

# STATE OF NEW YORK

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2025-2026 Regular Sessions

## IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sen. JACKSON -- 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 -- recommitted to the Committee on Housing, Construction and Community Development in accordance with Senate Rule 6, sec. 8 -- 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 requiring thirty days notice be provided to tenants prior to the beginning of work on a major capital improvement

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

1 Section 1. Subparagraph (g) of paragraph 1 of subdivision g of section  
2 26-405 of the administrative code of the city of New York, as amended by  
3 section 27 of part Q of chapter 39 of the laws of 2019, is amended to  
4 read as follows:  
5 (g) There has been since July first, nineteen hundred seventy, a major  
6 capital improvement essential for the preservation energy efficiency,  
7 functionality, or infrastructure of the entire building, improvement of  
8 the structure including heating, windows, plumbing and roofing but shall  
9 not be for operational costs or unnecessary cosmetic improvements. The  
10 temporary increase based upon a major capital improvement under this  
11 subparagraph for any order of the commissioner issued after the effec-  
12 tive date of [~~the~~ part K of chapter thirty-six of the laws of two thou-  
13 sand nineteen [~~that amended this subparagraph~~] shall be in an amount  
14 sufficient to amortize the cost of the improvements pursuant to this

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

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1 subparagraph (g) over a twelve-year period for buildings with thirty-  
2 five or fewer units or a twelve and one-half year period for buildings  
3 with more than thirty-five units, and shall be removed from the legal  
4 regulated rent thirty years from the date the increase became effective  
5 inclusive of any increases granted by the applicable rent guidelines  
6 board. Temporary major capital improvement increases shall be collect-  
7 ible prospectively on the first day of the first month beginning sixty  
8 days from the date of mailing notice of approval to the tenant. Such  
9 notice shall disclose the total monthly increase in rent and the first  
10 month in which the tenant would be required to pay the temporary  
11 increase. An approval for a temporary major capital improvement increase  
12 shall not include retroactive payments. The collection of any increase  
13 shall not exceed two percent in any year from the effective date of the  
14 order granting the increase over the rent set forth in the schedule of  
15 gross rents, with collectability of any dollar excess above said sum to  
16 be spread forward in similar increments and added to the rent as estab-  
17 lished or set in future years. Upon vacancy, the landlord may add any  
18 remaining balance of the temporary major capital improvement increase to  
19 the legal regulated rent. Notwithstanding any other provision of the  
20 law, for any renewal lease commencing on or after June 14, 2019, the  
21 collection of any rent increases due to any major capital improvements  
22 approved on or after June 16, 2012 and before June 16, 2019 shall not  
23 exceed two percent in any year for any tenant in occupancy on the date  
24 the major capital improvement was approved. To be eligible for a tempo-  
25 rary rent increase based upon a major capital improvement under this  
26 subparagraph, thirty days notice shall be required to be provided to  
27 tenants prior to the beginning of work on such major capital improve-  
28 ment, provided, however, that such thirty days notice shall not be  
29 required where the work constitutes emergency work as defined by the  
30 local housing maintenance code, building code, or other applicable local  
31 law or regulation, and where such emergency work is necessary to correct  
32 an immediately hazardous condition or to prevent imminent danger to  
33 life, health, or safety; provided further that in such cases the owner  
34 shall provide notice to tenants as soon as permits for such emergency  
35 work are pulled, or within seventy-two hours of the commencement of such  
36 work, whichever occurs first, or

37 § 2. Paragraph 6 of subdivision c of section 26-511 of the administra-  
38 tive code of the city of New York, as separately amended by section 12  
39 of part K of chapter 36 and section 28 of part Q of chapter 39 of the  
40 laws of 2019, is amended to read as follows:

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

1 entire building and that the new owner is unable to obtain requisite  
2 records for the fiscal years nineteen hundred sixty-eight through nine-  
3 teen hundred seventy despite diligent efforts to obtain same from prede-  
4 cessors in title and further provided that the new owner can provide  
5 financial data covering a minimum of six years under [~~his or her~~] such  
6 owner's continuous and uninterrupted operation of the building to meet  
7 the three year to three year comparative test periods herein provided;  
8 and (b) as to completed building-wide major capital improvements, for a  
9 finding that such improvements are deemed depreciable under the Internal  
10 Revenue Code and that the cost is to be amortized over a twelve-year  
11 period for a building with thirty-five or fewer housing accommodations,  
12 or a twelve and one-half-year period for a building with more than thir-  
13 ty-five housing accommodations, for any determination issued by the  
14 division of housing and community renewal after the effective date of  
15 [~~the the~~] part K of chapter thirty-nine of the laws of two thousand  
16 nineteen [~~that amended this paragraph~~] and shall be removed from the  
17 legal regulated rent thirty years from the date the increase became  
18 effective inclusive of any increases granted by the applicable rent  
19 guidelines board. Temporary major capital improvement increases shall be  
20 collectible prospectively on the first day of the first month beginning  
21 sixty days from the date of mailing notice of approval to the tenant.  
22 Such notice shall disclose the total monthly increase in rent and the  
23 first month in which the tenant would be required to pay the temporary  
24 increase. An approval for a temporary major capital improvement increase  
25 shall not include retroactive payments. The collection of any increase  
26 shall not exceed two percent in any year from the effective date of the  
27 order granting the increase over the rent set forth in the schedule of  
28 gross rents, with collectability of any dollar excess above said sum to  
29 be spread forward in similar increments and added to the rent as estab-  
30 lished or set in future years. Upon vacancy, the landlord may add any  
31 remaining balance of the temporary major capital improvement increase to  
32 the legal regulated rent. Notwithstanding any other provision of the  
33 law, for any renewal lease commencing on or after June 14, 2019, the  
34 collection of any rent increases due to any major capital improvements  
35 approved on or after June 16, 2012 and before June 16, 2019 shall not  
36 exceed two percent in any year for any tenant in occupancy on the date  
37 the major capital improvement was approved or based upon cash purchase  
38 price exclusive of interest or service charges. To be eligible for a  
39 temporary rent increase based upon a major capital improvement under  
40 this paragraph, thirty days notice shall be required to be provided to  
41 tenants prior to the beginning of work on such major capital improve-  
42 ment, provided, however, that such thirty days notice shall not be  
43 required where the work constitutes emergency work as defined by the  
44 local housing maintenance code, building code, or other applicable local  
45 law or regulation, and where such emergency work is necessary to correct  
46 an immediately hazardous condition or to prevent imminent danger to  
47 life, health, or safety; provided further that in such cases the owner  
48 shall provide notice to tenants as soon as permits for such emergency  
49 work are pulled, or within seventy-two hours of the commencement of such  
50 work, whichever occurs first. Where an application for a temporary major  
51 capital improvement increase has been filed, a tenant shall have sixty  
52 days from the date of mailing of a notice of a proceeding in which to  
53 answer or reply. The state division of housing and community renewal  
54 shall provide any responding tenant with the reasons for the division's  
55 approval or denial of such application. Notwithstanding anything to the  
56 contrary contained herein, no hardship increase granted pursuant to this

1 paragraph shall, when added to the annual gross rents, as determined by  
2 the commissioner, exceed the sum of, (i) the annual operating expenses,  
3 (ii) an allowance for management services as determined by the commis-  
4 sioner, (iii) actual annual mortgage debt service (interest and amorti-  
5 zation) on its indebtedness to a lending institution, an insurance  
6 company, a retirement fund or welfare fund which is operated under the  
7 supervision of the banking or insurance laws of the state of New York or  
8 the United States, and (iv) eight and one-half percent of that portion  
9 of the fair market value of the property which exceeds the unpaid prin-  
10 cipal amount of the mortgage indebtedness referred to in subparagraph  
11 (iii) of this paragraph. Fair market value for the purposes of this  
12 paragraph shall be six times the annual gross rent. The collection of  
13 any increase in the stabilized rent for any apartment pursuant to this  
14 paragraph shall not exceed six percent in any year from the effective  
15 date of the order granting the increase over the rent set forth in the  
16 schedule of gross rents, with collectability of any dollar excess above  
17 said sum to be spread forward in similar increments and added to the  
18 stabilized rent as established or set in future years;

19 § 3. Paragraph 3 of subdivision d of section 6 of section 4 of chapter  
20 576 of the laws of 1974, constituting the emergency tenant protection  
21 act of nineteen seventy-four, as amended by section 26 of part Q of  
22 chapter 39 of the laws of 2019, is amended to read as follows:

23 (3) there has been since January first, nineteen hundred seventy-four  
24 a major capital improvement essential for the preservation, energy effi-  
25 ciency, functionality, or infrastructure of the entire building,  
26 improvement of the structure including heating, windows, plumbing and  
27 roofing, but shall not be for operation costs or unnecessary cosmetic  
28 improvements. An adjustment under this paragraph shall be in an amount  
29 sufficient to amortize the cost of the improvements pursuant to this  
30 paragraph over a twelve-year period for a building with thirty-five or  
31 fewer housing accommodations, or a twelve and one-half period for a  
32 building with more than thirty-five housing accommodations and shall be  
33 removed from the legal regulated rent thirty years from the date the  
34 increase became effective inclusive of any increases granted by the  
35 applicable rent guidelines board, for any determination issued by the  
36 division of housing and community renewal after the effective date of  
37 the chapter of the laws of two thousand nineteen that amended this para-  
38 graph. Temporary major capital improvement increases shall be collecta-  
39 ble prospectively on the first day of the first month beginning sixty  
40 days from the date of mailing notice of approval to the tenant. Such  
41 notice shall disclose the total monthly increase in rent and the first  
42 month in which the tenant would be required to pay the temporary  
43 increase. An approval for a temporary major capital improvement increase  
44 shall not include retroactive payments. The collection of any increase  
45 shall not exceed two percent in any year from the effective date of the  
46 order granting the increase over the rent set forth in the schedule of  
47 gross rents, with collectability of any dollar excess above said sum to  
48 be spread forward in similar increments and added to the rent as estab-  
49 lished or set in future years. Upon vacancy, the landlord may add any  
50 remaining balance of the temporary major capital improvement increase to  
51 the legal regulated rent. Notwithstanding any other provision of the  
52 law, the collection of any rent increases for any renewal lease commenc-  
53 ing on or after June 14, 2019, due to any major capital improvements  
54 approved on or after June 16, 2012 and before June 16, 2019 shall not  
55 exceed two percent in any year for any tenant in occupancy on the date  
56 the major capital improvement was approved. To be eligible for a tempo-

1 rery rent increase based upon a major capital improvement under this  
2 paragraph, thirty days notice shall be required to be provided to  
3 tenants prior to the beginning of work on such major capital  
4 improvement, provided, however, that such thirty days notice shall not  
5 be required where the work constitutes emergency work as defined by the  
6 local housing maintenance code, building code, or other applicable local  
7 law or regulation, and where such emergency work is necessary to correct  
8 an immediately hazardous condition or to prevent imminent danger to  
9 life, health, or safety; provided further that in such cases the owner  
10 shall provide notice to tenants as soon as permits for such emergency  
11 work are pulled, or within seventy-two hours of the commencement of such  
12 work, whichever occurs first, or

13 § 4. Subparagraph 7 of the second undesignated paragraph of paragraph  
14 (a) of subdivision 4 of section 4 of chapter 274 of the laws of 1946,  
15 constituting the emergency housing rent control law, as separately  
16 amended by section 25 of part Q of chapter 39 and section 14 of part K  
17 of chapter 36 of the laws of 2019, is amended to read as follows:

18 (7) there has been since March first, nineteen hundred fifty, a major  
19 capital improvement essential for the preservation, energy efficiency,  
20 functionality, or infrastructure of the entire building, improvement of  
21 the structure including heating, windows, plumbing and roofing, but  
22 shall not be for operational costs or unnecessary cosmetic improvements;  
23 which for any order of the commissioner issued after the effective date  
24 of ~~[the]~~ part K of chapter thirty-six of the laws of two thousand nine-  
25 teen ~~[that amended this paragraph]~~ the cost of such improvement shall be  
26 amortized over a twelve-year period for buildings with thirty-five or  
27 fewer units or a twelve and one-half year period for buildings with more  
28 than thirty-five units, and shall be removed from the legal regulated  
29 rent thirty years from the date the increase became effective inclusive  
30 of any increases granted by the applicable rent guidelines board. Tempo-  
31 rary major capital improvement increases shall be collectible prospec-  
32 tively on the first day of the first month beginning sixty days from the  
33 date of mailing notice of approval to the tenant. Such notice shall  
34 disclose the total monthly increase in rent and the first month in which  
35 the tenant would be required to pay the temporary increase. An approval  
36 for a temporary major capital improvement increase shall not include  
37 retroactive payments. The collection of any increase shall not exceed  
38 two percent in any year from the effective date of the order granting  
39 the increase over the rent set forth in the schedule of gross rents,  
40 with collectability of any dollar excess above said sum to be spread  
41 forward in similar increments and added to the rent as established or  
42 set in future years. Upon vacancy, the landlord may add any remaining  
43 balance of the temporary major capital improvement increase to the legal  
44 regulated rent. Notwithstanding any other provision of the law, for any  
45 renewal lease commencing on or after June 14, 2019, the collection of  
46 any rent increases due to any major capital improvements approved on or  
47 after June 16, 2012 and before June 16, 2019 shall not exceed two  
48 percent in any year for any tenant in occupancy on the date the major  
49 capital improvement was approved; provided, however, to be eligible for  
50 a temporary rent increase based upon a major capital improvement under  
51 this subparagraph, thirty days notice shall be required to be provided  
52 to tenants prior to the beginning of work on such major capital improve-  
53 ment; provided, however, that such thirty days notice shall not be  
54 required where the work constitutes emergency work as defined by the  
55 local housing maintenance code, building code, or other applicable local  
56 law or regulation, and where such emergency work is necessary to correct

1 an immediately hazardous condition or to prevent imminent danger to  
2 life, health, or safety; provided further that in such cases the owner  
3 shall provide notice to tenants as soon as permits for such emergency  
4 work are pulled, or within seventy-two hours of the commencement of such  
5 work, whichever occurs first; provided, however, where an application  
6 for a temporary major capital improvement increase has been filed, a  
7 tenant shall have sixty days from the date of mailing of a notice of a  
8 proceeding in which to answer or reply. The state division of housing  
9 and community renewal shall provide any responding tenant with the  
10 reasons for the division's approval or denial of such application; or

11 § 5. This act shall take effect on the ninetieth day after it shall  
12 have become a law; provided that:

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

19 (b) the amendments to section 26-511 of chapter 4 of title 26 of the  
20 administrative code of the city of New York made by section two of this  
21 act shall expire on the same date as such law expires and shall not  
22 affect the expiration of such law as provided under section 26-520 of  
23 such law.