AN ACT 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

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1. Section 1. Subdivision (a-2) of section 10 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 11 of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(a-2) Where the amount of rent charged to and paid by the tenant is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing accommodation which may be charged upon renewal or upon vacancy thereof, may, at the option of the owner, be based upon such previously established legal regulated rent, as adjusted by the most recent applicable guidelines and other increases authorized by law; provided, however, that for buildings that are subject to this statute by virtue of a regulatory agreement with a local government agency and which buildings receive federal project based rental assistance administered by the United States department of housing and urban development or a state or local section eight administering agency, where the rent set by the federal, state or local governmental agency is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing accommodation which may be charged upon renewal or upon vacancy thereof.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.
may, at the option of the owner, be based upon such previously estab-
lished legal regulated rent, as adjusted by the most recent applicable
guidelines increases and other increases authorized by law; and further
provided that such vacancy shall not be caused by the failure of the
owner or an agent of the owner, to maintain the housing accommodation in
compliance with the warranty of habitability set forth in subdivision
one of section two hundred thirty-five-b of the real property law. Such
housing accommodation shall be excluded from the provisions of this act
pursuant to paragraph thirteen of subdivision a of section five of this
act when subsequent to vacancy: (i) such legal regulated rent is two
thousand five hundred dollars per month, or more, for any housing accom-
modation that is, or becomes, vacant after the effective date of the
rent act of 2011 but prior to the effective date of the rent act of 2015
or (ii) such legal regulated rent is two thousand seven hundred dollars
per month or more for any housing accommodation that is or becomes
vacant on or after the rent act of 2015; starting on January 1, 2016,
and annually thereafter, the maximum legal regulated rent for this
deregulation threshold, shall also be increased by the same percent as
the most recent one year renewal adjustment, adopted by the applicable
rent guidelines board pursuant to the rent stabilization law.

§ 2. Paragraph 14 of subdivision c of section 26-511 of the adminis-
trative code of the city of New York, as amended by section 12 of part A
of chapter 20 of the laws of 2015, is amended to read as follows:
(14) [provides that] where the amount of rent charged to and paid by
the tenant is less than the legal regulated rent for the housing accom-
modation, the amount of rent for such housing accommodation which may be
charges [upon renewal or] upon vacancy thereof, may, at the option of
the owner, be based upon such previously established legal regulated
rent, as adjusted by the most recent applicable guidelines increases and
any other increases authorized by law; provided, however, that for
buildings that are subject to this statute by virtue of a regulatory
agreement with a local government agency and which buildings receive
federal project based rental assistance administered by the United
States department of housing and urban development or a state or local
section eight administering agency, where the rent set by the federal,
state or local governmental agency is less than the legal regulated rent
for the housing accommodation, the amount of rent for such housing
accommodation which may be charged upon renewal or upon vacancy thereof,
may, at the option of the owner, be based upon such previously estab-
lished legal regulated rent, as adjusted by the most recent applicable
guidelines increases and other increases authorized by law; and further
provided that such vacancy shall not be caused by the failure of the
owner or an agent of the owner, to maintain the housing accommodation in
compliance with the warranty of habitability set forth in subdivision
one of section two hundred thirty-five-b of the real property law. Such
housing accommodation shall be excluded from the provisions of this code
pursuant to section 26-504.2 of this chapter when, subsequent to vacan-
cy: (i) such legal regulated rent prior to vacancy is two thousand five
hundred dollars per month, or more, for any housing accommodation that
is or becomes vacant after the effective date of the rent act of 2011
but prior to the effective date of the rent act of 2015 or (ii) such
legal regulated rent is two thousand seven hundred dollars per month or
more, provided, however that on January 1, 2016, and annually thereaft-
er, the maximum legal regulated rent for this deregulation threshold
shall be adjusted by the same percentage as the most recent one year
renewal adjustment as adjusted by the relevant rent guidelines board,
for any housing accommodation that is or becomes vacant on or after the rent act of 2015.

§ 3. This act shall take effect immediately; provided, however, that the amendments to section 10 of the emergency tenant protection act of nineteen seventy-four made by section one of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974, as amended; and provided, further, that the amendments to section 26-511 of chapter 4 of title 26 of the administrative code of the city of New York made by section two of this act shall expire on the same date as such law expires and shall not affect the expiration of such law as provided under section 26-520 of such law.