

S T A T E O F N E W Y O R K

3364--B

2015-2016 Regular Sessions

I N S E N A T E

February 5, 2015

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

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

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

LBD08859-07-5

reform act of 1997, in relation to extending the effectiveness thereof (Part D); to amend the public housing law, in relation to the definition of "family member"; to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to the definition of a tenant (Part E); to amend the administrative code of the city of New York and the emergency tenant protection act of nineteen seventy-four, in relation to making conforming technical changes; and to repeal paragraph 13 of subdivision a of section 5 of the emergency tenant protection act of nineteen seventy-four, paragraph (n) of subdivision 2 of section 2 of the emergency housing rent control law, and section 26-504.2 and subparagraph (k) of paragraph 2 of subdivision e of section 26-403 of the administrative code of the city of New York, relating to vacancy decontrol (Part F); to amend the emergency tenant protection act of nineteen seventy-four and the administrative code of the city of New York, in relation to the regulation of rents (Part G); to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to extending the length of time over which major capital improvement expenses may be recovered and in relation to approval of major capital improvement rent increases (Part H); to amend the administrative code of the city of New York and the emergency housing rent control law, in relation to the establishment of rent adjustments; and repealing certain provisions of the administrative code of the city of New York relating thereto (Part I); and to amend the administrative code of the city of New York, in relation to surcharges for the installation or use of certain appliances in housing accommodations subject to rent control (Part J)

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

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

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

14 PART A

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

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

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

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

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

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

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

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

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

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

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

53 a. the amendments to section 26-408 of the city rent and rehabili-
54 tation law made by section one of this act shall remain in full force
55 and effect only as long as the public emergency requiring the regulation
56 and control of residential rents and evictions continues, as provided in

1 subdivision 3 of section 1 of the local emergency housing rent control
2 act;
3 b. the amendments to section 26-511 of the rent stabilization law of
4 nineteen hundred sixty-nine made by section two of this act shall expire
5 on the same date as such law expires and shall not affect the expiration
6 of such law as provided under section 26-520 of such law;
7 c. the amendments to subdivision a of section 10 of the emergency
8 tenant protection act of nineteen seventy-four made by section three of
9 this act shall expire on the same date as such act expires and shall not
10 affect the expiration of such act as provided in section 17 of chapter
11 576 of the laws of 1974; and
12 d. the amendments to paragraph (a) of subdivision 2 of section 5 of
13 the emergency housing rent control law made by section four of this act
14 shall expire on the same date as such law expires and shall not affect
15 the expiration of such law as provided in subdivision 2 of section 1 of
16 chapter 274 of the laws of 1946.

17

PART B

18 Section 1. Paragraph 5-a of subdivision c of section 26-511 of the
19 administrative code of the city of New York, as amended by section 7 of
20 part B of chapter 97 of the laws of 2011, is amended to read as follows:
21 (5-a) provides that, notwithstanding any provision of this chapter,
22 the legal regulated rent for any vacancy lease entered into after the
23 effective date of this paragraph shall be as hereinafter provided in
24 this paragraph. [The previous legal regulated rent for such housing
25 accommodation shall be increased by the following: (i) if the vacancy
26 lease is for a term of two years, twenty percent of the previous legal
27 regulated rent; or (ii) if the vacancy lease is for a term of one year
28 the increase shall be twenty percent of the previous legal regulated
29 rent less an amount equal to the difference between (a) the two year
30 renewal lease guideline promulgated by the guidelines board of the city
31 of New York applied to the previous legal regulated rent and (b) the one
32 year renewal lease guideline promulgated by the guidelines board of the
33 city of New York applied to the previous legal regulated rent. In addi-
34 tion, if] IF the legal regulated rent was not increased with respect to
35 such housing accommodation by a permanent vacancy allowance within eight
36 years prior to a vacancy lease executed on or after the effective date
37 of this paragraph, the legal regulated rent may be [further] increased
38 by an amount equal to the product resulting from multiplying such previ-
39 ous legal regulated rent by six-tenths of one percent and further multi-
40 plying the amount of rent increase resulting therefrom by the greater of
41 (A) the number of years since the imposition of the last permanent
42 vacancy allowance, or (B) if the rent was not increased by a permanent
43 vacancy allowance since the housing accommodation became subject to this
44 chapter, the number of years that such housing accommodation has been
45 subject to this chapter. Provided that if the previous legal regulated
46 rent was less than three hundred dollars the total increase shall be as
47 calculated above plus one hundred dollars per month. Provided, further,
48 that if the previous legal regulated rent was at least three hundred
49 dollars and no more than five hundred dollars in no event shall the
50 total increase pursuant to this paragraph be less than one hundred
51 dollars per month. Such increase shall be [in lieu of any allowance
52 authorized for the one or two year renewal component thereof, but shall
53 be] in addition to any other increases authorized pursuant to this chap-
54 ter including an adjustment based upon a major capital improvement, or a

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 PART C

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

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

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

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

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

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

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

46 PART D

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

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

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

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

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

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

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

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

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

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

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

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

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

16 S 7. This act shall take effect immediately.

17

PART E

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

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

34 (A) longevity of the relationship;

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

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

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

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

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

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

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

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

9 (iii) a "disabled person" is defined as a person who 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 substantially limit one or more of such person's major life
15 activities.

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

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

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

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

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

35 S 14. TENANT; DEFINITION. FOR THE PURPOSES OF THIS ACT, THE TERM
36 TENANT SHALL BE DEEMED TO INCLUDE A CHILD (REGARDLESS OF AGE) WHO HAS
37 RESIDED WITH HIS OR HER PARENT FOR TWO YEARS OR MORE IN A HOUSING ACCOM-
38 MODATION SUBJECT TO THE PROVISIONS OF THIS ACT AND OF WHICH SUCH PARENT
39 IS A TENANT.

40 S 5. This act shall take effect immediately, provided that the amend-
41 ment to section 26-403 of the city rent and rehabilitation law made by
42 section two of this act shall remain in full force and effect only so
43 long as the public emergency requiring the regulation and control of
44 residential rents and evictions continues, as provided in subdivision 3
45 of section 1 of the local emergency housing rent control act and
46 provided further that section 26-504.4 of the rent stabilization law of
47 nineteen hundred sixty-nine, as added by section three of this act,
48 shall expire on the same date as such law expires and shall not affect
49 the expiration of such law as provided under section 26-520 of such law,
50 as amended, and provided further that section 14 of the emergency tenant
51 protection act of nineteen seventy-four, as added by section four of
52 this act shall expire on the same date as such act expires and shall not
53 affect the expiration of such act as provided in section 17 of chapter
54 576 of the laws of 1974, as amended.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 PART G

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

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

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

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

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

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

48 PART H

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34

PART I

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

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

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

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

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

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

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

39

PART J

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

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

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

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

1 its operation to the clause, sentence, paragraph, subdivision, section
2 or part thereof directly involved in the controversy in which such judg-
3 ment shall have been rendered. It is hereby declared to be the intent
4 of the legislature that this act would have been enacted even if such
5 invalid provisions had not been included herein.
6 S 4. This act shall take effect immediately provided, however, that
7 the applicable effective dates of Parts A through J of this act shall be
8 as specifically set forth in the last section of such Parts.