

**CAPA REGULATORY AGENDA FY 2019**  
**DEPARTMENT OF FINANCE**

1. **SUBJECT:** Major capital improvement (MCI) tax abatements
  - A. **Reason:** A new real property tax abatement for rent stabilized and rent controlled apartment buildings in New York City was enacted in 2015. This tax abatement is intended to partially offset the economic loss imposed upon eligible building owners due to the recent changes in the amortization period for major capital improvements.
  - B. **Anticipated contents:** The proposed rule will set forth who is eligible for the benefit as well as how the amount of the benefit is calculated.
  - C. **Objectives:** The tax abatement is intended to partially offset the economic loss imposed upon eligible building owners due to the 2015 changes in the amortization period for major capital improvements.
  - D. **Legal basis:** The enabling legislation for MCI tax abatements is set forth in Real Property Tax Law section 467-i, paragraph 6 of subdivision c of section 26-511 and subparagraph g of paragraph 1 of section 26-405 of the administrative code of the City of New York.
  - E. **Other relevant laws:** See paragraph D above
  - F. **Types of individuals and entities likely to be affected:** Owners of rent stabilized and rent controlled apartments.
  - G. **Approximate schedule:** 1st quarter of FY 2019.

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2. **SUBJECT:** Industrial and Commercial Abatement Program (“ICAP”)
  - A. **Reason:** The Department of Finance proposes revising the rules relating to ICAP. These changes are needed to address recent changes to the New York State Real Property Law.
  - B. **Anticipated contents:** The proposed rule will amend the ICAP rules to allow the granting of abatement benefits by the New York City Department of Finance when a final application is filed more than one year from the date of issuance of the first building permit for construction work on the project, or when construction work does not require a building permit, no later than the date of commencement of construction on the project. The proposed rule amendment also extends the deadline for the submission of ICAP preliminary applications from April 1, 2019 to April 1, 2022.
  - C. **Objectives:** The objective of the proposed rule is to conform the ICAP rules with recently adopted changes to the New York Real Property Tax law.
  - D. **Legal basis:** The enabling legislation for ICAP is set forth in Real Property Tax Law sections 489-aaaaaa to 489-kkkkkk and the local law is set forth in sections 11-268 to 11-278 of the Administrative Code of the City of New York.
  - E. **Other relevant laws:** See paragraph D above.

- F. Types of individuals and entities likely to be affected: Owners of commercial and industrial real property.
- G. Approximate schedule: 2nd quarter of FY 2019.

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3. **SUBJECT**: SCRIE and DRIE Program Rules

- A. Reason: The Senior Citizen Rent Increase Exemption (SCRIE) Program and Disability Rent Increase Exemption (DRIE) Programs provide eligible senior citizens and persons with disabilities with exemptions from certain rent increases and property owners with a corresponding abatement of real property taxes. These rules will provide more detailed information concerning the eligibility as well as calculation of SCRIE and DRIE benefits for eligible senior citizens and persons with disabilities.
- B. Anticipated contents: The proposed rules will address who is eligible for SCRIE and DRIE benefits as well as the income and apartment eligibility requirements. The proposed rules will also address rent increase exemption orders, the treatment of Major Capital Improvements (MCI), preferential rents, benefit takeovers and rent redeterminations.
- C. Objectives: These rules will provide guidance concerning the eligibility for as well as calculation of rent increase exemption benefits for eligible senior citizens and persons with disabilities as well as corresponding tax abatement benefits for building owners.
- D. Legal basis: The enabling legislation for SCRIE and DRIE benefits are set forth in Real Property Tax Law sections 467(b) and 467(c) and the local laws are set forth in Chapter 3 (Section 26-401 et seq.), Chapter 4 (Section 26-501 et seq.) and Chapter 7 (Section 26-601 et seq.) of Title 26 of the Administrative Code of the City of New York.
- E. Other relevant laws: See paragraph D above.
- F. Types of individuals and entities likely to be affected: SCRIE and DRIE beneficiaries and owners of rent stabilized and rent controlled apartments.
- G. Approximate schedule: 4th quarter of FY 2019.

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4. **SUBJECT**: Amendment to Parking Broker Sanctions Rules

- A. Reason: The Department of Finance proposes the increase of the maximum period of suspension the Commissioner may impose on a parking summons broker or brokerage company who violates the DOF parking summons broker sanctions rules that brokers and brokerage companies must adhere to when appearing before the Parking Violations Bureau.
- B. Anticipated contents: The proposed rule will increase the maximum period of suspension that the Commissioner may impose on a parking summons broker or brokerage company who violates the DOF parking summons broker sanctions rules that brokers and brokerage companies must adhere to when appearing before the Parking Violations Bureau from five (5) years to life, or in the case of a brokerage company, until its dissolution.

- C. Objectives: The proposed rule will increase the deterrence against potential misconduct and fraud performed by parking summons brokers or brokerage companies when appearing before the Parking Violations Bureau.
- D. Legal basis: The enabling legislation for this proposed rule is section 19-203 of the Administrative Code of the City of New York, and New York City Charter (“Charter”) sections 1043 and 1504, which authorize DOF to make this proposed rule.
- E. Other relevant laws: See paragraph D above.
- F. Types of individuals and entities likely to be affected: Parking summons brokers and brokerage companies.
- G. Approximate schedule: 1st quarter of FY 2019.

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