

3741

2015-2016 Regular Sessions

I N S E N A T E

February 17, 2015

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

AN ACT to amend the administrative code of the city of New York 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

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

1 Section 1. Paragraph 5-a of subdivision c of section 26-511 of the
2 administrative code of the city of New York, as amended by section 7 of
3 part B of chapter 97 of the laws of 2011, is amended to read as follows:
4 (5-a) provides that, notwithstanding any provision of this chapter,
5 the legal regulated rent for any vacancy lease entered into after the
6 effective date of this paragraph shall be as hereinafter provided in
7 this paragraph. [The previous legal regulated rent for such housing
8 accommodation shall be increased by the following: (i) if the vacancy
9 lease is for a term of two years, twenty percent of the previous legal
10 regulated rent; or (ii) if the vacancy lease is for a term of one year
11 the increase shall be twenty percent of the previous legal regulated
12 rent less an amount equal to the difference between (a) the two year
13 renewal lease guideline promulgated by the guidelines board of the city
14 of New York applied to the previous legal regulated rent and (b) the one
15 year renewal lease guideline promulgated by the guidelines board of the
16 city of New York applied to the previous legal regulated rent. In addi-
17 tion, if] IF the legal regulated rent was not increased with respect to
18 such housing accommodation by a permanent vacancy allowance within eight
19 years prior to a vacancy lease executed on or after the effective date

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

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1 of this paragraph, the legal regulated rent may be [further] increased
2 by an amount equal to the product resulting from multiplying such previ-
3 ous legal regulated rent by six-tenths of one percent and further multi-
4 plying the amount of rent increase resulting therefrom by the greater of
5 (A) the number of years since the imposition of the last permanent
6 vacancy allowance, or (B) if the rent was not increased by a permanent
7 vacancy allowance since the housing accommodation became subject to this
8 chapter, the number of years that such housing accommodation has been
9 subject to this chapter. Provided that if the previous legal regulated
10 rent was less than three hundred dollars the total increase shall be as
11 calculated above plus one hundred dollars per month. Provided, further,
12 that if the previous legal regulated rent was at least three hundred
13 dollars and no more than five hundred dollars in no event shall the
14 total increase pursuant to this paragraph be less than one hundred
15 dollars per month. Such increase shall be [in lieu of any allowance
16 authorized for the one or two year renewal component thereof, but shall
17 be] in addition to any other increases authorized pursuant to this chap-
18 ter including an adjustment based upon a major capital improvement, or a
19 substantial modification or increase of dwelling space or services, or
20 installation of new equipment or improvements or new furniture or
21 furnishings provided in or to the housing accommodation pursuant to this
22 section. The increase authorized in this paragraph may not be imple-
23 mented more than one time in any calendar year, notwithstanding the
24 number of vacancy leases entered into in such year, AND MAY NOT BE
25 IMPLEMENTED WITHOUT THE LANDLORD PROVIDING TO THE NEW TENANT AN ITEMIZED
26 COST ACCOUNTING OF ALL IMPROVEMENTS CLAIMED AS PART OF SUCH INCREASE AND
27 COPIES OF THE CORRESPONDING RECEIPTS WITH THE LEASE AGREEMENT.

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

32 (a-1) provides that, notwithstanding any provision of this act, the
33 legal regulated rent for any vacancy lease entered into after the effec-
34 tive date of this subdivision shall be as hereinafter set forth. [The
35 previous legal regulated rent for such housing accommodation shall be
36 increased by the following: (i) if the vacancy lease is for a term of
37 two years, twenty percent of the previous legal regulated rent; or (ii)
38 if the vacancy lease is for a term of one year the increase shall be
39 twenty percent of the previous legal regulated rent less an amount equal
40 to the difference between (a) the two year renewal lease guideline
41 promulgated by the guidelines board of the county in which the housing
42 accommodation is located applied to the previous legal regulated rent
43 and (b) the one year renewal lease guideline promulgated by the guide-
44 lines board of the county in which the housing accommodation is located
45 applied to the previous legal regulated rent. In addition, if] IF the
46 legal regulated rent was not increased with respect to such housing
47 accommodation by a permanent vacancy allowance within eight years prior
48 to a vacancy lease executed on or after the effective date of this
49 subdivision, the legal regulated rent may be [further] increased by an
50 amount equal to the product resulting from multiplying such previous
51 legal regulated rent by six-tenths of one percent and further multiply-
52 ing the amount of rent increase resulting therefrom by the greater of
53 (A) the number of years since the imposition of the last permanent
54 vacancy allowance, or (B) if the rent was not increased by a permanent
55 vacancy allowance since the housing accommodation became subject to this
56 act, the number of years that such housing accommodation has been

1 subject to this act. Provided that if the previous legal regulated rent
2 was less than three hundred dollars the total increase shall be as
3 calculated above plus one hundred dollars per month. Provided, further,
4 that if the previous legal regulated rent was at least three hundred
5 dollars and no more than five hundred dollars in no event shall the
6 total increase pursuant to this subdivision be less than one hundred
7 dollars per month. Such increase shall be [in lieu of any allowance
8 authorized for the one or two year renewal component thereof, but shall
9 be] in addition to any other increases authorized pursuant to this act
10 including an adjustment based upon a major capital improvement, or a
11 substantial modification or increase of dwelling space or services, or
12 installation of new equipment or improvements or new furniture or
13 furnishings provided in or to the housing accommodation pursuant to
14 section six of this act. The increase authorized in this subdivision may
15 not be implemented more than one time in any calendar year, notwith-
16 standing the number of vacancy leases entered into in such year, AND MAY
17 NOT BE IMPLEMENTED WITHOUT THE LANDLORD PROVIDING TO THE NEW TENANT AN
18 ITEMIZED COST ACCOUNTING OF ALL IMPROVEMENTS CLAIMED AS PART OF SUCH
19 INCREASE AND COPIES OF THE CORRESPONDING RECEIPTS WITH THE LEASE AGREE-
20 MENT.

21 S 3. Subparagraph (e) of paragraph 1 of subdivision g of section
22 26-405 of the administrative code of the city of New York, as amended by
23 section 15 of part B of chapter 97 of the laws of 2011, is amended to
24 read as follows:

25 (e) The landlord and tenant by mutual voluntary written agreement
26 agree to a substantial increase or decrease in dwelling space or a
27 change in the services, furniture, furnishings or equipment provided in
28 the housing accommodations. An adjustment under this subparagraph shall
29 be equal to one-fortieth, in the case of a building with thirty-five or
30 fewer housing accommodations, or one-sixtieth, in the case of a building
31 with more than thirty-five housing accommodations where such adjustment
32 takes effect on or after September twenty-fourth, two thousand eleven,
33 of the total cost incurred by the landlord in providing such modifica-
34 tion or increase in dwelling space, services, furniture, furnishings or
35 equipment, including the cost of installation, but excluding finance
36 charges, WITH AN ADJUSTMENT, IN BOTH CASES, BEING NO MORE THAN TWENTY
37 PERCENT OF THE CURRENT RENT, provided further that an owner who is enti-
38 tled to a rent increase pursuant to this subparagraph shall not be enti-
39 tled to a further rent increase based upon the installation of similar
40 equipment, or new furniture or furnishings within the useful life of
41 such new equipment, or new furniture or furnishings. The owner shall
42 give written notice to the city rent agency of any such adjustment
43 pursuant to this subparagraph; or

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

47 (13) provides that an owner is entitled to a rent increase where there
48 has been a substantial modification or increase of dwelling space or an
49 increase in the services, or installation of new equipment or improve-
50 ments or new furniture or furnishings provided in or to a tenant's hous-
51 ing accommodation, on written tenant consent to the rent increase. In
52 the case of a vacant housing accommodation, tenant consent shall not be
53 required. The permanent increase in the legal regulated rent for the
54 affected housing accommodation shall be one-fortieth, in the case of a
55 building with thirty-five or fewer housing accommodations, or one-sixti-
56 eth, in the case of a building with more than thirty-five housing accom-

modations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven, of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges, PROVIDED, HOWEVER, THAT IN BOTH CASES, THE PERMANENT INCREASE IS NO MORE THAN TWENTY PERCENT OF THE CURRENT LEGAL REGULATED RENT. Provided further that an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

S 5. Paragraph 1 of subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, as amended by section 18 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(1) there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment or improvements or new furniture or furnishings, provided in or to a tenant's housing accommodation, on written tenant consent to the rent increase. In the case of a vacant housing accommodation, tenant consent shall not be required. The permanent increase in the legal regulated rent for the affected housing accommodation shall be one-fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one-sixtieth, in the case of a building with more than thirty-five housing accommodations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven, of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges, PROVIDED, HOWEVER, THAT IN BOTH CASES, THE PERMANENT INCREASE IS NO MORE THAN TWENTY PERCENT OF THE CURRENT LEGAL REGULATED RENT. Provided further that an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

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

(5) the landlord and tenant by mutual voluntary written agreement agree to a substantial increase or decrease in dwelling space or a change in the services, furniture, furnishings or equipment provided in the housing accommodations; provided that an owner shall be entitled to a rent increase where there has been a substantial modification or increase of dwelling space or an increase in the services, or installation of new equipment or improvements or new furniture or furnishings provided in or to a tenant's housing accommodation. The permanent increase in the maximum rent for the affected housing accommodation shall be one-fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one-sixtieth, in the case of a building with more than thirty-five housing accommodations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven, of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture,

1 furnishings or equipment, including the cost of installation, but
2 excluding finance charges, PROVIDED, HOWEVER, THAT IN BOTH CASES, THE
3 PERMANENT INCREASE IS NO MORE THAN TWENTY PERCENT OF THE CURRENT RENT,
4 AND provided further that an owner who is entitled to a rent increase
5 pursuant to this clause shall not be entitled to a further rent increase
6 based upon the installation of similar equipment, or new furniture or
7 furnishings within the useful life of such new equipment, or new furni-
8 ture or furnishings. The owner shall give written notice to the commis-
9 sion of any such adjustment pursuant to this clause; or

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

11 a. the amendments to section 26-511 of chapter 4 of title 26 of the
12 administrative code of the city of New York made by sections one and
13 four of this act shall expire on the same date as such law expires and
14 shall not affect the expiration of such law as provided under section
15 26-520 of such law;

16 b. the amendments to sections 10 and 6 of the emergency tenant
17 protection act of nineteen seventy-four made by sections two and five of
18 this act shall expire on the same date as such act expires and shall not
19 affect the expiration of such act as provided in section 17 of chapter
20 576 of the laws of 1974;

21 c. the amendments to section 26-405 of the city rent and rehabili-
22 tation law made by section three of this act shall remain in full force
23 and effect only as long as the public emergency requiring the regulation
24 and control of residential rents and evictions continues, as provided in
25 subdivision 3 of section 1 of the local emergency housing rent control
26 act; and

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