

STATE OF NEW YORK

5634

2021-2022 Regular Sessions

IN ASSEMBLY

February 22, 2021

Introduced by M. of A. FITZPATRICK, TAGUE -- Multi-Sponsored by -- M. of A. MANKTELOW -- read once and referred to the Committee on Housing

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 providing an alternative hardship allowance

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

Section 1. The opening paragraph of subparagraph (a) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York is amended to read as follows:

The rental income from a property yields a net annual return of less than ~~[six]~~ eight and one-half per centum of the valuation of the property.

§ 2. Subdivision c of section 26-511 of the administrative code of the city of New York is amended by adding a new paragraph 6-b to read as follows:

(6-b) provides criteria whereby as an alternative to the hardship application provided under paragraph six or paragraph six-a of this subdivision owners of buildings acquired by the same owner or a related entity owned by the same principals three years prior to the date of application may apply to the state division of housing and community renewal for increases in excess of the level of applicable guideline increases established under this law based on a finding by the commissioner of housing and community renewal that such guideline increases are not sufficient to enable the owner to maintain a net annual return of eight and one-half per centum of the valuation of the property. Such valuation shall be the current assessed valuation, which is in effect at the time of the filing of the application for an adjustment under this paragraph properly adjusted by applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the commissioner of taxation and finance. Net annual return shall be the

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

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1 amount by which the earned income exceeds the operating expenses of the
2 property, excluding mortgage interest and amortization, and excluding
3 allowances for obsolescence and reserves, but including an allowance for
4 depreciation of two per centum of the value of the buildings exclusive
5 of the land, or the amount shown for depreciation of the buildings in
6 the latest required federal income tax return, whichever is lower;
7 provided, however, that no allowance for depreciation of the buildings
8 shall be included where the buildings have been fully depreciated for
9 federal income tax purposes or on the books of the owner.

10 § 3. Subdivision d of section 6 of section 4 of chapter 576 of the
11 laws of 1974, constituting the emergency tenant protection act of nine-
12 teen seventy-four, is amended by adding a new paragraph 6 to read as
13 follows:

14 (6) as an alternative to the hardship application provided under para-
15 graph four or five of this subdivision owners of buildings acquired by
16 the same owner or a related entity owned by the same principals three
17 years prior to the date of application may apply to the state division
18 of housing and community renewal for increases in excess of the level of
19 applicable guideline increases established under this act based on a
20 finding by the commissioner of housing and community renewal that such
21 guideline increases are not sufficient to enable the owner to maintain a
22 net annual return of eight and one-half per centum of the valuation of
23 the property. Such valuation shall be the current assessed valuation
24 established by a city, town or village, which is in effect at the time
25 of the filing of the application for an adjustment under this paragraph
26 properly adjusted by applying thereto the ratio which such assessed
27 valuation bears to the full valuation as determined by the commissioner
28 of taxation and finance. Net annual return shall be the amount by which
29 the earned income exceeds the operating expenses of the property,
30 excluding mortgage interest and amortization, and excluding allowances
31 for obsolescence and reserves, but including an allowance for depreci-
32 ation of two per centum of the value of the buildings exclusive of the
33 land, or the amount shown for depreciation of the buildings in the
34 latest required federal income tax return, whichever is lower; provided,
35 however, that no allowance for depreciation of the buildings shall be
36 included where the buildings have been fully depreciated for federal
37 income tax purposes or on the books of the owner.

38 § 4. This act shall take effect immediately, provided that the amend-
39 ment to section 26-405 of the city rent and rehabilitation law, made by
40 section one of this act, shall remain in full force and effect only as
41 long as the public emergency requiring the regulation and control of
42 residential rents and evictions continues, as provided in subdivision 3
43 of section 1 of the local emergency housing rent control act; and
44 provided further that the amendment to section 26-511 of the rent
45 stabilization law of nineteen hundred sixty-nine, made by section two of
46 this act, shall expire on the same date as such law expires and shall
47 not affect the expiration of such law as provided under section 26-520
48 of the administrative code of the city of New York.