§ 467-c. Exemption for property owned by certain housing companies or sublessees of the battery park city authority and occupied by senior citizens or persons with disabilities. 1. Definitions. As used in this section:

a. "Commissioner" means the commissioner of the state division of housing and community renewal.

b. "Dwelling unit" means that part of a dwelling in which an eligible head of the household resides and (1) which is subject to the provisions of Article II, IV, V, or XI of the private housing finance law or that was formerly subject to the provisions of Article II of such law and meets the conditions set forth in subdivision thirteen of this section; or (2) which was or continues to be subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended, in which an eligible head of the household resides; or (3) which is within an applicable battery park city property.

c. "Eligibility date" means the later of (1) January first, nineteen hundred seventy-five or (2) the last day of the month in which a person became an eligible head of a household in the dwelling unit in which such person resides at the time of filing the most recent application for benefits hereunder; or in the case of a dwelling subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended, "eligibility date" means the later of (1) July first, nineteen hundred seventy-seven, or (2) the last day of the month in which a person became an eligible head of a household in the dwelling unit in which such person resides at the time of filing the most recent application for benefits hereunder.

d. "Eligible head of the household" means * (1) a person or their spouse who is sixty-two years of age or older and is entitled to the possession or to the use and occupancy of a dwelling unit, provided, however, with respect to a dwelling which was subject to a mortgage insured or initially insured by the federal government pursuant to

section two hundred thirteen of the National Housing Act, as amended "eligible head of the household" shall be limited to that person or their spouse who was entitled to possession or the use and occupancy of such dwelling unit at the time of termination of such mortgage, and whose income when combined with the income of all other members of the household, does not exceed six thousand five hundred dollars for the taxable period, or such other sum not less than sixty-five hundred dollars nor more than twenty-five thousand dollars beginning July first, two thousand five, twenty-six thousand dollars beginning July first, two thousand six, twenty-seven thousand dollars beginning July first, two thousand seven, twenty-eight thousand dollars beginning July first, two thousand eight, twenty-nine thousand dollars beginning July first, two thousand nine, fifty thousand dollars beginning July first, two thousand fourteen, and seventy-five thousand dollars beginning July first, two thousand twenty-six, as may be provided by local law.

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* (1) a person or his or her spouse who is sixty-two years of age or older and is entitled to the possession or to the use and occupancy of a dwelling unit, provided, however, with respect to a dwelling which was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended "eligible head of the household" shall be limited to that person or his or her spouse who was entitled to possession or the use and occupancy of such dwelling unit at the time of termination of such mortgage, and whose income when combined with the income of all other members of the household, does not exceed six thousand five hundred dollars for the taxable period, or such other sum not less than sixty-five hundred dollars nor more than twenty-five thousand dollars beginning July first, two thousand five, twenty-six thousand dollars beginning July first, two thousand six, twenty-seven thousand dollars beginning July first, two thousand seven, twenty-eight thousand dollars beginning July first, two thousand eight, and twenty-nine thousand dollars beginning July first, two thousand nine, as may be provided by local law; or

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(2) a person with a disability as defined in this subdivision.

e. "Housing company" means any limited-profit housing company, limited dividend housing company, redevelopment company or housing development fund company incorporated pursuant to the private housing finance law and operated exclusively for the benefit of persons or families of low income; or any corporate owner of a dwelling which is or was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended.

f. "Income" means:

(1) the "adjusted gross income" for federal income tax purposes as reported on the applicant's federal or state income tax return for the applicable income tax year, subject to any subsequent amendments or revisions, plus any social security benefits not included in such federal adjusted gross income; provided that if no such return was filed for the applicable income tax year, the applicant's income shall be determined based on the amounts that would have so been reported if such a return had been filed; and provided further, that when determining income for purposes of this section, the following conditions shall be applicable:

(i) the governing body of a municipal corporation, after a public hearing, may adopt a local law, ordinance or resolution providing that any social security benefits that were not included in the applicant's adjusted gross income shall not be considered income;

(ii) distributions received from an individual retirement account or individual retirement annuity that were included in the applicant's federal adjusted gross income shall not be considered income unless the governing body of a municipal corporation, after a public hearing, adopts a local law, ordinance or resolution providing otherwise;

(iii) the applicant's income shall be offset by all medical and prescription drug expenses actually paid that were not reimbursed or paid for by insurance, if the governing body of a municipal corporation, after a public hearing, adopts a local law, ordinance or resolution providing therefor;

(iv) any tax-exempt interest or dividends that were excluded from the applicant's federal adjusted gross income shall be considered income; and

(v) any losses that were applied to reduce the applicant's federal adjusted gross income shall be subject to the following limitations:

(A) the net amount of loss reported on federal Schedule C, D, E, or F shall not exceed three thousand dollars per schedule,

(B) the net amount of any other separate category of loss shall not exceed three thousand dollars, and

(C) the aggregate amount of all losses shall not exceed fifteen thousand dollars; and

(vi) When the eligible head of the household has retired on or after the commencement of the taxable period and prior to the date of making an application for a rent increase exemption order/tax abatement certificate pursuant to this section, such person's income shall be adjusted by excluding salary or earnings and projecting such person's retirement income over the entire taxable period; or

(2) notwithstanding subparagraph one of this paragraph, in a city with a population of one million or more persons:

(i) the sum of the adjusted gross incomes reported on the federal income tax returns of the applicant and all other members of the applicant's household for the most recent income tax year or years for which data is sufficiently available to determine the applicant's eligibility for exemptions pursuant to this section, subject to any subsequent amendments or revisions, less any distributions, to the extent included in each such adjusted gross income, received from an individual retirement account or retirement annuity; provided that if no such income tax return was filed by any member of the applicant's household for such income tax year, the income of such applicant or member of the applicant's household shall be determined as if such a return had been filed;

(ii) provided, however, that income may be calculated as the income received by the eligible head of the household combined with the income of all other members of the household from all sources after deduction of all income and social security taxes and includes without limitation, social security and retirement benefits, supplemental security income and additional state payments, public assistance benefits, interest, dividends, net rental income, salary and earnings, and net income from self employment, but shall not include gifts or inheritances, payments made to individuals because of their status as victims of Nazi

persecution as defined in federal P.L. 103-286, nor increases in benefits accorded pursuant to the social security act or a public or private pension paid to any member of the household which increase, in any given year, does not exceed the consumer price index (all items United States city average) for such year which take effect after the eligibility date of an eligible head of the household receiving benefits hereunder whether received by the eligible head of the household or any other member of the household, when the following conditions are met:

(A) a rent increase exemption order was granted to the head of household prior to July first, two thousand twenty-four;

(B) such rent increase exemption order is either renewed after each benefit period or granted pursuant to subparagraph four of paragraph a of subdivision three of this section to account for a temporary increase in income;

(C) income calculated as described in this clause would yield a lower amount than income calculated as described in clause (i) of this subparagraph; and

(iii) provided, further, that a change in the method of calculating income pursuant to this subparagraph shall not affect eligibility to file a short-form renewal application in accordance with subparagraph two of paragraph a of subdivision four of this section.

g. "Income tax year" means a twelve month period for which the head of the household filed a federal personal income tax return, or if no such return is filed, the calendar year.

h. "Increase in maximum rent" means any increase in the maximum rent for the dwelling unit becoming effective on or after the eligibility date, including capital assessments and voluntary capital contributions but excluding any increase in maximum rent attributable to gas or electrical utility charges or an increase in dwelling space, services or equipment, or an exemption from the maximum rent or legal regulated rent as specified in paragraph b of subdivision three of this section, provided, however, that with respect to any dwelling unit in a dwelling which is or was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended, "increase in maximum rent" shall not

include any increase in maximum rent attributable to capital assessments or voluntary capital contributions.

i. "Maximum rent" means the maximum rent, excluding gas and electric utility charges, which has been authorized or approved by the commissioner or the supervising agency or the legal regulated rent established for the dwelling unit pursuant to the provisions of either Article II, IV, V or XI of the private housing finance law, or the rental established for a cooperatively owned dwelling unit previously regulated pursuant to the provisions of Article II, IV, V or XI of the private housing finance law; or such approved rent for a dwelling unit in a dwelling subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended; or such rent established for a dwelling unit which was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended; or the rent established for an applicable battery park city property.

j. "Members of the household" means the head of the household and any person, permanently residing in the dwelling unit.

k. "Supervising agency" means the comptroller in a municipality having a comptroller; in a municipality having no comptroller, the chief fiscal officer of such municipality; except that in the city of New York it shall be the department of housing preservation and development.

l. "Taxable period" means the income tax year immediately preceding the date of making application for a rent increase exemption order/tax abatement certificate.

* m. "Person with a disability" means an individual who is currently receiving social security disability insurance (SSDI) or supplemental security income (SSI) benefits under the federal social security act or disability pension or disability compensation benefits provided by the United States department of veterans affairs or those previously eligible by virtue of receiving disability benefits under the supplemental security income program or the social security disability

program and currently receiving medical assistance benefits based on determination of disability as provided in section three hundred sixty-six of the social services law and whose income for the current income tax year, together with the income of all members of such individual's household, does not exceed fifty thousand dollars beginning July first, two thousand fourteen, and seventy-five thousand dollars beginning July first, two thousand twenty-six, as may be provided by local law.

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* m. "Person with a disability" means an individual who is currently receiving social security disability insurance (SSDI) or supplemental security income (SSI) benefits under the federal social security act or disability pension or disability compensation benefits provided by the United States department of veterans affairs or those previously eligible by virtue of receiving disability benefits under the supplemental security income program or the social security disability program and currently receiving medical assistance benefits based on determination of disability as provided in section three hundred sixty-six of the social services law and whose income for the current income tax year, together with the income of all members of such individual's household, does not exceed the maximum income at which such individual would be eligible to receive cash supplemental security income benefits under federal law during such tax year.

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n. "Applicable battery park city property" means a property that is (1) subject to a lease or sublease with the battery park city authority; and (2) has one or more residential units which are subject to limitations on rent increases pursuant to:

(i) a contractual agreement with the battery park city authority, which may be within the lease or sublease between the battery park city authority and the lessee or sublessee; or

(ii) a regulatory agreement with the commissioner or supervising agency.

2. The governing body of any city having a population of one million or more, acting through its local legislative body or other governing

agency is hereby authorized and empowered to adopt and amend local laws or ordinances providing that real property of a housing company shall be exempt from real property taxes and that real property of an applicable battery park city property shall be exempt from payments in lieu of taxes (PILOT), in an amount equal to the rent increase exemptions actually credited to eligible heads of households pursuant to this section. Any such exemption shall be in addition to any other exemption or abatement of taxes authorized by law.

3. Any such local law or ordinance shall provide that: a. an eligible head of the household may obtain a rent increase exemption order/tax abatement certificate entitling him to an exemption from increases in the maximum rent otherwise payable in one of the following amounts:

(1) where the eligible head of the household does not receive a monthly allowance for shelter pursuant to the social services law, the amount by which increases in the maximum rent subsequent to such person's eligibility date have resulted in the maximum rent exceeding one-third of the combined income of all members of the household for the taxable period, except that in no event shall a rent increase exemption order/tax abatement certificate become effective prior to January first, nineteen hundred seventy-six; or

(2) where the eligible head of the household receives a monthly allowance for shelter pursuant to the social services law, an amount not exceeding that portion of any increase in maximum rent subsequent to such person's eligibility date which is not covered by the maximum allowance for shelter which such person is entitled to receive pursuant to the social services law.

(3) provided, however, that in a city of a population of one million or more, where the eligible head of the household has been granted a rent increase exemption order as a person with a disability as defined in paragraph m of subdivision one of this section that is in effect as of January first, two thousand fifteen or takes effect on or before July first, two thousand fifteen, the amount determined by subparagraph one of this paragraph shall be an amount not in excess of the difference between the maximum rent and the amount specified in such order, as adjusted by any other provision of this section.

(4) (a) Provided, however, that in a city with a population of one

million or more, a head of the household who has received a rent increase exemption order that has expired and who, upon renewal application for the period commencing immediately after such expiration, is determined to be ineligible for a rent increase exemption order because the combined income of all members of the household exceeds the maximum amount allowed by this section or the maximum rent or legal regulated rent does not exceed one-third of the combined income of all members of the household, may submit a new application during the following calendar year, and if such head of the household receives a rent increase exemption order that commences during such calendar year, the tax abatement amount for such order shall be calculated as if such prior rent increase exemption order had not expired. However, no tax abatement benefits may be provided for the period of ineligibility.

(b) No head of the household may receive more than three rent increase exemption orders calculated as if a prior rent increase exemption order had not expired, as described in clause (a) of this subparagraph.

b. notwithstanding any other provision of law, when a head of the household to whom a then current, valid tax abatement certificate has been issued moves his principal residence from one dwelling unit subject to this section, to the local emergency housing rent control law or to the emergency tenant protection act of nineteen seventy-four to a subsequent dwelling unit which is subject to the provisions of articles II, IV, V or XI of the private housing finance law and which is located within the same municipal corporation, or which is or was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended, and which is located within the same municipal corporation, or which is an applicable battery park city property, the head of the household may apply for a tax abatement certificate relating to the subsequent dwelling unit, subject to any terms and conditions imposed by reason of any fund created under subdivision eight of this section, and such certificate may provide that the head of the household shall be exempt from paying that portion of the maximum rent or legal regulated rent for the subsequent dwelling unit which is the least of the following:

(1) the amount by which the rent for the subsequent dwelling unit exceeds the last rent, as so reduced, which the head of the household

was required to actually pay in the original dwelling unit;

(2) the most recent amount so deducted from the maximum rent or legal regulated rent in the original dwelling unit; or

(3) where the head of the household does not receive a monthly allowance for shelter pursuant to the social services law, the amount by which the maximum rent or legal regulated rent of the subsequent dwelling unit exceeds one-third of the combined income of all members of the household, except that this subparagraph shall not apply to a head of the household who has been granted a rent increase exemption order as a person with a disability as defined in paragraph m of subdivision one of this section that is in effect as of January first, two thousand fifteen or takes effect on or before July first, two thousand fifteen.

c. Notwithstanding any other provision of law, when a dwelling unit subject to the provisions of article II, IV, V or XI of the private housing finance law or subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the national housing act, as amended, is later reclassified by order of the commissioner, the supervising agency or any other governmental agency supervising such dwelling unit, or by operation of law to a dwelling unit subject to any of the provisions of article II, IV, V or XI of the private housing finance law, the rent stabilization law of nineteen hundred sixty-nine of the city of New York or the emergency tenant protection act of nineteen seventy-four, or when a dwelling unit subject to such rent stabilization law or such emergency tenant protection act, or subject to the emergency housing rent control law or to the rent and rehabilitation law of the city of New York enacted pursuant to the local emergency housing rent control act, is reclassified by order of the commissioner or the supervising agency or by operation of law to a dwelling unit subject to any of the aforementioned provisions of the private housing finance law or subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the national housing act, as amended, a head of the household who held or holds a valid rent increase exemption order at the time of the reclassification shall be issued a rent increase exemption order under applicable law continuing the previous exemption notwithstanding the reclassification of the dwelling

unit.

d. notwithstanding any other provision of law to the contrary, where a eligible head of the household holds a current, valid rent increase exemption order/tax abatement certificate and, after the effective date of this paragraph, there is a permanent decrease in income in an amount which exceeds twenty percent of such income as represented in such eligible head of household's last approved application for a rent increase exemption order/tax abatement certificate or for renewal thereof, such eligible head of the household may apply for a redetermination of the amount set forth therein. Upon application, such amount shall be redetermined so as to re-establish the ratio of adjusted rent to income which existed at the time of approval of such eligible head of the household's last application for a rent increase exemption order/tax abatement certificate or for renewal thereof; provided, however, that in no event shall the amount of the adjusted rent be redetermined to be (i) in the case of an eligible head of the household who does not receive a monthly allowance for shelter pursuant to the social services law, less than one-third of income unless such head of the household has been granted a rent increase exemption order as a person with a disability as defined in paragraph m of subdivision one of this section that is in effect as of January first, two thousand fifteen or takes effect on or before July first, two thousand fifteen; or (ii) in the case of an eligible head of the household who receives a monthly allowance for shelter pursuant to the social services law, less than the maximum allowance for shelter which such eligible head of the household is entitled to receive pursuant to law. For purposes of this paragraph, a decrease in income shall not include any decrease in income resulting from the manner in which income is calculated pursuant to any amendment to paragraph f of subdivision one of this section made on or after April first, nineteen hundred eighty-seven. For purposes of this paragraph, "adjusted rent" shall mean maximum rent less the amount set forth in a rent increase exemption order/tax abatement certificate.

e. (1) notwithstanding any provision of law to the contrary:

(A) A tenant residing in a dwelling unit subject to the provisions of this section shall be furnished a notice informing such tenant about the

tenant's potential eligibility for a rent increase exemption pursuant to this section.

(B) The form and content of such notice shall be promulgated as required by paragraph i of subdivision three of section four hundred sixty-seven-b of this title.

(C) Such notice shall clearly and conspicuously display the eligibility requirements for the rent increase exemption and the website address and telephone number where tenants may obtain more information.

(2) The notice required by subparagraph one of this paragraph shall be furnished by the following agencies or individuals at the same time as the notice required by the occurrence of the following events:

(A) Notwithstanding clause (B) of subparagraph one of this paragraph, the state commissioner of housing and community renewal shall provide such notice, in a form to be determined by such commissioner, to a tenant:

(i) Upon receipt of an application for a rent adjustment due to a major capital improvement; and

(ii) For dwelling units subject to chapter three of title twenty-six of the administrative code of the city of New York, upon a maximum base rent adjustment pursuant to paragraph one of subdivision g of section 26-405 of the administrative code of the city of New York.

(B) The landlord of a dwelling unit shall provide such notice to a tenant:

(i) With an initial lease and any renewal lease; and

(ii) Upon the annual registration of a housing accommodation as required by section 26-517 of the administrative code of the city of New York.

(C) A company, as such term is defined in subdivision two of section twelve of the private housing finance law, shall provide such notice to a tenant upon a rent increase pursuant to section thirty-one of the private housing finance law, provided that the company shall provide such notice to a tenant at least once annually.

4. a. (1) Any such local law or ordinance may provide that the eligible head of the household shall apply annually to the supervising agency for a rent increase exemption order/tax abatement certificate on a form to be prescribed and made available by the supervising agency.

(2) Upon the adoption of a local law, ordinance, or resolution by the governing board of a municipality, any head of household that has been issued a tax abatement certificate pursuant to this section for five consecutive benefit periods, and whose income and residence have not changed since their last renewal application, shall be eligible to file a short form renewal. Such statement shall be on a form prescribed by the appropriate rent control agency or administrative agency and shall include the following: (i) a sworn statement certifying that such head of household continues to be eligible to receive such certificate and that their income and residence have not changed; and (ii) a certification to be signed by the applicant stating that all information contained in their statement is true and correct to the best of the applicant's knowledge and belief and stating that they understand that the willful making of any false statement of material fact therein shall subject them to the provisions of law relevant to the making and filing of false instruments and loss of their benefit, and that subsequent reapplication shall be as a new applicant.

b. The supervising agency shall approve or disapprove applications and, if it approves, shall issue a rent increase exemption order/tax abatement certificate. Copies of such order/certificate shall be issued to the housing company managing the dwelling unit of the eligible head of the household, to the eligible head of the household and to the collecting officer charged with the duty of collecting the taxes of the municipality. The appropriate supervising agency shall send a notice of required renewal to each head of household currently receiving an exemption under this section via United States Postal Service to their primary residence no less than thirty days prior to the application renewal date.

4-a. Notwithstanding any other provision of law to the contrary, where a head of household who holds a current, valid tax abatement certificate dies or permanently leaves the household as specified in rules promulgated by the supervising agency, a surviving member of the household who is eligible under this section may apply to transfer the rent increase exemption from the head of household who has died or permanently left the household into their name and continue the

exemption as the new head of household. The option to transfer the rent increase exemption shall be available for a period of six months after the head of household dies or permanently leaves the household or ninety days after the date of notice from the supervising agency informing the household that the rent increase exemption benefit has expired upon the death of the head of household, whichever is later. Such notice shall include an explanation of the process to transfer the exemption to an eligible surviving household member and the time period to do so, accompanied by the form necessary to transfer the exemption.

5. Any such local law or ordinance may provide that the effective date of a rent increase exemption order/tax abatement certificate shall be the date of the first increase in maximum rent becoming effective after the applicant's eligibility date except that in no event shall a rent increase exemption order/tax abatement certificate become effective prior to January first, nineteen hundred seventy-six.

6. Any such local law or ordinance may provide that upon receipt of a copy of the rent increase exemption order/tax abatement certificate, the housing company managing the dwelling unit or the landlord of the dwelling unit within an applicable battery park city property, of the eligible head of the household shall promptly accord to the eligible head of the household covered by such order/certificate the appropriate credit against the monthly maximum rent then or thereafter payable. To the extent the full amount of such credit has not been accorded for any past period since the effective date specified in the order/certificate, the housing company or landlord shall credit the total aggregate amount not so credited to the monthly maximum rent next payable or to such subsequent monthly maximum rents as the supervising agency may authorize. It shall be illegal to collect any amount for which a rent increase exemption order/tax abatement certificate provides credit or to withhold credit for any such amounts already collected, and collection or retention of any such amount for a dwelling unit occupied by such eligible head of the household shall be deemed a rent overcharge, and upon conviction therefor the housing company and its directors and any employee and any agent responsible therefor or the landlord and any employee and any agent responsible therefor shall be guilty of a

misdemeanor, punishable by a fine not to exceed one thousand dollars or imprisonment not to exceed six months, or both.

7. Any such local law or ordinance may provide that in order to obtain the benefits to which it is entitled under this section, a housing company or landlord of an applicable battery park city property must file with the collecting officer charged with the duty of collecting taxes of the municipality or PILOT a sworn application, in such form as such officer may prescribe, for any quarterly period in which the housing company or landlord has accorded an eligible head of the household an exemption hereunder from the payment of the maximum rent. Subject to prior or subsequent verification thereof, the collecting officer shall credit the total amount of such exemptions actually accorded to occupants of dwelling units contained in the property against the real property taxes or PILOT otherwise payable with respect to the property. The housing company or landlord shall attach to such application copies of all rent increase exemption orders/tax abatement certificates issued to eligible heads of the household residing in dwelling units in such real property.

8. Any such local law or ordinance may provide that in the event that the real property of a housing company or applicable battery park city property containing one or more dwelling units shall be totally exempt from local and municipal real property taxes or PILOT for any fiscal year as a result of the exemptions from maximum rent credited pursuant to this section, or otherwise, such municipality may make or contract to make payments to a housing company or landlord in an amount not exceeding the amount necessary to reimburse the housing company or landlord for the total dollar amount of all exemptions from the payment of the maximum rent accorded pursuant to this section to eligible heads of the household residing in dwelling units in such real property. Notwithstanding the foregoing, the battery park city authority shall have no obligation whatsoever to reimburse a landlord.

A municipality may create and establish a fund in order to provide for the payments made in accordance with contracts entered into pursuant to this subdivision. There may be paid into such fund (1) all of the rental

surcharges collected by the municipality from housing companies organized and existing pursuant to Articles II, IV, V and XI of the private housing finance law and (2) any moneys appropriated or otherwise made available by the municipality for the purpose of such fund.

9. The supervising agency may promulgate such rules and regulations as may be necessary to effectively carry out the provisions of this act.

10. Any such local law or ordinance may provide that it shall be illegal, for any person submitting an application for a rent increase exemption pursuant to this section, to make any false statement or willful misrepresentation of fact, and upon conviction thereof such applicant shall be guilty of a misdemeanor, punishable by a fine not to exceed five hundred dollars or imprisonment not to exceed ninety days, or both.

11. Notwithstanding any other provision of law and to the extent applicable to the provisions of this section, any renewal application being made by the tenant pursuant to this section, any rent exemption order then in effect with respect to such tenant shall be deemed renewed until such time as the city rent agency shall have found such tenant to be either eligible or ineligible for a rent exemption order but in no event for more than six additional months. If such tenant is found eligible, the order shall be deemed to have taken effect upon expiration of the exemption. In the event that any such tenant shall, subsequent to any such automatic renewal, not be granted a rent exemption order, such tenant shall be liable to his landlord for the difference between the amounts he has paid under the provisions of the automatically renewed order and the amounts which he would have been required to pay in the absence of such order. Any rent exemption order issued pursuant to this section shall include provisions giving notice as to the contents of this subdivision relating to automatic renewals of rent exemption orders.

12. Notwithstanding any inconsistent provision of law, any such local law or ordinance may provide that whenever a rent increase exemption order/tax abatement certificate is issued to an eligible head of the

household residing in a dwelling unit owned by a housing company which is subject to the provisions of article II, IV, V or XI of the private housing finance law entitling such eligible person to an exemption from an increase in maximum rent attributable to a capital assessment or voluntary capital contribution made prior to, on or after the effective date of this subdivision and such person later transfers his shares in such housing company, such person shall be required to pay over to such housing company, or such housing company shall be entitled to deduct from the amount to be paid to such person for the sale of such shares, all amounts covered by such rent increase exemption order/tax abatement certificate which are attributable to such capital assessment or voluntary capital contribution. Such housing company shall not approve the transfer of shares unless it has received the payment required by the preceding sentence or made the deduction therein authorized. Such housing company shall remit such amount to the municipality within ninety days of the collection thereof. Payments due to the municipality in accordance with this subdivision shall be deemed a tax lien and may be enforced in any manner authorized for the collection of delinquent taxes on real property.

13. In a city with a population of one million or more, any such local law, ordinance or resolution may provide for a rent increase exemption order and the abatement of taxes of such city imposed on real property formerly subject to the provisions of Article II of the private housing finance law prior to the effective date of the chapter of the laws of two thousand twenty-two that added this subdivision containing dwelling units that are subject to a regulatory agreement in which the qualifying head of household or their qualifying successor in interest: (a) has a signed agreement with the landlord to limit increases in maximum rent for the lifetime of the tenancy to an amount established by the rent guidelines board in its annual guidelines for rent adjustments for housing accommodations subject to the emergency tenant protection act of nineteen seventy-four or the administrative code of the city of New York or to another amount provided for in such regulatory agreement; and (b) is otherwise eligible for such tax abatement. Any such local law, ordinance, or resolution may provide that the effective date of a rent increase exemption order/tax abatement certificate shall be May

thirty-first, two thousand twenty-two for any applicant found eligible on or before March thirty-first, two thousand twenty-four.