

§ 4. **The emergency tenant protection act** of nineteen hundred seventy-four is hereby enacted to read as follows:

EMERGENCY TENANT PROTECTION ACT
OF NINETEEN SEVENTY-FOUR

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Section 1. Short title. This act shall be known and may be cited as the "emergency tenant protection act of nineteen seventy-four".

§ 2. Legislative finding. The legislature hereby finds and declares that a serious public emergency continues to exist in the housing of a considerable number of persons in the state of New York, that such emergency necessitates the intervention of federal, state and local government in order to prevent speculative, unwarranted and abnormal increases in rents; that there continues to exist in many areas of the state an acute shortage of housing accommodations caused by continued high demand, attributable in part to new household formations and

decreased supply, in large measure attributable to reduced availability of federal subsidies, and increased costs of construction and other inflationary factors; that a substantial number of persons residing in housing not presently subject to the provisions of this act or the emergency housing rent control law or the local emergency housing rent control act are being charged excessive and unwarranted rents and rent increases; that preventive action by the legislature continues to be imperative in order to prevent exaction of unjust, unreasonable and oppressive rents and rental agreements and to forestall profiteering, speculation and other disruptive practices tending to produce threats to the public health, safety and general welfare; that in order to prevent uncertainty, hardship and dislocation, the provisions of this act are necessary and designed to protect the public health, safety and general welfare; that the transition from regulation to a normal market of free bargaining between landlord and tenant, while the ultimate objective of state policy, must take place with due regard for such emergency; and that the policy herein expressed shall be subject to determination of the existence of a public emergency requiring the regulation of residential rents within any city, town or village by the local legislative body of such city, town or village.

§ 3. Local determination of emergency; end of emergency. a. The existence of public emergency requiring the regulation of residential rents for all or any class or classes of housing accommodations, including any plot or parcel of land which had been rented prior to May first, nineteen hundred fifty, for the purpose of permitting the tenant thereof to construct or place his own dwelling thereon and on which plot or parcel of land there exists a dwelling owned and occupied by a tenant of such plot or parcel, heretofore destabilized; heretofore or hereafter decontrolled, exempt, not subject to control, or exempted from regulation and control under the provisions of the emergency housing rent control law, the local emergency housing rent control act or the New York city rent stabilization law of nineteen hundred sixty-nine; or subject to stabilization or control under such rent stabilization law, shall be a matter for local determination within each city, town or village. Any such determination shall be made by the local legislative

body of such city, town or village on the basis of the supply of housing accommodations within such city, town or village, the condition of such accommodations and the need for regulating and controlling residential rents within such city, town or village. A declaration of emergency may be made as to any class of housing accommodations if the vacancy rate for the housing accommodations in such class within such municipality is not in excess of five percent and a declaration of emergency may be made as to all housing accommodations if the vacancy rate for the housing accommodations within such municipality is not in excess of five percent.

b. The local governing body of a city, town or village having declared an emergency pursuant to subdivision a of this section may at any time, on the basis of the supply of housing accommodations within such city, town or village, the condition of such accommodations and the need for continued regulation and control of residential rents within such municipality, declare that the emergency is either wholly or partially abated or that the regulation of rents pursuant to this act does not serve to abate such emergency and thereby remove one or more classes of accommodations from regulation under this act. The emergency must be declared at an end once the vacancy rate described in subdivision a of this section exceeds five percent.

c. No resolution declaring the existence or end of an emergency, as authorized by subdivisions a and b of this section, may be adopted except after public hearing held on not less than ten days public notice, as the local legislative body may reasonably provide.

d. When requested by a municipality or a designee, as a part of a study to determine its vacancy rate, owners, or their agent, of housing accommodations in the class of housing accommodations determined, shall provide the most recent records of rent rolls and, if available, records for the preceding thirty-six months. Such records shall include the tenant's relevant information relating to finding the vacancy rate of such municipality including but not limited to the name, address, and amount paid or charged on a weekly, monthly, or annual basis for each occupied housing accommodation and which housing accommodations are

vacant at the time of the survey and available for rent. Such records shall also include any housing accommodations that are vacant and not available for rent and provide the reason why such unit is not available for rent.

e. A municipality may impose a civil penalty or fee of up to five hundred dollars on an owner or their agent if the owner or their agent refuses to participate in such vacancy survey and cooperate with the municipality or a designee in such vacancy survey, or submits knowingly and intentionally false vacancy information.

f. A nonrespondent owner shall be deemed to have zero vacancies.

g. Identifying data or information shall be kept confidential and shall not be shared, traded, given, or sold to any other entity for any purpose outside of such vacancy study.

§ 4. Establishment of rent guidelines boards; duties. a. In each county wherein any city having a population of less than one million or any town or village has determined the existence of an emergency pursuant to section three of this act, there shall be created a rent guidelines board to consist of nine members appointed by the commissioner of housing and community renewal upon recommendation of the county legislature, except that a rent guidelines board created subsequent to the effective date of the chapter of the laws of two thousand nineteen that amended this section shall consist of nine members appointed by the commissioner of housing and community renewal upon recommendations of the local legislative body of each city having a population of less than one million or town or village which has determined the existence of an emergency pursuant to section three of this act. Such recommendation shall be made within thirty days after the first local declaration of an emergency in such county; two such members shall be representative of tenants, two shall be representative of owners of property, and five shall be public members each of whom shall have had at least five years experience in either finance, economics or housing. One public member shall be designated by the commissioner to

serve as chairman and shall hold no other public office. No member, officer or employee of any municipal rent regulation agency or the state division of housing and community renewal and no person who owns or manages real estate covered by this law or who is an officer of any owner or tenant organization shall serve on a rent guidelines board. One public member, one member representative of tenants and one member representative of owners shall serve for a term ending two years from January first next succeeding the date of their appointment; one public member, one member representative of tenants and one member representative of owners shall serve for terms ending three years from the January first next succeeding the date of their appointment and three public members shall serve for terms ending four years from January first next succeeding the dates of their appointment. Thereafter, all members shall serve for terms of four years each. Members shall continue in office until their successors have been appointed and qualified. The commissioner shall fill any vacancy which may occur by reason of death, resignation or otherwise in a manner consistent with the original appointment. A member may be removed by the commissioner for cause, but not without an opportunity to be heard in person or by counsel, in his defense, upon not less than ten days notice. Compensation for the members of the board shall be at the rate of one hundred dollars per day, for no more than twenty days a year, except that the chairman shall be compensated at the rate of one hundred twenty-five dollars a day for no more than thirty days a year. The board shall be provided staff assistance by the division of housing and community renewal. The compensation of such members and the costs of staff assistance shall be paid by the division of housing and community renewal which shall be reimbursed in the manner prescribed in section four of this act. The local legislative body of each city having a population of less than one million and each town and village in which an emergency has been determined to exist as herein provided shall be authorized to designate one person who shall be representative of tenants and one person who shall be representative of owners of property to serve at its pleasure and without compensation to advise and assist the county rent guidelines board in matters affecting the adjustment of rents for housing accommodations in such city, town or village as the case may be.

a-1. Notwithstanding the provisions of subdivision a of this section to the contrary, in each county that became subject to this act pursuant to the chapter of the laws of two thousand nineteen that amended this section, the commissioner shall reconstitute the existing rent guidelines board subsequent to any initial local declaration of emergency within such county for the purpose of ensuring representation of all cities having a population of less than one million and all towns and villages within such county having determined the existence of an emergency in accordance with this act are represented, pursuant to rules and regulations promulgated by the division of housing and community renewal.

b. A county rent guidelines board shall establish annual guidelines for rent adjustments which, at its sole discretion may be varied and different for and within the several zones and jurisdictions of the board, and in determining whether rents for housing accommodations as to which an emergency has been declared pursuant to this act shall be adjusted, shall consider among other things (1) the economic condition of the residential real estate industry in the affected area including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating maintenance costs (including insurance rates, governmental fees, cost of fuel and labor costs), (iii) costs and availability of financing (including effective rates of interest), (iv) over-all supply of housing accommodations and over-all vacancy rates, (2) relevant data from the current and projected cost of living indices for the affected area, (3) such other data as may be made available to it. As soon as practicable after its creation and thereafter not later than July first of each year, a rent guidelines board shall file with the state division of housing and community renewal its findings for the preceding calendar year, and shall accompany such findings with a statement of the maximum rate or rates of rent adjustment, if any, for one or more classes of accommodation subject to this act, authorized for leases or other rental agreements commencing during the next succeeding twelve months. The standards for rent adjustments may be applicable for the entire county or may be varied according to such zones or jurisdictions within such county as

the board finds necessary to achieve the purposes of this subdivision. A rent guidelines board shall not establish annual guidelines for rent adjustments based on the current rental cost of a unit or on the amount of time that has elapsed since another rent increase was authorized pursuant to this chapter.

The standards for rent adjustments established annually shall be effective for leases commencing on October first of each year and during the next succeeding twelve months whether or not the board has filed its findings and statement of the maximum rate or rates of rent adjustment by July first of each year. If such lease is entered into before such filing by the board, it may provide for the rent to be adjusted by the rates then in effect, subject to change by the applicable rates of rent adjustment when filed, such change to be effective as of the date of the commencement of the lease. Said lease must provide that, if the new rates of rent adjustment differ for leases of different terms, the tenant has the option of changing the original lease term to any other term for which a rate of rent adjustment is set by the board, with the rental to be adjusted accordingly.

Where a city, town or village shall act to determine the existence of public emergency pursuant to section three of this act subsequent to the establishment of annual guidelines for rent adjustments of the accommodations subject to this act, the rent guidelines board as soon as practicable thereafter shall file its findings and rates of rent adjustment for leases or other rental agreements for the housing accommodations in such a city, town or village, which rates shall be effective for leases or other rental agreements commencing on or after the effective date of the determination.

c. In a city having a population of one million or more, the rent guidelines board shall be the rent guidelines board established pursuant to the New York city rent stabilization law of nineteen hundred sixty-nine as amended, and such board shall have the powers granted pursuant to the New York city rent stabilization law of nineteen hundred sixty-nine as amended.

d. Maximum rates of rent adjustment shall not be established more than once annually for any housing accommodation within a board's jurisdiction. Once established, no such rate shall, within the one-year period, be adjusted by any surcharge, supplementary adjustment or other modification.

e. Notwithstanding any other provision of this act, the adjustment for vacancy leases covered by the provisions of this act shall be determined exclusively pursuant to section ten of this act. Rent guidelines boards shall no longer promulgate adjustments for vacancy leases.

§ 5. Housing accommodations subject to regulation. a. A declaration of emergency may be made pursuant to section three as to all or any class or classes of housing accommodations in a municipality, except:

(1) housing accommodations subject to the emergency housing rent control law, or the local emergency housing rent control act, other than housing accommodations subject to the New York city rent stabilization law of nineteen hundred sixty-nine;

(2) housing accommodations owned or operated by the United States, the state of New York, any political subdivision, agency or instrumentality thereof, any municipality or any public housing authority;

(3) housing accommodations in buildings in which rentals are fixed by or subject to the supervision of the state division of housing and community renewal under other provisions of law or the New York city department of housing preservation and development or the New York state urban development corporation, or, to the extent that regulation under this act is inconsistent therewith aided by government insurance under any provision of the National Housing Act;

(4) (a) housing accommodations in a building containing fewer than six dwelling units, other than any plot or parcel of land in cities having a population of one million or more which had been rented prior to May first, nineteen hundred fifty, for the purpose of permitting the tenant thereof to construct or place his own dwelling thereon and heretofore or hereafter decontrolled, exempt, not subject to control or exempted from regulation and control under the provisions of the emergency housing rent control law or the local emergency housing rent control act and on

which plot or parcel of land there exists a dwelling owned and occupied by a tenant of such plot or parcel;

(b) for purposes of this paragraph four, a building shall be deemed to contain six or more dwelling units if it is part of a multiple family garden-type maisonette dwelling complex containing six or more dwelling units having common facilities such as a sewer line, water main or heating plant and operated as a unit under common ownership, notwithstanding that certificates of occupancy were issued for portions thereof as one- or two-family dwellings.

(5) housing accommodations in buildings completed or buildings substantially rehabilitated as family units on or after January first, nineteen hundred seventy-four; provided that an owner claiming exemption from rent stabilization on the basis of a substantial rehabilitation, where the work for such rehabilitation was initiated on or after the first day of January, two thousand twenty-four, shall seek approval from state division of housing and community renewal within one year of the completion of the substantial rehabilitation, and ultimately obtain such approval, which shall be denied on the following grounds:

(a) the owner or its predecessors in interest have engaged in harassment of tenants in the five years preceding the completion of the substantial rehabilitation;

(b) the building was not in a substandard or seriously deteriorated condition requiring substantial rehabilitation; or

(c) any additional grounds as set forth by regulation;

(5-a) housing accommodations located outside of a city with a population of one million or more in any such buildings that were vacant and unoccupied on June first, two thousand nineteen and had been vacant and unoccupied for at least the one-year period immediately preceding such date;

(6) housing accommodations owned or operated by a hospital, convent, monastery, asylum, public institution, or college or school dormitory or any institution operated exclusively for charitable or educational purposes on a non-profit basis other than (i) those accommodations occupied by a tenant on the date such housing accommodation is acquired by any such institution, or which are occupied subsequently by a tenant who is not affiliated with such institution at the time of his initial occupancy or (ii) permanent housing accommodations with government

contracted services, as of and after June fourteenth, two thousand nineteen, to vulnerable individuals or individuals with disabilities who are or were homeless or at risk of homelessness; provided, however, that the terms of leases in existence as of June fourteenth, two thousand nineteen, shall only be affected upon lease renewal, and further provided that upon the vacancy of such housing accommodations, the legal regulated rent for such housing accommodations shall be the legal regulated rent paid for such housing accommodations by the prior tenant, subject only to any adjustment adopted by the applicable rent guidelines board;

(7) rooms or other housing accommodations in hotels, other than hotel accommodations in cities having a population of one million or more not occupied on a transient basis and heretofore subject to the emergency housing rent control law, the local emergency housing rent control act or to the New York city rent stabilization law of nineteen hundred sixty-nine;

(8) any motor court, or any part thereof, any trailer, or trailer space used exclusively for transient occupancy or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof;

The term "motor court" shall mean an establishment renting rooms, cottages or cabins, supplying parking or storage facilities for motor vehicles in connection with such renting and other services and facilities customarily supplied by such establishments, and commonly known as motor, auto or tourist court in the community.

The term "tourist home" shall mean a rooming house which caters primarily to transient guests and is known as a tourist home in the community.

(9) non-housekeeping, furnished housing accommodations, located within a single dwelling unit not used as a rooming or boarding house, but only if:

(a) no more than two tenants for whom rent is paid (husband and wife being considered one tenant for this purpose), not members of the landlord's immediate family, live in such dwelling unit, and

(b) the remaining portion of such dwelling unit is occupied by the

landlord or his immediate family.

(10) housing accommodations in buildings operated exclusively for charitable purposes on a non-profit basis except for permanent housing accommodations with government contracted services, as of and after the effective date of the chapter of the laws of two thousand nineteen that amended this paragraph, to vulnerable individuals or individuals with disabilities who are or were homeless or at risk of homelessness; provided, however, that the terms of leases in existence as of the effective date of the chapter of the laws of two thousand nineteen that amended this paragraph, shall only be affected upon lease renewal, and further provided that upon the vacancy of such housing accommodations, the legal regulated rent for such housing accommodations shall be the legal regulated rent paid for such housing accommodations by the prior tenant, subject only to any adjustment adopted by the applicable rent guidelines board;

(11) housing accommodations which are not occupied by the tenant, not including subtenants or occupants, as his or her primary residence, as determined by a court of competent jurisdiction. For the purposes of determining primary residency, a tenant who is a victim of domestic violence, as defined in section four hundred fifty-nine-a of the social services law, who has left the unit because of such violence, and who asserts an intent to return to the housing accommodation shall be deemed to be occupying the unit as his or her primary residence. For the purposes of this paragraph, where a housing accommodation is rented to a not-for-profit hospital for residential use, affiliated subtenants authorized to use such accommodations by such hospital shall be deemed to be tenants. For the purposes of this paragraph, where a housing accommodation is rented to a not-for-profit for providing, as of and after the effective date of the chapter of the laws of two thousand nineteen that amended this paragraph, permanent housing to individuals who are or were homeless or at risk of homelessness, affiliated subtenants authorized to use such accommodations by such not-for-profit shall be deemed to be tenants. No action or proceeding shall be commenced seeking to recover possession on the ground that a housing accommodation is not occupied by the tenant as his or her primary residence unless the owner or lessor shall have given thirty days notice to the tenant of his or her intention to commence such action or

proceeding on such grounds.

(14) (i) housing accommodations owned as a cooperative or condominium unit which are or become vacant on or after the effective date of this paragraph, except that this subparagraph shall not apply to units occupied by non-purchasing tenants under section three hundred fifty-two-eee of the general business law until the occurrence of a vacancy. (ii) This paragraph shall not apply, however, to or become effective with respect to housing accommodations which the commissioner determines or finds the landlord or any person acting on his or her behalf, with intent to cause the tenant to vacate, engaged in any course of conduct (including, but not limited to, interruption or discontinuance of required services) which interfered with or disturbed or was intended to interfere with or disturb the comfort, repose, peace or quiet of the tenant in his or her use or occupancy of the housing accommodations. In connection with such course of conduct any other general enforcement provision of this act shall also apply;

b. Notwithstanding any other provision of this section, nothing shall prevent the declaration of an emergency pursuant to section three of this act for rental housing accommodations located in buildings or structures which are subject to the provisions of article eighteen of the private housing finance law.

*** § 5-a. High income rent deregulation.** (a) 1. For purposes of this section, annual income shall mean the federal adjusted gross income as reported on the New York state income tax return. Total annual income means the sum of the annual incomes of all persons whose names are recited as the tenant or co-tenant on a lease who occupy the housing accommodation and all other persons that occupy the housing accommodation as their primary residence on other than a temporary basis, excluding bona fide employees of such occupants residing therein in connection with such employment and excluding bona fide subtenants in occupancy pursuant to the provisions of section two hundred twenty-six-b of the real property law. In the case where a housing accommodation is sublet, the annual income of the tenant or co-tenant recited on the lease who will reoccupy the housing accommodation upon the expiration of

the sublease shall be considered.

2. Deregulation income threshold means total annual income equal to one hundred seventy-five thousand dollars in each of the two preceding calendar years for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation income threshold means the total annual income equal to two hundred thousand dollars in each of the two preceding calendar years.

3. Deregulation rent threshold means two thousand dollars for proceedings commenced before July first, two thousand eleven. For proceedings commenced on or after July first, two thousand eleven, the deregulation rent threshold means two thousand five hundred dollars. For proceedings commenced on or after July first, two thousand fifteen, the deregulation rent threshold means two thousand seven hundred dollars, provided, however that on January 1, 2016, and annually thereafter, the maximum legal regulated rent for this deregulation threshold shall be adjusted by the same percentage as the most recent one year renewal adjustment adopted by the rent guidelines board.

(b) On or before the first day of May in each calendar year, the owner of each housing accommodation for which the legal regulated monthly rent equals or exceeds the deregulation rent threshold may provide the tenant or tenants residing therein with an income certification form prepared by the division of housing and community renewal on which such tenant or tenants shall identify all persons referred to in subdivision (a) of this section and shall certify whether the total annual income is in excess of the deregulation income threshold in each of the two preceding calendar years. Such income certification form shall state that the income level certified to by the tenant may be subject to verification by the department of taxation and finance pursuant to section one hundred seventy-one-b of the tax law, and shall not require disclosure of any information other than whether the aforementioned threshold has been exceeded. Such income certification form shall clearly state that: (i) only tenants residing in housing accommodations which had a legal regulated monthly rent that equals or exceeds the deregulation rent threshold are required to complete the certification form; (ii) that

tenants have protections available to them which are designed to prevent harassment; (iii) that tenants are not required to provide any information regarding their income except that which is requested on the form and may contain such other information the division deems appropriate. The tenant or tenants shall return the completed certification to the owner within thirty days after service upon the tenant or tenants. In the event that the total annual income as certified is in excess of the deregulation income threshold in each of the two preceding calendar years, the owner may file the certification with the state division of housing and community renewal on or before June thirtieth of such year. Upon filing such certification with the division, the division shall, within thirty days after the filing, issue an order providing that such housing accommodation shall not be subject to the provisions of this act upon the expiration of the existing lease. A copy of such order shall be mailed by regular and certified mail, return receipt requested, to the tenant or tenants and a copy thereof shall be mailed to the owner.

(c) 1. In the event that the tenant or tenants either fail to return the completed certification to the owner on or before the date required by subdivision (b) of this section or the owner disputes the certification returned by the tenant or tenants, the owner may, on or before June thirtieth of such year, petition the state division of housing and community renewal to verify, pursuant to section one hundred seventy-one-b of the tax law, whether the total annual income exceeds the deregulation income threshold in each of the two preceding calendar years. Within twenty days after the filing of such request with the division, the division shall notify the tenant or tenants that such tenant or tenants named on the lease must provide the division with such information as the division and the department of taxation and finance shall require to verify whether the total annual income exceeds the deregulation income threshold in each of the two preceding calendar years. The division's notification shall require the tenant or tenants to provide the information to the division within sixty days of service upon such tenant or tenants and shall include a warning in bold faced type that failure to respond will result in an order being issued by the division providing that such housing accommodations shall not be subject to the provisions of this act.

2. If the department of taxation and finance determines that the total annual income is in excess of the deregulation income threshold in each of the two preceding calendar years, the division shall, on or before November fifteenth of such year, notify the owner and tenants of the results of such verification. Both the owner and the tenants shall have thirty days within which to comment on such verification results. Within forty-five days after the expiration of the comment period, the division shall, where appropriate, issue an order providing that such housing accommodation shall not be subject to the provisions of this act upon expiration of the existing lease. A copy of such order shall be mailed by regular and certified mail, return receipt requested, to the tenant or tenants and a copy thereof shall be sent to the owner.

3. In the event the tenant or tenants fail to provide the information required pursuant to paragraph one of this subdivision, the division shall issue, on or before December first of such year, an order providing that such housing accommodation shall not be subject to the provisions of this act upon the expiration of the current lease. A copy of such order shall be mailed by regular and certified mail, return receipt requested, to the tenant or tenants and a copy thereof shall be sent to the owner.

4. The provisions of the state freedom of information act shall not apply to any income information obtained by the division pursuant to this section.

(d) This section shall apply only to paragraph twelve of subdivision a of section five of this act.

(e) Upon receipt of such order of deregulation pursuant to this section, an owner shall offer the housing accommodation subject to such order to the tenant at a rent not in excess of the market rent, which for the purposes of this section means a rent obtainable in an arm's length transaction. Such rental offer shall be made by the owner in writing to the tenant by certified and regular mail and shall inform the tenant that such offer must be accepted in writing within ten days of receipt. The tenant shall respond within ten days after receipt of such offer. If the tenant declines the offer or fails to respond within such

period, the owner may commence an action or proceeding for the eviction of such tenant.

* NB Expires June 16, 2019

§ 6. Regulation of rents. a. Notwithstanding the provisions of any lease or other rental agreement, no owner shall, on or after the first day of the first month or other rental period following a declaration of emergency pursuant to section three, which date shall be referred to in this act as the local effective date, charge or collect any rent in excess of the initial legal regulated rent or adjusted initial legal regulated rent until such time as a different legal regulated rent shall be authorized pursuant to guidelines adopted by a rent guidelines board pursuant to section four.

b. The initial legal regulated rents for housing accommodations in a city having a population of less than one million or a town or village as to which a declaration of emergency has been made pursuant to this act shall be:

(1) For housing accommodations subject to the emergency housing rent control law which become vacant on or after the local effective date of this act, the rent agreed to by the landlord and the tenant and reserved in a lease or provided for in a rental agreement; provided that such initial legal regulated rent may be adjusted on application of the owner or tenant pursuant to subdivision a of section nine of this act; and provided further that no increase of such initial regulated rent pursuant to annual guidelines adopted by the rent guidelines board shall become effective until the expiration of the first lease or rental agreement taking effect after the local effective date, but in no event before one year from the commencement of such rental agreement.

(2) For all other housing accommodations, the rent reserved in the last effective lease or other rental agreement; provided that an initial rent based upon the rent reserved in a lease or other rental agreement which became effective on or after January first, nineteen hundred seventy-four may be adjusted on application of the tenant pursuant to subdivision b of section nine of this act or on application of either the owner or tenant pursuant to subdivision a of such section; and

further provided that if a lease is entered into for such housing accommodations after the local effective date, but before the effective date of the first guidelines applicable to such accommodations, the lease may provide for an adjustment of rent pursuant to such guidelines, to be effective on the first day of the month next succeeding the effective date of such guidelines.

c. The initial legal regulated rents for housing accommodations in a city having a population of one million or more shall be the initial rent established pursuant to the New York city rent stabilization law of nineteen hundred sixty-nine as amended.

d. Provision shall be made pursuant to regulations under this act for individual adjustment of rents where:

(1) there has been a substantial modification or increase of dwelling space, or installation of new equipment or improvements or new furniture or furnishings, provided in or to a tenant's housing accommodation, on written informed tenant consent to the rent increase. In the case of a vacant housing accommodation, tenant consent shall not be required. Except as provided in subparagraph (B) of this paragraph, the increase in the legal regulated rent for the affected housing accommodation shall be one-one hundred sixty-eighth, in the case of a building with thirty-five or fewer housing accommodations or one-one hundred eightieth in the case of a building with more than thirty-five housing accommodations where such increase takes effect on or after the effective date of the chapter of the laws of two thousand nineteen that amended this paragraph, of the total actual cost incurred by the landlord up to an amount set forth in this paragraph in providing such reasonable and verifiable modification or increase in dwelling space, furniture, furnishings, or equipment, including the cost of installation but excluding finance charges and any costs that exceed reasonable costs established by rules and regulations promulgated by the division of housing and community renewal. Such rules and regulations shall include: (i) requirements for work to be done by licensed contractors and a prohibition on common ownership between the landlord and the contractor or vendor; and (ii) a requirement that the owner resolve within the dwelling space all outstanding hazardous or immediately hazardous

violations of the Uniform Fire Prevention and Building Code (Uniform Code), New York City Fire Code, or New York City Building and Housing Maintenance Codes, if applicable. Provided further that an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings. Provided further that the recoverable costs incurred by the landlord, pursuant to this paragraph, shall be limited to an aggregate cost pursuant to the following:

(A) thirty thousand dollars that may be expended in a fifteen-year period beginning with the first individual apartment improvement on or after June fourteenth, two thousand nineteen, provided further that:

(1) if there is a tenant in place at the time the individual apartment improvement is undertaken, no costs incurred by the landlord shall be recoverable pursuant to this subparagraph unless the landlord obtains written tenant consent from the tenant in place at the time the individual apartment improvement was undertaken;

(2) increases to the legal regulated rent pursuant to this subparagraph shall be permanent; and

(3) the thirty thousand dollars may be expended, in the aggregate, on any number of separate individual apartment improvements in a fifteen-year period, but in no event shall costs above thirty thousand dollars be recoverable in a fifteen-year period pursuant to this subparagraph.

(B) fifty thousand dollars that may be expended in a fifteen-year period beginning with the first individual apartment improvement on or after June fourteenth, two thousand nineteen, pursuant to regulation, operational bulletin or such other guidance as the division of housing and community renewal may issue, provided further that:

(1) costs shall only be recoverable by a landlord pursuant to this subparagraph for an individual apartment improvement undertaken during a vacancy;

(2) costs shall only be recoverable by a landlord pursuant to this subparagraph for an individual apartment improvement if (i) the apartment was timely registered as vacant by no later than the thirty-first of December in each of two thousand twenty-two, two

thousand twenty-three, and two thousand twenty-four, provided that a landlord may recover costs on this basis no more than once, or (ii) if the apartment is vacant following a period of continuous occupancy of at least twenty-five years that occurred immediately prior to the commencement of such individual apartment improvement;

(3) costs shall only be recoverable by a landlord pursuant to this subparagraph if such landlord has received prior certification to recover costs pursuant to this subparagraph from the division of housing and community renewal based on establishing that the landlord satisfies one of the eligibility criteria delineated in clause two of this subparagraph, provided further that such certification shall not be deemed as evidence that the work performed or costs claimed for the individual apartment improvement was substantiated or to otherwise act as a defense in any subsequent rent overcharge proceeding, determination, or audit;

(4) increases to the legal regulated rent pursuant to this subparagraph shall be permanent;

(5) the increase in the legal regulated rent for the affected housing accommodation shall be one-one hundred forty-fourth, in the case of a building with thirty-five or fewer housing accommodations or one-one hundred fifty-sixth in the case of a building with more than thirty-five housing accommodations where such increase takes effect on or after the effective date of the chapter of the laws of two thousand twenty-four that amended this paragraph, of the total actual cost incurred by the landlord up to fifty thousand dollars in providing such reasonable and verifiable modification or increase in dwelling space, furniture, furnishings, or equipment, including the cost of installation but excluding finance charges and any costs that exceed reasonable costs established by rules and regulations promulgated by the division of housing and community renewal;

(6) costs shall only be recoverable by a landlord pursuant to this subparagraph for an individual apartment improvement if, immediately prior to undertaking such individual apartment improvement, the landlord submits to the division of housing and community renewal any evidence that the division of housing and community renewal deems necessary and requests pursuant to regulation, operational bulletin or other guidance, demonstrating that the improvement was necessitated by a sub-standard

condition or exceeding its useful life immediately prior to the landlord's work to improve the unit and the landlord's planned work to improve the unit. Such evidence shall include, but shall not be limited to, photos of any areas, aspects or appliances in the apartment that will be improved, and any necessary permits required to undertake the improvements;

(7) costs shall only be recoverable by a landlord pursuant to this subparagraph for an individual apartment improvement if, immediately subsequent to undertaking the individual apartment improvement, the landlord submits to the division of housing and community renewal any evidence that the division of housing and community renewal deems necessary and requests pursuant to regulation, operational bulletin or other guidance, evidence of the completed work. Such evidence shall include, but shall not be limited to, photographs of the completed work, itemized receipts for all parts, materials, appliances, and labor costs, and proof of payment. Provided further, the division of housing and community renewal shall require the payment of a fee that equals one percent of the amount claimed for the individual apartment improvement at the time of such filing;

(8) for costs recoverable pursuant to item (ii) of clause two of this subparagraph, the fifty thousand dollars may be expended, in the aggregate, on any number of separate individual apartment improvements in a fifteen-year period, but in no event shall costs above fifty thousand dollars be recoverable in a fifteen-year period pursuant to this subparagraph;

(9) the division of housing and community renewal may perform an audit of any individual apartment improvement conducted pursuant to this subparagraph to determine whether the individual apartment improvement was undertaken in the manner described and to the extent claimed by the landlord, whether the costs claimed were substantiated by records, and whether the rent was properly adjusted. Such audit may incorporate an inspection of the accommodation at bar. The landlord and the tenant living in the accommodation may participate in such audit. In the event the audit finds that the recoverable costs claimed by the landlord cannot be substantiated, the resulting overcharge shall be considered to be willful. In addition, the division of housing and community renewal may issue any fines or penalties set forth in regulations;

(10) the division of housing and community renewal shall perform random on-site inspections, as it deems necessary, for any unit for which the owner seeks to recover costs pursuant to this subparagraph; and

(11) no owner shall be eligible for the rent increase based on individual apartment improvements pursuant to this subparagraph if, within the five year period prior to filing such individual apartment improvement, any unit within any building owned by any owner of the building in which the unit for which the owner seeks an individual apartment improvement is located, including but not limited to partial or beneficial owners, has been the subject of an award or determination by the division of housing and community renewal or a court of competent jurisdiction for treble damages due to an overcharge or the owner of the building in which the unit is located has been the subject of an award or determination by the division of housing and community renewal or a court of competent jurisdiction for harassment of any tenants, provided that such owner shall provide an affidavit confirming such owner's eligibility under this clause to the division of housing and community renewal at the same time as, and in addition to, any other materials the division of housing and community renewal shall require an owner to submit pursuant to clause six of this subparagraph, and provided further that such affidavit shall not be deemed to be evidence of compliance with this clause or a defense in any subsequent rent overcharge proceeding, determination, or audit.

(2) there has been since January first, nineteen hundred seventy-four an increase in the rental value of the housing accommodations as a result of a substantial rehabilitation of the building or the housing accommodation therein which materially adds to the value of the property or appreciably prolongs its life, excluding ordinary repairs, maintenance, and replacements, or

(3) there has been since January first, nineteen hundred seventy-four a major capital improvement essential for the preservation, energy efficiency, functionality, or infrastructure of the entire building, improvement of the structure including heating, windows, plumbing and roofing, but shall not be for operation costs or unnecessary cosmetic improvements. An adjustment under this paragraph shall be in an amount sufficient to amortize the cost of the improvements pursuant to this

paragraph over a twelve-year period for a building with thirty-five or fewer housing accommodations, or a twelve and one-half period for a building with more than thirty-five housing accommodations and shall be removed from the legal regulated rent thirty years from the date the increase became effective inclusive of any increases granted by the applicable rent guidelines board, for any determination issued by the division of housing and community renewal after the effective date of the chapter of the laws of two thousand nineteen that amended this paragraph. Temporary major capital improvement increases shall be collectable prospectively on the first day of the first month beginning sixty days from the date of mailing notice of approval to the tenant. Such notice shall disclose the total monthly increase in rent and the first month in which the tenant would be required to pay the temporary increase. An approval for a temporary major capital improvement increase shall not include retroactive payments. The collection of any increase shall not exceed two percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the rent as established or set in future years. Upon vacancy, the landlord may add any remaining balance of the temporary major capital improvement increase to the legal regulated rent. Notwithstanding any other provision of the law, the collection of any rent increases for any renewal lease commencing on or after June 14, 2019, due to any major capital improvements approved on or after June 16, 2012 and before June 16, 2019 shall not exceed two percent in any year for any tenant in occupancy on the date the major capital improvement was approved, or

(3-a) an application for a temporary major capital improvement increase has been filed, a tenant shall have sixty days from the date of mailing of a notice of a proceeding in which to answer or reply. The state division of housing and community renewal shall provide any responding tenant with the reasons for the division's approval or denial of such application; or

(4) an owner by application to the state division of housing and community renewal for increases in the rents in excess of the rent adjustment authorized by the rent guidelines board under this act establishes a hardship, and the state division finds that the rate of

rent adjustment is not sufficient to enable the owner to maintain approximately the same ratio between operating expenses, including taxes and labor costs but excluding debt service, financing costs, and management fees, and gross rents which prevailed on the average over the immediate preceding five year period, or for the entire life of the building if less than five years, or

(5) as an alternative to the hardship application provided under paragraph four 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 division for increases in excess of the level of applicable guideline increases established under this law based on a finding by the commissioner that such guideline increases are not sufficient to enable the owner to maintain an annual gross rent income for such building which exceeds the annual operating expenses of such building by a sum equal to at least five percent of such gross rent. For the purposes of this paragraph, operating expenses shall consist of the actual, reasonable, costs of fuel, labor, utilities, taxes, other than income or corporate franchise taxes, fees, permits, necessary contracted services and non-capital repairs, insurance, parts and supplies, management fees and other administrative costs and mortgage interest. For the purposes of this paragraph, mortgage interest shall be deemed to mean interest on a bona fide mortgage including an allocable portion of charges related thereto. Criteria to be considered in determining a bona fide mortgage other than an institutional mortgage shall include; condition of the property, location of the property, the existing mortgage market at the time the mortgage is placed, the term of the mortgage, the amortization rate, the principal amount of the mortgage, security and other terms and conditions of the mortgage. The commissioner shall set a rental value for any unit occupied by the owner or a person related to the owner or unoccupied at the owner's choice for more than one month at the last regulated rent plus the minimum number of guidelines increases or, if no such regulated rent existed or is known, the commissioner shall impute a rent consistent with other rents in the building. The amount of hardship increase shall be such as may be required to maintain the annual gross rent income as provided by this paragraph. The division shall not grant a hardship application under this paragraph or paragraph four of this

subdivision for a period of three years subsequent to granting a hardship application under the provisions of this paragraph. The collection of any increase in the rent for any housing accommodation pursuant to this paragraph shall not exceed six percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the rent as established or set in future years. No application shall be approved unless the owner's equity in such building exceeds five percent of: (i) the arms length purchase price of the property; (ii) the cost of any capital improvements for which the owner has not collected a surcharge; (iii) any repayment of principal of any mortgage or loan used to finance the purchase of the property or any capital improvements for which the owner has not collected a surcharge; and (iv) any increase in the equalized assessed value of the property which occurred subsequent to the first valuation of the property after purchase by the owner. For the purposes of this paragraph, owner's equity shall mean the sum of (i) the purchase price of the property less the principal of any mortgage or loan used to finance the purchase of the property, (ii) the cost of any capital improvement for which the owner has not collected a surcharge less the principal of any mortgage or loan used to finance said improvement, (iii) any repayment of the principal of any mortgage or loan used to finance the purchase of the property or any capital improvement for which the owner has not collected a surcharge, and (iv) any increase in the equalized assessed value of the property which occurred subsequent to the first valuation of the property after purchase by the owner.

This subdivision shall apply to accommodations outside a city of one million or more.

e. Notwithstanding any contrary provisions of this act, on and after July first, nineteen hundred eighty-four the legal regulated rent shall be the rent registered pursuant to section twelve-a of this act subject to any modification imposed pursuant to this act.

f. Notwithstanding any inconsistent provision of law, rule,

regulation, contract, agreement, lease or other obligation, no owner, in addition to the authorized collection of rent, shall demand, receive or retain a security deposit or advance payment which exceeds the rent of one month for or in connection with the use or occupancy of a housing accommodation by (i) any tenant who is sixty-five years of age or older for any lease or lease renewal entered into after July 1, 1996 or (ii) any tenant who is receiving disability retirement benefits or supplemental security income pursuant to the federal social security act for any lease or lease renewal entered into after July 1, 2002.

f-1. An owner, lessor or agent thereof shall be prohibited from assessing a lessee any fee, surcharge or other charges for legal services in connection with the operation or rental of a residential unit unless the owner, lessor or agent has the legal authority to do so pursuant to a court order. Legal services include, but are not limited to, court fees, legal representation, attorney fees, notary public charges, and administrative fees incurred by the owner, lessor or agent in connection with management of the building, including actions and proceedings in a court of law. Any agreement or assessment to the contrary shall be void as contrary to public policy.

g. No owner of a housing accommodation subject to the provisions of this section shall impose any surcharge for the installation and use of a tenant-installed air conditioner unit where the tenant pays for electric utility service.

§ 7. Maintenance of services. a. In order to collect a rent adjustment authorized pursuant to the provisions of subdivision b of section four, the owner of housing accommodations subject to this act located in a city having a population of less than one million or a town or village must file with the state division of housing and community renewal on a form which it shall prescribe, a written certification that he is maintaining and will continue to maintain all services furnished on the date upon which this act becomes a law or required to be furnished by any law, ordinance or regulation applicable to the premises. In addition to any other remedy afforded by law, any tenant may apply to the state

division of housing and community renewal for a reduction in the rent to the level in effect prior to its most recent adjustment, and the state division of housing and community renewal may so reduce the rent if it finds that the owner has failed to maintain such services. The owner shall be supplied with a copy of the application and shall be permitted to file an answer thereto. A hearing may be held upon the request of either party, or the state division of housing and community renewal may hold a hearing upon its own motion. The state division of housing and community renewal may consolidate the proceedings for two or more petitions applicable to the same building. If the state division of housing and community renewal finds that the owner has knowingly filed a false certification, it shall, in addition to abating the rent, assess the owner with the reasonable costs of the proceeding, including reasonable attorneys' fees, and impose a penalty not in excess of two hundred fifty dollars for each false certification. The amount of the reduction in rent ordered by the state division of housing and community renewal under this subdivision shall be reduced by any credit, abatement or offset in rent which the tenant has received pursuant to section two hundred thirty-five-b of the real property law, that relates to one or more conditions covered by such order.

b. In order to collect a rent adjustment authorized pursuant to the provisions of subdivision c of section four, the owner of housing accommodations located in a city having a population of more than one million shall comply with the requirements with respect to the maintenance of services of the New York city rent stabilization law of nineteen hundred sixty-nine.

§ 8. Administration. a. Whenever a city having a population of less than one million, or a town or village has determined the existence of an emergency pursuant to section three of this act, the state division of housing and community renewal shall be designated as the sole administrative agency to administer the regulation of residential rents as provided in this act. The costs incurred by the state division of housing and community renewal in administering such regulation shall be paid by such city, town or village. Such local resolution shall

forthwith be transmitted to the state division of housing and community renewal and shall be accompanied by an initial payment in an amount previously determined by the commissioner of housing and community renewal as necessary to defray the division's anticipated first year cost. Thereafter, annually, after the close of the fiscal year of the state, the commissioner of housing and community renewal shall determine the amount of all costs incurred and shall certify to each such city, town or village its proportionate share of such costs, after first deducting therefrom the amount of such initial payment. The amount so certified shall be paid to the commissioner by such city, town or village within ninety days after the receipt of such certification. In the event that the amount thereof is not paid to the commissioner as herein prescribed, the commissioner shall certify the unpaid amount to the comptroller, and the comptroller shall withhold such amount from the next succeeding payment of per capita assistance to be apportioned to such city, town or village.

b. The legislative body of any city, town or village acting to impose regulation of residential rents pursuant to the provisions of this act may impose on the owner of every building containing housing accommodations subject to such regulation an annual charge for each such accommodation in such amount as it determines to be necessary for the expenses to be incurred in the administration of such regulation.

c. Whenever a city having a population of one million or more has determined the existence of an emergency pursuant to section three of this act, the provisions of this act and the New York city rent stabilization law of nineteen hundred sixty-nine shall be administered by the state division of housing and community renewal as provided in the New York city rent stabilization law of nineteen hundred sixty-nine, as amended, or as otherwise provided by law. The costs incurred by the state division of housing and community renewal in administering such regulation shall be paid by such city. All payments for such administration shall be transmitted to the state division of housing and community renewal as follows: on or after April first of each year commencing with April, nineteen hundred eighty-four, the commissioner of housing and community renewal, in consultation with the director of the

budget, shall determine an amount necessary to defray the division's anticipated annual cost, and one-quarter of such amount shall be paid by such city on or before July first of such year, one-quarter of such amount on or before October first of such year, one-quarter of such amount on or before January first of the following year and one-quarter of such amount on or before March thirty-first of the following year. After the close of the fiscal year of the state, the commissioner, in consultation with the director of the budget, shall determine the amount of all actual costs incurred in such fiscal year and shall certify such amount to such city. If such certified amount shall differ from the amount paid by the city for such fiscal year, appropriate adjustments shall be made in the next quarterly payment to be made by such city. In the event that the amount thereof is not paid to the commissioner, in consultation with the director of the budget, as herein prescribed, the commissioner, in consultation with the director of the budget, shall certify the unpaid amount to the comptroller, and the comptroller shall, to the extent not otherwise prohibited by law, withhold such amount from any state aid payable to such city. In no event shall the amount imposed on the owners exceed twenty dollars per unit per year.

d. Notwithstanding subdivision c of this section or any other provision of law to the contrary, whenever the state has incurred any costs as a result of administering the rent regulation program for a city having a population of one million or more in accordance with subdivision c of this section, on or after April first of each year, the commissioner of housing and community renewal, in consultation with the director of the budget, shall determine an amount necessary to defray the state's anticipated annual cost. In the event that the division does not send a bill to the city to defray such costs in accordance with subdivision c of this section, it shall submit to the city an invoice showing all such costs as soon as practicable after the start of the state fiscal year in which the costs are to be incurred. The director of the budget may direct any other state agency to reduce the amount of any other payment or payments owed to such city or any department, agency, or instrumentality thereof; provided however, that such reduction shall be made no sooner than thirty days after the transmittal of the invoice of costs, and shall be in an amount equal to the costs incurred by the

state in administering the rent regulation program for such city in accordance with subdivision c of this section. Within thirty days of the receipt of the invoice of costs, the city may send to the division, in written form, requests for additional information relating to such costs, including any recommendations on which local assistance payment would be reduced. If the director of the budget makes such direction in accordance with this subdivision, the impacted city shall not make the payments required by subdivision c of this section, and the division of housing and community renewal shall notify such city in writing of what payment or payments will be reduced and the amount of the reduction and shall suballocate, as necessary, the value of the costs it incurred to the agency or agencies which reduces the payments to such city or any department, agency or authority thereof in accordance with this subdivision.

e. The failure to pay the prescribed assessment not to exceed twenty dollars per unit for any housing accommodation subject to this act or the New York city rent stabilization law of nineteen hundred sixty-nine shall constitute a charge due and owing such city, town or village which has imposed an annual charge for each such housing accommodation pursuant to subdivision b of this section. Any such city, town or village shall be authorized to provide for the enforcement of the collection of such charges by commencing an action or proceeding for the recovery of such fees or by the filing of a lien upon the building and lot. Such methods for the enforcement of the collection of such charges shall be the sole remedy for the enforcement of this section.

f. The division shall maintain at least one office in each county which is governed by the rent stabilization law of nineteen hundred sixty-nine or this act; provided, however, that the division shall not be required to maintain an office in the counties of Nassau, Rockland, or Richmond.

§ 9. Application for adjustment of initial legal regulated rent. a. The owner or tenant of a housing accommodation described in paragraph one or two of subdivision b of section six may, within sixty days of the

local effective date of this act or the commencement of the first tenancy thereafter, whichever is later, file with the state division of housing and community renewal an application for adjustment of the initial legal regulated rent for such housing accommodation. The state division of housing and community renewal may adjust such initial legal regulated rent upon a finding that the presence of unique or peculiar circumstances materially affecting the initial legal regulated rent has resulted in a rent which is substantially different from the rents generally prevailing in the same area for substantially similar housing accommodations.

b. The tenant of a housing accommodation described in paragraph two, subdivision b, of section six may file with the state division of housing and community renewal, within ninety days after notice has been received pursuant to subdivision c of this section, an application for adjustment of the initial legal regulated rent for such housing accommodation. Such tenant need only allege that such rent is in excess of the fair market rent and shall present such facts which, to the best of his information and belief, support such allegation. The rent guidelines board shall promulgate as soon as practicable after its creation guidelines for the determination of fair market rents for housing accommodations as to which an application may be made pursuant to this subdivision. In rendering a determination on an application filed pursuant to this subdivision b, the state division of housing and community renewal shall be guided by such guidelines. Where the state division of housing and community renewal has determined that the rent charged is in excess of the fair market rent it shall order a refund, of any excess paid since January first, nineteen hundred seventy-four or the date of the commencement of the tenancy, whichever is later. Such refund shall be made by the landlord in cash or as a credit against future rents over a period not in excess of six months.

c. Upon receipt of any application filed pursuant to this section nine, the state division of housing and community renewal shall notify the owner or tenant, as the case may be, and provide a copy to him of such application. Such owner or tenant shall be afforded a reasonable opportunity to respond to the application. A hearing may be held upon

the request of either party, or the division may hold a hearing on its own motion. The division shall issue a written opinion to both the tenant and the owner upon rendering its determination.

d. Within thirty days after the local effective date of this act the owner of housing accommodations described in paragraph two of subdivision b of section six, as to which an emergency has been declared pursuant to this act, shall give notice in writing by certified mail to the tenant of each such housing accommodation on a form prescribed by the state division of housing and community renewal of the initial legal regulated rent for such housing accommodation and of such tenant's right to file an application for adjustment of the initial legal regulated rent of such housing accommodation.

e. The initial legal regulated rents for housing accommodations in a city having a population of one million or more shall be subject to adjustment in accordance with the provisions of the New York city rent stabilization law as amended.

§ 10. Regulations. a. For cities having a population of less than one million and towns and villages, the state division of housing and community renewal shall be empowered to implement this act by appropriate regulations. Such regulations may encompass such speculative or manipulative practices or renting or leasing practices as the state division of housing and community renewal determines constitute or are likely to cause circumvention of this act. Such regulations shall prohibit practices which are likely to prevent any person from asserting any right or remedy granted by this act, including but not limited to retaliatory termination of periodic tenancies and shall require owners to grant a new one or two year vacancy or renewal lease at the option of the tenant, except where a mortgage or mortgage commitment existing as of the local effective date of this act provides that the owner shall not grant a one-year lease; and shall prescribe standards with respect to the terms and conditions of new and renewal leases, additional rent and such related matters as security deposits, advance rental payments, the use of escalator clauses in leases and provision for increase in

rentals for garages and other ancillary facilities, so as to ensure that the level of rent adjustments authorized under this law will not be subverted and made ineffective. Any provision of the regulations permitting an owner to refuse to renew a lease on grounds that the owner seeks to recover possession of a housing accommodation for his or her own use and occupancy or for the use and occupancy of his or her immediate family shall permit recovery of only one housing accommodation, shall require that an owner demonstrate immediate and compelling need and that the housing accommodation will be the proposed occupants' primary residence and shall not apply where a member of the housing accommodation is sixty-two years of age or older, has been a tenant in a housing accommodation in that building for fifteen years or more, or has an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment; provided, however, that a tenant required to surrender a housing accommodation under this subdivision shall have a cause of action in any court of competent jurisdiction for damages, declaratory, and injunctive relief against a landlord or purchaser of the premises who makes a fraudulent statement regarding a proposed use of the housing accommodation. In any action or proceeding brought pursuant to this subdivision a prevailing tenant shall be entitled to recovery of actual damages, and reasonable attorneys' fees.

(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 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 other increases authorized by law. For any tenant who is subject to a lease on or after the effective date of a chapter of the laws of two thousand nineteen which amended this subdivision, or is or was entitled to receive a renewal or vacancy lease on or after such date, upon renewal of such lease, the amount of rent for such housing accommodation that may be charged and paid shall be no more than the rent charged to and paid by the tenant prior to that

renewal, 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 with the approval of such federal, state or local governmental agency upon renewal or upon vacancy thereof, may be based upon such previously established legal regulated rent, as adjusted by the most recent applicable guidelines increases or 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.

b. For cities having a population of one million or more, this act may be implemented by regulations adopted pursuant to the New York city rent stabilization law of nineteen hundred sixty-nine, as amended, or as otherwise provided by law.

c. Each owner of premises subject to this act shall furnish to each tenant signing a new or renewal lease, a copy of the fully executed new or renewal lease bearing the signatures of owner and tenant and the beginning and ending dates of the lease term, within thirty days from the owner's receipt of the new or renewal lease signed by the tenant.

§ 10-a. Right to sublease. Units subject to this law may be sublet pursuant to section two hundred twenty-six-b of the real property law provided that (a) the rental charged to the subtenant does not exceed the legal regulated rent plus a ten percent surcharge payable to the tenant if the unit sublet was furnished with the tenant's furniture; (b) the tenant can establish that at all times he has maintained the unit as

his primary residence and intends to occupy it as such at the expiration of the sublease; (c) an owner may terminate the tenancy of a tenant who sublets or assigns contrary to the terms of this section but no action or proceeding based on the non-primary residence of a tenant may be commenced prior to the expiration date of his lease; (d) where an apartment is sublet the prime tenant shall retain the right to a renewal lease and the rights and status of a tenant in occupancy as they relate to conversion to condominium or cooperative ownership; (e) where a tenant violates the provisions of subdivision (a) of this section the subtenant shall be entitled to damages of three times the overcharge and may also be awarded attorneys fees and interest from the date of the overcharge at the rate of interest payable on a judgment pursuant to section five thousand four of the civil practice law and rules; (f) the tenant may not sublet the unit for more than a total of two years, including the term of the proposed sublease, out of the four-year period preceding the termination date of the proposed sublease. The provisions of this subdivision (f) shall only apply to subleases commencing on and after July first, nineteen hundred eighty-three; (g) for the purposes of this section only, the term of the proposed sublease may extend beyond the term of the tenant's lease. In such event, such sublease shall be subject to the tenant's right to a renewal lease. The subtenant shall have no right to a renewal lease. It shall be unreasonable for an owner to refuse to consent to a sublease solely because such sublease extends beyond the tenant's lease; and (h) notwithstanding the provisions of section two hundred twenty-six-b of the real property law, a not-for-profit hospital shall have the right to sublet any housing accommodation leased by it to its affiliated personnel without requiring the landlord's consent to any such sublease and without being bound by the provisions of subdivisions (b), (c) and (f) of this section. Commencing with the effective date of this subdivision, whenever a not-for-profit hospital executes a renewal lease for a housing accommodation, the legal regulated rent shall be increased by a sum equal to fifteen percent of the previous lease rental for such housing accommodation, hereinafter referred to as a vacancy surcharge, unless the landlord shall have received within the seven year period prior to the commencement date of such renewal lease any vacancy increases or vacancy surcharges allocable to the said housing accommodation. In the

event the landlord shall have received any such vacancy increases or vacancy surcharges during such seven year period, the vacancy surcharge shall be reduced by the amount received by any such vacancy increase or vacancy surcharges.

§ 10-b. Major capital improvements and individual apartment improvements in rent regulated units. (a) Notwithstanding any other provision of law to the contrary, the division of housing and community renewal, the "division", shall promulgate rules and regulations applicable to all rent regulated units that shall:

1. establish a schedule of reasonable costs for major capital improvements, which shall set a ceiling for what can be recovered through a temporary major capital improvement increase, based on the type of improvement and its rate of depreciation;

2. establish the criteria for eligibility of a temporary major capital improvement increase including the type of improvement, which shall be essential for the preservation, energy efficiency, functionality or infrastructure of the entire building, including heating, windows, plumbing and roofing, but shall not be for operational costs or unnecessary cosmetic improvements. Allowable improvements must additionally be depreciable pursuant to the Internal Revenue Service, other than for ordinary repairs, that directly or indirectly benefit all tenants; and no increase shall be approved for group work done in individual apartments that is otherwise not an improvement to an entire building. Only such costs that are actual, reasonable, and verifiable may be approved as a temporary major capital improvement increase;

3. require that any temporary major capital improvement increase granted pursuant to these provisions be reduced by an amount equal to (i) any governmental grant received by the landlord, where such grant compensates the landlord for any improvements required by a city, state or federal government, an agency or any granting governmental entity to be expended for improvements and (ii) any insurance payment received by the landlord where such insurance payment compensates the landlord for

any part of the costs of the improvements;

4. prohibit temporary major capital improvement increases for buildings with outstanding hazardous or immediately hazardous violations of the Uniform Fire Prevention and Building Code (Uniform Code), New York City Fire Code, or New York City Building and Housing Maintenance Codes, if applicable;

5. prohibit individual apartment improvement increases for housing accommodations with outstanding hazardous or immediately hazardous violations of the Uniform Fire Prevention and Building Code (Uniform Code), New York City Fire Code, or New York City Building and Housing Maintenance Codes, if applicable;

6. prohibit temporary major capital improvement increases for buildings with thirty-five per centum or fewer rent-regulated units;

7. establish that temporary major capital improvement increases shall be fixed to the unit and shall cease thirty years from the date the increase became effective. Temporary major capital improvement increases shall be added to the legal regulated rent as a temporary increase and shall be removed from the legal regulated rent thirty years from the date the increase became effective inclusive of any increases granted by the local rent guidelines board;

8. establish that temporary major capital improvement increases shall be collectible prospectively on the first day of the first month beginning sixty days from the date of mailing notice of approval to the tenant. Such notice shall disclose the total monthly increase in rent and the first month in which the tenant would be required to pay the temporary increase. An approval for a temporary major capital improvement increase shall not include retroactive payments. The collection of any increase shall not exceed two percent in any year from the effective date of the order granting the increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above said sum to be spread forward in similar increments and added to the rent as established or set in future years. Upon vacancy,

the landlord may add any remaining balance of the temporary major capital improvement increase to the legal regulated rent.

Notwithstanding any other provision of the law, for any renewal lease commencing on or after June 14, 2019, the collection of any rent increases due to any major capital improvements approved on or after June 16, 2012 and before June 16, 2019 shall not exceed two percent in any year for any tenant in occupancy on the date the major capital improvement was approved;

9. ensure that the application procedure for temporary major capital improvement increases shall include an itemized list of work performed and a description or explanation of the reason or purpose of such work;

10. provide, that where an application for a major capital improvement rent increase has been filed, a tenant shall have sixty days from the date of mailing of a notice of a proceeding in which to answer or reply;

11. establish a notification and documentation procedure for individual apartment improvements that requires an itemized list of work performed and a description or explanation of the reason or purpose of such work, inclusive of photographic evidence documenting the condition prior to and after the completion of the performed work. Provide for the centralized electronic retention of such documentation and any other supporting documentation to be made available in cases pertaining to the adjustment of legal regulated rents; and

12. establish a form in the top six languages other than English spoken in the state according to the latest available data from the U.S. Bureau of Census for an individual apartment improvement rent increase for a tenant in occupancy which shall be used by landlords to obtain written informed consent that shall include the estimated total cost of the improvement and the estimated monthly rent increase. Such consent shall be executed in the tenant's primary language. Such form shall be completed and preserved in the centralized electronic retention system to be operational by June 14, 2020, provided further that any changes to the form required due to the individual apartment improvement being permanent shall be completed as of October 14, 2024. Nothing herein

shall relieve a landlord, lessor, or agent thereof of such person's duty to retain proper documentation of all improvements performed or any rent increases resulting from said improvements.

13. (i) where an owner combines two or more vacant housing accommodations or combines a vacant housing accommodation with an occupied housing accommodation, such initial rent for such new housing accommodation shall be the combined legal rent for both previous housing accommodations, subject to any applicable guideline increases and any other increases authorized by this chapter including any individual apartment improvement increases applicable for both housing accommodations. If an owner combines a rent regulated accommodation with an apartment not subject to rent regulation, the resulting apartment shall be subject to this act. If an owner increases the area of an apartment not subject to rent regulation by adding space that was previously part of a rent regulated apartment, each apartment shall be subject to this act.

(ii) where an owner substantially increases the outer dimension of a vacant housing accommodation, such initial rent shall be the prior rent of such housing accommodation, increased by a percentage that is equal to the percentage increase in the dwelling space and such other increases authorized by this act including any applicable guideline increase and individual apartment improvement increase that could be authorized for the unit prior to the alteration of the outer dimensions.

(iii) notwithstanding subparagraphs (i) and (ii) of this paragraph, such increases may be denied based on the occurrence of such vacancy due to harassment, fraud, or other acts of evasion which may require that such rent be set in accordance with section twelve of this act.

(iv) where the vacant housing accommodations are combined, modified, divided or the dimension of such housing accommodation otherwise altered and these changes are being made pursuant to a preservation regulatory agreement with a federal, state or local governmental agency or instrumentality, the rent stabilized rents charged thereafter shall be based on an initial rent set by such agency or instrumentality.

(v) where an owner substantially decreases the outer dimensions of a vacant housing accommodation, such initial rent shall be the prior rent of such housing accommodation, decreased by the same percentage the

square footage of the original apartment was decreased by and such other increases authorized by this act including any applicable guideline increase and individual apartment improvement increase that could be authorized for the apartment prior to the alteration of the outer dimensions.

(vi)(1) when an owner combines two or more rent regulated apartments, the owner may use each of the previous apartments' remaining individual apartment improvement allowances for the purposes of a temporary individual apartment improvement rent increase. The owner shall subsequently designate a surviving apartment for the purposes of registration that has the same apartment number as one of the prior apartments. If that prior apartment has any reimbursable individual apartment improvement money remaining after the combination, that money may be reimbursed for future individual apartment improvements undertaken within the subsequent fifteen years following the combination.

(2) in order for an owner to qualify for a temporary individual apartment improvement rent increase when apartments are combined, the requirements for an individual apartment improvement, including all notification requirements under this act shall be met.

(vii) owners shall maintain the records and rent histories of all combined apartments, both prior to and post combination, for the purposes of rent setting, overcharge and all other proceedings to which the records are applicable.

(b) The division shall establish an annual inspection and audit process which shall review twenty-five percent of applications for a temporary major capital improvement increase that have been submitted and approved. Such process shall include individual inspections and document review to ensure that owners complied with all obligations and responsibilities under the law for temporary major capital improvement increases. Inspections shall include in-person confirmation that such improvements have been completed in such way as described in the application.

(c) The division shall issue a notice to the landlord and all the tenants sixty days prior to the end of the temporary major capital improvement increase and shall include the initial approved increase and the total amount to be removed from the legal regulated rent inclusive

of any increases granted by the applicable rent guidelines board.

§ 11. Non-waiver of rights. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this act or regulations promulgated pursuant thereto shall be void as contrary to public policy.

§ 12. Enforcement and procedures. a. (1) Subject to the conditions and limitations of this paragraph, any owner of housing accommodations in a city having a population of less than one million or a town or village as to which an emergency has been declared pursuant to section three, who, upon complaint of a tenant or of the state division of housing and community renewal, is found by the state division of housing and community renewal, after a reasonable opportunity to be heard, to have collected an overcharge above the rent authorized for a housing accommodation subject to this act shall be liable to the tenant for a penalty equal to three times the amount of such overcharge. If the owner establishes by a preponderance of the evidence that the overcharge was neither willful nor attributable to his negligence, the state division of housing and community renewal shall establish the penalty as the amount of the overcharge plus interest at the rate of interest payable on a judgment pursuant to section five thousand four of the civil practice law and rules. After a complaint of rent overcharge has been filed and served on an owner, the voluntary adjustment of the rent and/or the voluntary tender of a refund of rent overcharges shall not be considered by the division of housing and community renewal or a court of competent jurisdiction as evidence that the overcharge was not willful. (i) Except as to complaints filed pursuant to clause (ii) of this paragraph, the legal regulated rent for purposes of determining an overcharge, shall be deemed to be the rent indicated in the most recent reliable annual registration statement for a rent stabilized tenant filed and served upon the tenant six or more years prior to the most recent registration statement, (or, if more recently filed, the initial registration statement) plus in each case any subsequent lawful increases and adjustments. The division of housing and community renewal

or a court of competent jurisdiction, in investigating complaints of overcharge and in determining legal regulated rent, shall consider all available rent history which is reasonably necessary to make such determinations. (ii) As to complaints filed within ninety days of the initial registration of a housing accommodation, the legal regulated rent for purposes of determining an overcharge shall be deemed to be the rent charged on the date six years prior to the date of the initial registration of the housing accommodation (or, if the housing accommodation was subject to this act for less than six years, the initial legal regulated rent) plus in each case, any lawful increases and adjustments. Where the rent charged on the date six years prior to the date of the initial registration of the accommodation cannot be established, such rent shall be established by the division.

(a) The order of the state division of housing and community renewal shall apportion the owner's liability between or among two or more tenants found to have been overcharged by such owner during their particular tenancy of a unit.

(b) (i) Except as provided under clauses (ii) and (iii) of this subparagraph, a complaint under this subdivision may be filed with the state division of housing and community renewal or in a court of competent jurisdiction at any time, however any recovery of overcharge penalties shall be limited to the six years preceding the complaint.

(ii) A penalty of three times the overcharge shall be assessed upon all overcharges willfully collected by the owner starting six years before the complaint is filed.

(iii) Any complaint based upon overcharges occurring prior to the date of filing of the initial rent registration as provided in subdivision b of section twelve-a of this act shall be filed within ninety days of the mailing of notice to the tenant of such registration.

(c) Any affected tenant shall be notified of and given an opportunity to join in any complaint filed by an officer or employee of the state division of housing and community renewal.

(d) An owner found to have overcharged shall, in all cases, be assessed the reasonable costs and attorney's fees of the proceeding, and interest from the date of the overcharge at the rate of interest payable on a judgment pursuant to section five thousand four of the civil practice law and rules.

(e) The order of the state division of housing and community renewal awarding penalties may, upon the expiration of the period in which the owner may institute a proceeding pursuant to article seventy-eight of the civil practice law and rules, be filed and enforced by a tenant in the same manner as a judgment or, in the alternative, not in excess of twenty percent thereof per month may be offset against any rent thereafter due the owner.

(f) Unless a tenant shall have filed a complaint of overcharge with the division which complaint has not been withdrawn, nothing contained in this section shall be deemed to prevent a tenant or tenants, claiming to have been overcharged, from commencing an action or interposing a counterclaim in a court of competent jurisdiction for damages equal to the overcharge and the penalty provided for in this section, including interest from the date of the overcharge at the rate of interest payable on a judgment pursuant to section five thousand four of the civil practice law and rules, plus the statutory costs and allowable disbursements in connection with the proceeding. The courts and the division shall have concurrent jurisdiction, subject to the tenant's choice of forum.

(2) In addition to issuing the specific orders provided for by other provisions of this act, the state division of housing and community renewal shall be empowered to enforce this act and its regulations by issuing, upon notice and a reasonable opportunity for the affected party to be heard, such other orders as it may deem appropriate.

(3) If the owner is found by the commissioner:

(i) to have violated an order of the division the commissioner may impose by administrative order after hearing, a civil penalty at minimum in the amount of one thousand but not to exceed two thousand dollars for the first such offense, and at minimum in the amount of two thousand but not to exceed three thousand dollars for each subsequent offense; or

(ii) to have harassed a tenant to obtain vacancy of his housing accommodation, the commissioner may impose by administrative order after hearing, a civil penalty for any such violation. Such penalty shall be at minimum in the amount of two thousand but not to exceed three thousand dollars for the first such offense, and at minimum in the amount of ten thousand but not to exceed eleven thousand dollars for each subsequent offense or for a violation consisting of conduct

directed at the tenants of more than one housing accommodation.

Such order shall be deemed a final determination for the purposes of judicial review. Such penalty may, upon the expiration of the period for seeking review pursuant to article seventy-eight of the civil practice law and rules, be docketed and enforced in the manner of a judgment of the supreme court.

(4) Any proceeding pursuant to article seventy-eight of the civil practice law and rules seeking review of any action pursuant to this act shall be brought within sixty days of the expiration of the ninety day period and any extension thereof provided in subdivision c of this section or the rendering of a determination, whichever is later. Any action or proceeding brought by or against the commissioner under this act shall be brought in the county in which the housing accommodation is located.

(5) Violations of this act or of the regulations and orders issued pursuant thereto may be enjoined by the supreme court upon proceedings commenced by the state division of housing and community renewal or the tenant or tenants who allege they have been overcharged. The division shall not be required to post bond.

(6) In furtherance of its responsibility to enforce this act, the state division of housing and community renewal shall be empowered to administer oaths, issue subpoenas, conduct investigations, make inspections and designate officers to hear and report. The division shall safeguard the confidentiality of information furnished to it at the request of the person furnishing same, unless such information must be made public in the interest of establishing a record for the future guidance of persons subject to this act.

(7) In any action or proceeding before a court wherein a party relies for a ground of relief or defense or raises issue or brings into question the construction or validity of this act or any regulation, order or requirement hereunder, the court having jurisdiction of such action or proceeding may at any stage certify such fact to the state division of housing and community renewal. The state division of housing and community renewal may intervene in any such action or proceeding.

(8) Except where a specific provision of this law requires the maintenance of rent records for a longer period, including records of

the useful life of improvements made to any housing accommodation or any building, any owner who has duly registered a housing accommodation pursuant to section twelve-a of this act shall not be required to maintain or produce any records relating to rentals of such accommodation more than six years prior to the most recent registration or annual statement for such accommodation. However, an owner's election not to maintain records shall not limit the authority of the division of housing and community renewal and the courts to examine the rental history and determine legal regulated rents pursuant to this subdivision.

(9) The division of housing and community renewal and the courts, in investigating complaints of overcharge and in determining legal regulated rents, shall consider all available rent history which is reasonably necessary to make such determinations, including but not limited to (a) any rent registration or other records filed with the state division of housing and community renewal, or any other state, municipal or federal agency, regardless of the date to which the information on such registration refers; (b) any order issued by any state, municipal or federal agency; (c) any records maintained by the owner or tenants; and (d) any public record kept in the regular course of business by any state, municipal or federal agency. Nothing contained in this paragraph shall limit the examination of rent history relevant to a determination as to:

(i) whether the legality of a rental amount charged or registered is reliable in light of all available evidence including, but not limited to, whether an unexplained increase in the registered or lease rents, or a fraudulent scheme to destabilize the housing accommodation, rendered such rent or registration unreliable;

(ii) whether an accommodation is subject to the emergency tenant protection act;

(iii) whether an order issued by the division of housing and community renewal or a court of competent jurisdiction, including, but not limited to an order issued pursuant to section seven of this act, or any regulatory agreement or other contract with any governmental agency, and remaining in effect within six years of the filing of a complaint pursuant to this section, affects or limits the amount of rent that may be charged or collected;

- (iv) whether an overcharge was or was not willful;
- (v) whether a rent adjustment that requires information regarding the length of occupancy by a present or prior tenant was lawful;
- (vi) the existence or terms and conditions of a preferential rent, or the propriety of a legal registered rent during a period when the tenants were charged a preferential rent;
- (vii) the legality of a rent charged or registered immediately prior to the registration of a preferential rent; or
- (viii) the amount of the legal regulated rent where the apartment was vacant or temporarily exempt on the date six years prior to a tenant's complaint.

b. Within a city having a population of one million or more, the state division of housing and community renewal shall have such powers to enforce this act as shall be provided in the New York city rent stabilization law of nineteen hundred sixty-nine, as amended, or as shall otherwise be provided by law. Unless a tenant shall have filed a complaint of overcharge with the division which complaint has not been withdrawn, nothing contained in this section shall be deemed to prevent a tenant or tenants, claiming to have been overcharged, from commencing an action or interposing a counterclaim in a court of competent jurisdiction for damages equal to the overcharge and the penalty provided for in this section, including interest from the date of the overcharge at the rate of interest payable on a judgment pursuant to section five thousand four of the civil practice law and rules, plus the statutory costs and allowable disbursements in connection with the proceeding. The courts and the division shall have concurrent jurisdiction, subject to the tenant's choice of forum.

c. The state division of housing and community renewal may, by regulation, provide for administrative review of all orders and determinations issued by it pursuant to this act. Any such regulation shall provide that if a petition for such review is not determined within ninety days after it is filed, it shall be deemed to be denied. However, the division may grant one extension not to exceed thirty days with the consent of the party filing such petition; any further extension may only be granted with the consent of all parties to the

petition. No proceeding may be brought pursuant to article seventy-eight of the civil practice law and rules to challenge any order or determination which is subject to such administrative review unless such review has been sought and either (1) a determination thereon has been made or (2) the ninety-day period provided for determination of the petition for review (or any extension thereof) has expired.

§ 12-a. Rent registration. a. Each housing accommodation in a city having a population of less than one million or a town or village as to which an emergency has been declared pursuant to section three of this act which is subject to this act shall be registered by the owner thereof with the state division of housing and community renewal prior to July first, nineteen hundred eighty-four upon forms prescribed by the commissioner of such division. The data to be provided on such forms shall include the following: (1) the name and address of the building or group of buildings or development in which such housing accommodation is located and the owner and the tenant thereof; (2) the number of housing accommodations in the building or group of buildings or development in which such housing accommodation is located; (3) the number of housing accommodations in such building or group of buildings or development subject to this act and the number of such housing accommodations subject to the emergency housing rent control law; (4) the rent charged on the registration date; (5) the number of rooms in such housing accommodation; and (6) all services provided in the last lease or rental agreement commencing at least six months prior to the local effective date of this act.

b. Registration pursuant to this section shall not be subject to the freedom of information law, provided that registration information relative to a tenant, owner, lessor or subtenant shall be made available to such party or his authorized representative.

c. Housing accommodations which become subject to this act after the initial registration period must be registered within ninety days thereafter. Registration of housing accommodations subject to the emergency housing rent control law immediately prior to the date of

filing the initial registration statement as provided in this section shall include, in addition to the items listed above, where existing, the maximum rent immediately prior to the date that such housing accommodations became subject to this act.

d. Copies of the registration shall be filed with the state division of housing and community renewal in such place or places as it may require. In addition, one copy of that portion of the registration statement which pertains to the tenant's unit must be mailed by the owner to the tenant in possession at the time of initial registration or to the first tenant in occupancy if the apartment is vacant at the time of initial registration.

e. The failure to file a proper and timely initial or annual rent registration statement shall, until such time as such registration is filed, bar an owner from applying for or collecting any rent in excess of the legal regulated rent in effect on the date of the last preceding registration statement or if no such statements have been filed, the legal regulated rent in effect on the date that the housing accommodation became subject to the registration requirements of this section. The filing of a late registration shall result in the prospective elimination of such sanctions and provided that increases in the legal regulated rent were lawful except for the failure to file a timely registration, the owner, upon the service and filing of a late registration, shall not be found to have collected an overcharge at any time prior to the filing of the late registration. In addition to all other requirements set forth in this subdivision, in the event a timely rent registration is not filed and after notice of such delinquency is provided by the division of housing and community renewal to the owner in the form of electronic mail and mail to the address listed in the owner's most recent registration statement, the owner shall be subject to a fine of five hundred dollars per unregistered unit for each month the registration is delinquent. Such a fine shall be imposed by order, and such order imposing a fine shall be deemed a final determination for the purposes of judicial review. Such fine may, upon the expiration of the period for seeking review pursuant to article seventy-eight of the civil practice law and rules, be docketed and enforced in the manner of

a judgment of the supreme court by the division of housing and community renewal.

f. An annual statement shall be filed containing the current rent for each unit and such other information contained in subdivision a of this section as shall be required by the division. The owner shall provide each tenant then in occupancy with a copy of that portion of such annual statement as pertains to the tenant's unit.

g. Within a city having a population of one million or more, each housing accommodation subject to this act shall be registered with the state division of housing and community renewal as shall be provided in the New York city rent stabilization law of nineteen hundred sixty-nine.

h. Each housing accommodation for which a timely registration statement was filed between April first, nineteen hundred eighty-four and June thirtieth, nineteen hundred eighty-four, pursuant to subdivision a of this section shall designate the rent charged on April first, nineteen hundred eighty-four, as the rent charged on the registration date.

§ 13. Cooperation with other governmental agencies. The state division of housing and community renewal and any rent guidelines board may request and shall receive cooperation and assistance in effectuating the purposes of this act from all departments, divisions, boards, bureaus, commissions or agencies of the state and political subdivisions thereof.

§ 14. Application of act. The provisions of this act shall be applicable:

a. in the city of New York; and

b. in all counties within the state of New York outside the city of New York and shall become and remain effective only in a city, town or village located therein as provided in section three of this act.

