

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

33 S 2. This act shall take effect immediately; provided that section
34 26-416 of the city rent and rehabilitation law as added by section one
35 of this act shall remain in full force and effect only as long as the
36 public emergency requiring the regulation and control of residential
37 rents and evictions continues, as provided in subdivision 3 of section 1
38 of the local emergency housing rent control act.

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

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