

## NYS RENT REGULATION CHEAT SHEET

The New York State Senate and Assembly have agreed to pass the following rent reform bills to replace the laws expiring on June 15, 2019. The reformed legislation:

### **Extends the Rent Regulation Laws and Makes them Permanent:**

- The rent regulation system is now permanent and will no longer sunset at any time in the future without an act of the Legislature to repeal or terminate them.

### **Repeals High Rent Vacancy Deregulation & High-Income Deregulation:**

- This repeals the provisions that allow the removal of units from rent stabilization when the rent crosses a statutory high-rent threshold and the unit becomes vacant or the tenant's income is \$200,000 or higher in the preceding two years.

### **Repeals the Vacancy Bonus & Longevity Bonus:**

- Repeals the "vacancy bonus" provision that allows a property owner to raise rents as much as 20 percent each time a unit becomes vacant.
- Repeals the "longevity bonus" provision that allows rents to be raised by additional amounts based on the duration of the previous tenancy.
- Prohibits local Rent Guidelines Boards from reinstating vacancy bonus on their own.

### **Prohibits Rent Guidelines Board from Setting Class-Specific Renewal Increases:**

- Prohibits Rent Guidelines Boards from setting additional increases based on the current rental cost of a unit or the amount of time since the owner was authorized to take additional rent increases, such as a vacancy bonus.

### **Makes Preferential Rents the Base Rent for Lease Renewal Increases:**

- Prohibits owners who have offered tenants a "preferential rent" below the legal regulated rent from raising the rent to the full legal rent upon renewal.
- Once the tenant vacates, the owner can charge any rent up to the full legal regulated rent, so long as the tenant did not vacate due to the owner's failure to maintain the unit in habitable condition.
- Owners with rent-setting regulatory agreements with federal or state agencies will still be permitted to use preferential rents based on their particular agreements.

### **Provides Relief from Large Rent Increases for Rent-Controlled Tenants:**

- Sets Maximum Collectible Rent increases at the average of the five most recent Rent Guidelines Board annual rent increases for one-year renewals.
- This bill also prohibits fuel pass-along charges.

### **Extends Rent Overcharge Four-Year Look-Back Period to Six Years:**

- Extends the four-year look-back period to six or more years as reasonably necessary to determine a reliable base rent, extends the period for which an owner can be liable for rent overcharge claims from two to six years, and would no longer allow owners to avoid treble damages if they voluntarily return the amount of the rent overcharge prior to a decision being made by a court or Housing and Community Renewal (HCR).
- Allows tenants to assert their overcharge claims in court or at HCR and states that while an owner may discard records after six years, they do so at their own risk.

**Reforms Rent Increases for Individual Apartment Improvements (IAIs):**

- Caps the amount of IAI spending at \$15,000 over a 15-year period and allows owners to make up to three IAIs during that time.
- Makes IAI increases temporary for 30 years rather than permanent and requires owners to clear any hazardous violations in the apartment before collecting an increase.

**Reforms Co-Op/Condo Conversions:**

- Strengthens and makes permanent the system that protects tenants in buildings that owners seek to convert into co-ops or condos.
- Eliminates the option of "eviction plans" and institutes reforms for non-eviction plans.
- Requires 51 percent of tenants in residents to agree to purchase apartments before the conversion can be effective. (Currently 15 percent of apartments must be sold and the purchasers may be outside investors.)
- For market-rate senior citizens and disabled tenants during conversion, evictions are permitted only for good cause, where an unconscionable rent increase does not constitute good cause.

**Reforms Rent Increases for Major Capital Improvements (MCIs):**

- Lowers the rent increase cap from six percent to two percent in New York City and from 15 percent to two percent in other counties.
- Provides the same protections of the two percent cap going forward on MCI rent increases attributable to MCIs that became effective within the prior seven years.
- Lowers increases further by lengthening the MCI formula's amortization period.
- Eliminates MCI increases after 30 years instead of allowing them to remain in effect permanently.
- Significantly tightens the rules governing what spending may qualify for MCI increases and tightens enforcement of those rules by requiring that 25 percent of MCIs be inspected and audited.

**Establishes Stronger Housing Security and Tenant Protections Statewide:**

- Creates transformational protections for all residential tenants throughout the state.
- Bans the use of so-called "tenant blacklists" which protects tenants who enforce their rights.
- Limits security deposits to one month's rent and provides required procedures to ensure the landlord promptly returns the security deposit.
- Includes a wide variety of protections for tenants during the eviction process, including strengthening protections against retaliatory evictions.
- Creates the crime of unlawful eviction, where a landlord illegally locks out or uses force to evict a tenant, as a Class A Misdemeanor and also punishable by a civil penalty of between \$1,000 and \$10,000 per violation.
- Requires landlords to provide notice to tenants if they intend to increase the rent more than five percent or do not intend to renew the tenants' lease.
- Provides tenants more time in eviction proceedings to get a lawyer, fix violations of the lease, or pay rent owed.
- Expands the ability of the court to stay an eviction for up to one year if the tenant cannot find a similar suitable dwelling in the same neighborhood after due and reasonable efforts or the eviction would cause extreme hardship.

*This information was sourced from a press release provided by the NYS Legislature - <https://nyassembly.gov/Press/files/20190611a.php>*



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