

STATE OF NEW YORK

2845

2019-2020 Regular Sessions

IN SENATE

January 29, 2019

Introduced by Sens. KRUEGER, ADDABBO, BAILEY, BENJAMIN, COMRIE, GIANARIS, HOYLMAN, KAVANAGH, MAYER, MONTGOMERY, PARKER, PERSAUD, RIVERA, SANDERS, SAVINO, SEPULVEDA, SERRANO, STAVISKY -- 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 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
2 of the laws of 1974, constituting the emergency tenant protection act of
3 nineteen seventy-four, as amended by section 11 of part A of chapter 20
4 of the laws of 2015, is amended to read as follows:

5 (a-2) Provides that where the amount of rent charged to and paid by
6 the tenant is less than the legal regulated rent for the housing accom-
7 modation, the amount of rent for such housing accommodation which may be
8 charged [~~upon renewal or~~] upon vacancy thereof, may, at the option of
9 the owner, be based upon such previously established legal regulated
10 rent, as adjusted by the most recent applicable guidelines increases and
11 other increases authorized by law; provided, however, that such vacancy
12 shall not be caused by the failure of the owner or an agent of the
13 owner, to maintain the housing accommodation in compliance with the
14 warranty of habitability set forth in subdivision one of section two
15 hundred thirty-five-b of the real property law; and further provided
16 that such increase to the previously established legal regulated rent
17 shall not exceed: five percent of the previous legal regulated rent if
18 the last vacancy lease commenced less than two years ago; ten percent of
19 the previous legal regulated rent if the last vacancy lease commenced
20 less than three years ago; fifteen percent of the previous legal regu-
21 lated rent if the last vacancy lease commenced less than four years ago;

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

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1 and twenty percent of the previous legal regulated rent if the last
2 vacancy lease commenced four or more years ago. For buildings that are
3 subject to this statute by virtue of a regulatory agreement with a local
4 government agency and which buildings receive federal project based
5 rental assistance administered by the U.S. Department of Housing and
6 Urban Development or a state or local Section 8 administering agency,
7 where the rent set by the federal, state or local government agency is
8 less than the legal regulated rent for the housing accommodation, the
9 amount of rent for such housing accommodation which may be charged upon
10 renewal or upon vacancy thereof, may, at the option of the owner, be
11 based upon such previously established legal regulated rent, as adjusted
12 by the most recent applicable guidelines increases and other increases
13 authorized by law. Such housing accommodation shall be excluded from the
14 provisions of this act pursuant to paragraph thirteen of subdivision a
15 of section five of this act when subsequent to vacancy: (i) such legal
16 regulated rent is two thousand five hundred dollars per month, or more,
17 for any housing accommodation that is, or becomes, vacant after the
18 effective date of the rent act of 2011 but prior to the effective date
19 of the rent act of 2015 or (ii) such legal regulated rent is two thou-
20 sand seven hundred dollars per month or more for any housing accommo-
21 dation that is or becomes vacant on or after the rent act of 2015;
22 starting on January 1, 2016, and annually thereafter, the maximum legal
23 regulated rent for this deregulation threshold, shall also be increased
24 by the same percent as the most recent one year renewal adjustment,
25 adopted by the applicable rent guidelines board pursuant to the rent
26 stabilization law.

27 § 2. Paragraph 14 of subdivision c of section 26-511 of the adminis-
28 trative code of the city of New York, as amended by section 12 of part A
29 of chapter 20 of the laws of 2015, is amended to read as follows:

30 (14) provides that where the amount of rent charged to and paid by the
31 tenant is less than the legal regulated rent for the housing accommo-
32 dation, the amount of rent for such housing accommodation which may be
33 charged [~~upon renewal or~~] upon vacancy thereof, may, at the option of
34 the owner, be based upon such previously established legal regulated
35 rent, as adjusted by the most recent applicable guidelines increases and
36 any other increases authorized by law; provided, however, that such
37 vacancy shall not be caused by the failure of the owner or an agent of
38 the owner, to maintain the housing accommodation in compliance with the
39 warranty of habitability set forth in subdivision one of section two
40 hundred thirty-five-b of the real property law; and further provided
41 that such increase to the previously established legal regulated rent
42 shall not exceed: five percent of the previous legal regulated rent if
43 the last vacancy lease commenced less than two years ago; ten percent of
44 the previous legal regulated rent if the last vacancy lease commenced
45 less than three years ago; fifteen percent of the previous legal regu-
46 lated rent if the last vacancy lease commenced less than four years ago;
47 and twenty percent of the previous legal regulated rent if the last
48 vacancy lease commenced four or more years ago. For buildings that are
49 subject to this statute by virtue of a regulatory agreement with a local
50 government agency and which buildings receive federal project based
51 rental assistance administered by the U.S. Department of Housing and
52 Urban Development or a state or local Section 8 administering agency,
53 where the rent set by the federal, state or local government agency is
54 less than the legal regulated rent for the housing accommodation, the
55 amount of rent for such housing accommodation which may be charged upon
56 renewal or upon vacancy thereof, may, at the option of the owner, be

1 based upon such previously established legal regulated rent, as adjusted
2 by the most recent applicable guidelines increases and other increases
3 authorized by law. Such housing accommodation shall be excluded from the
4 provisions of this code pursuant to section 26-504.2 of this chapter
5 when, subsequent to vacancy: (i) such legal regulated rent prior to
6 vacancy is two thousand five hundred dollars per month, or more, for any
7 housing accommodation that is or becomes vacant after the effective date
8 of the rent act of 2011 but prior to the effective date of the rent act
9 of 2015 or (ii) such legal regulated rent is two thousand seven hundred
10 dollars per month or more, provided, however that on January 1, 2016,
11 and annually thereafter, the maximum legal regulated rent for this
12 deregulation threshold shall be adjusted by the same percentage as the
13 most recent one year renewal adjustment as adjusted by the relevant rent
14 guidelines board, for any housing accommodation that is or becomes
15 vacant on or after the rent act of 2015.

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