

STATE OF NEW YORK

3813

2025-2026 Regular Sessions

IN SENATE

January 30, 2025

Introduced by Sen. RIVERA -- 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, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to the amount of time to submit supporting documentation for major capital improvements

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

1 Section 1. Paragraph 1 of subdivision g of section 26-405 of the
2 administrative code of the city of New York is amended by adding a new
3 subparagraph (g-1) to read as follows:

4 (g-1) No increase for major capital improvements shall be granted to
5 any landlord or property owner, unless an application including all
6 necessary documentation are submitted within one hundred twenty days
7 after the completion of the new installation or improvement or improve-
8 ments; or

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

13 (6) provides criteria whereby the commissioner may act upon applica-
14 tions by owners for increases in excess of the level of fair rent
15 increase established under this law provided, however, that such crite-
16 ria shall provide (a) as to hardship applications, for a finding that
17 the level of fair rent increase is not sufficient to enable the owner to
18 maintain approximately the same average annual net income (which shall
19 be computed without regard to debt service, financing costs or manage-
20 ment fees) for the three year period ending on or within six months of
21 the date of an application pursuant to such criteria as compared with
22 annual net income, which prevailed on the average over the period nine-

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

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1 teen hundred sixty-eight through nineteen hundred seventy, or for the
2 first three years of operation if the building was completed since nine-
3 teen hundred sixty-eight or for the first three fiscal years after a
4 transfer of title to a new owner provided the new owner can establish to
5 the satisfaction of the commissioner that ~~[he or she]~~ such owner
6 acquired title to the building as a result of a bona fide sale of the
7 entire building and that the new owner is unable to obtain requisite
8 records for the fiscal years nineteen hundred sixty-eight through nine-
9 teen hundred seventy despite diligent efforts to obtain same from prede-
10 cessors in title and further provided that the new owner can provide
11 financial data covering a minimum of six years under ~~[his or her]~~ their
12 continuous and uninterrupted operation of the building to meet the three
13 year to three year comparative test periods herein provided; and (b) as
14 to completed building-wide major capital improvements, for a finding
15 that such improvements are deemed depreciable under the Internal Revenue
16 Code and that the cost is to be amortized over a twelve-year period for
17 a building with thirty-five or fewer housing accommodations, or a twelve
18 and one-half-year period for a building with more than thirty-five hous-
19 ing accommodations, for any determination issued by the division of
20 housing and community renewal after the effective date of the ~~[the]~~
21 chapter of the laws of two thousand nineteen that amended this paragraph
22 and shall be removed from the legal regulated rent thirty years from the
23 date the increase became effective inclusive of any increases granted by
24 the applicable rent guidelines board. Temporary major capital improve-
25 ment increases shall be collectible prospectively on the first day of
26 the first month beginning sixty days from the date of mailing notice of
27 approval to the tenant. Such notice shall disclose the total monthly
28 increase in rent and the first month in which the tenant would be
29 required to pay the temporary increase. An approval for a temporary
30 major capital improvement increase shall not include retroactive
31 payments. The collection of any increase shall not exceed two percent in
32 any year from the effective date of the order granting the increase over
33 the rent set forth in the schedule of gross rents, with collectability
34 of any dollar excess above said sum to be spread forward in similar
35 increments and added to the rent as established or set in future years.
36 Upon vacancy, the landlord may add any remaining balance of the tempo-
37 rary major capital improvement increase to the legal regulated rent.
38 Notwithstanding any other provision of the law, for any renewal lease
39 commencing on or after June 14, 2019, the collection of any rent
40 increases due to any major capital improvements approved on or after
41 June 16, 2012 and before June 16, 2019 shall not exceed two percent in
42 any year for any tenant in occupancy on the date the major capital
43 improvement was approved or based upon cash purchase price exclusive of
44 interest or service charges. Where an application for a temporary major
45 capital improvement increase has been filed, a tenant shall have sixty
46 days from the date of mailing of a notice of a proceeding in which to
47 answer or reply. The state division of housing and community renewal
48 shall provide any responding tenant with the reasons for the division's
49 approval or denial of such application. Notwithstanding anything to the
50 contrary contained herein, no hardship increase granted pursuant to this
51 paragraph shall, when added to the annual gross rents, as determined by
52 the commissioner, exceed the sum of, (i) the annual operating expenses,
53 (ii) an allowance for management services as determined by the commis-
54 sioner, (iii) actual annual mortgage debt service (interest and amorti-
55 zation) on its indebtedness to a lending institution, an insurance
56 company, a retirement fund or welfare fund which is operated under the

1 supervision of the banking or insurance laws of the state of New York or
2 the United States, and (iv) eight and one-half percent of that portion
3 of the fair market value of the property which exceeds the unpaid prin-
4 cipal amount of the mortgage indebtedness referred to in subparagraph
5 (iii) of this paragraph. Fair market value for the purposes of this
6 paragraph shall be six times the annual gross rent. The collection of
7 any increase in the stabilized rent for any apartment pursuant to this
8 paragraph shall not exceed six percent in any year from the effective
9 date of the order granting the increase over the rent set forth in the
10 schedule of gross rents, with collectability of any dollar excess above
11 said sum to be spread forward in similar increments and added to the
12 stabilized rent as established or set in future years. No increase for
13 major capital improvements shall be granted to any landlord or property
14 owner, unless an application including all necessary documentation is
15 submitted within one hundred twenty days after the completion of the new
16 installation or improvement or improvements;

17 § 3. Subdivision b of section 4 of section 4 of chapter 576 of the
18 laws of 1974, constituting the emergency tenant protection act of nine-
19 teen seventy-four, is amended by adding a new paragraph 4 to read as
20 follows:

21 (4) no increase for major capital improvements shall be granted to any
22 landlord or property owner, unless an application including all neces-
23 sary documentation is submitted within one hundred twenty days after the
24 completion of the new installation or improvement or improvements;

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

30 (7) there has been since March first, nineteen hundred fifty, a major
31 capital improvement essential for the preservation, energy efficiency,
32 functionality, or infrastructure of the entire building, improvement of
33 the structure including heating, windows, plumbing and roofing, but
34 shall not be for operational costs or unnecessary cosmetic improvements;
35 which for any order of the commissioner issued after the effective date
36 of the chapter of the laws of two thousand nineteen that amended this
37 paragraph the cost of such improvement shall be amortized over a twelve-
38 year period for buildings with thirty-five or fewer units or a twelve
39 and one-half year period for buildings with more than thirty-five units,
40 and shall be removed from the legal regulated rent thirty years from the
41 date the increase became effective inclusive of any increases granted by
42 the applicable rent guidelines board. Temporary major capital improve-
43 ment increases shall be collectible prospectively on the first day of
44 the first month beginning sixty days from the date of mailing notice of
45 approval to the tenant. Such notice shall disclose the total monthly
46 increase in rent and the first month in which the tenant would be
47 required to pay the temporary increase. An approval for a temporary
48 major capital improvement increase shall not include retroactive
49 payments. The collection of any increase shall not exceed two percent in
50 any year from the effective date of the order granting the increase over
51 the rent set forth in the schedule of gross rents, with collectability
52 of any dollar excess above said sum to be spread forward in similar
53 increments and added to the rent as established or set in future years.
54 Upon vacancy, the landlord may add any remaining balance of the tempo-
55 rary major capital improvement increase to the legal regulated rent.
56 Notwithstanding any other provision of the law, for any renewal lease

1 commencing on or after June 14, 2019, the collection of any rent
2 increases due to any major capital improvements approved on or after
3 June 16, 2012 and before June 16, 2019 shall not exceed two percent in
4 any year for any tenant in occupancy on the date the major capital
5 improvement was approved; provided, however, where an application for a
6 temporary major capital improvement increase has been filed, a tenant
7 shall have sixty days from the date of mailing of a notice of a proceed-
8 ing in which to answer or reply. The state division of housing and
9 community renewal shall provide any responding tenant with the reasons
10 for the division's approval or denial of such application. No increase
11 for major capital improvements shall be granted to any landlord or prop-
12 erty owner, unless an application including all necessary documentation
13 is submitted within one hundred twenty days after the completion of the
14 new installation or improvement or improvements; or

15 § 5. This act shall take effect immediately; provided that:

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

22 b. the amendments to section 26-511 of the administrative code of the
23 city of New York made by section two of this act shall not affect the
24 expiration of such section and shall be deemed to expire therewith.