

## New York City Department of Finance

### Notice of Public Hearing and Opportunity to Comment on Proposed Rule

**What are we proposing?** The New York City Department of Finance (“DOF”) proposes amendments to the rules for the Senior Citizen Rent Increase Exemption (“SCRIE”) and Disability Rent Increase Exemption (“DRIE”) Programs, which 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.

**When and where is the hearing?** DOF will hold a public hearing on the proposed rule. The public hearing will take place at **11:00 AM** on **October 25, 2022**. The hearing will be conducted remotely through Webex Event Center. To participate in the public hearing, enter the Webex URL <https://nycdof.webex.com> into a web browser. If prompted to provide the meeting number, please enter: 2330 429 4195. If prompted for a password, please enter the following: RIE102022. You can also participate in the hearing via telephone by calling 646-992-2010 (New York City); or 408-418-9388. The meeting access code is 2330 429 4195.

**How do I comment on the proposed rule?** Anyone can comment on the proposed rule by:

- **Website.** You can submit comments to the Department of Finance through the NYC rules website: <http://rules.cityofnewyork.us>.
- **Email.** You can email written comments to [DOFRules@finance.nyc.gov](mailto:DOFRules@finance.nyc.gov)
- **Mail.** You can mail written comments to NYC Department of Finance, Legal Affairs Division, 375 Pearl Street, 30<sup>th</sup> Floor, New York, NY 10038, Attn: Brittany Fishman.
- **Fax.** You can fax written comments to NYC Department of Finance, Attn: Brittany Fishman, at (212) 748-6982.
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak prior to the date of the hearing. You can sign up by calling Joan Best at (212) 748-7214. You can speak for up to three minutes.

**Is there a deadline to submit written comments?** The deadline to submit written comments is October 28, 2022.

**What if I need assistance to participate in the hearing?** Please contact DOF’s Office of Legal Affairs if you need a reasonable accommodation of a disability to participate in the hearing. You must tell us if you need a sign language interpreter. You can make any accommodation request by mail at the address given above. You may also make such request by contacting Joan Best by telephone at (212) 748-7214; TTY (212) 504-4115, or by email at [bestj@finance.nyc.gov](mailto:bestj@finance.nyc.gov).

Advance notice is requested to allow sufficient time to arrange the accommodation. Please provide at least five business days’ notice prior to the hearing to ensure availability.

The following accessibility options are available for this hearing: Simultaneous transcription for people who are deaf or hard of hearing and audio-only access; American Sign Language interpretation on video. For audio-only access, call 646-992-2010. The meeting number is 2330 429 4195.

**Can I review the comments made on the proposed rule?** You can review the comments made on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>.

**What authorizes Department of Finance to adopt this rule?** New York City Charter (“Charter”) sections 1043 and 1504 authorize the Department of Finance to adopt this proposed rule amendment. The proposed rule was not included in the agency’s regulatory agenda as the rule was not anticipated at the time of publication.

**Where can I find the Department of Finance’s rules?** The Department of Finance’s rules can be found in Title 19 of the Rules of the City of New York.

**What laws govern the rulemaking process?** The Department of Finance must meet the requirements of Section 1043 of the Charter when creating or amending rules. This notice is made according to the requirements of Section 1043 of the Charter.

## **STATEMENT OF BASIS AND PURPOSE**

The New York City Department of Finance is amending the rules for the Senior Citizen Rent Increase Exemption (“SCRIE”) and Disability Rent Increase Exemption (“DRIE”) Programs. The SCRIE and DRIE Programs are authorized by sections 467-b and 467-c of the New York State Real Property Tax Law and established by 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. These programs provide eligible senior citizens and persons with disabilities with exemptions from certain rent increases. Covered property owners receive a corresponding abatement of real property taxes.

The proposed rules would amend Chapter 52 of Title 19 of the Rules of the City of New York to:

- Correct a typographical error related to benefit takeovers
- Clarify treatment of preferential rent as a result of the Housing Stability and Tenant Protection Act of 2019 (“HSTPA”)

New material is underlined

[Deleted material is bracketed]

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Section 52-07 of title 19 of the rules of the city of New York is amended to read as follows:

(a) If a head of the household has died or permanently vacated the household, a tenant remaining in the eligible apartment will be deemed eligible to become the head of the household if such tenant receives approval from the Department for a benefit takeover as defined in 19 RCNY § [52-15] 52-14

§ 2. Section 52-12 of title 19 of the rules of the city of New York is amended to read as follows:

(a) A preferential rent, which is lower than the legal regulated rent, will be established as the frozen rent except as set forth in [subdivisions (b), (c) and (d)] subdivision (b) of this section. The tax abatement credit for such preferential rent will be the difference between the frozen rent and the current preferential rent for all initial preferential rent increase exemption orders that are in effect as of July 1, 2019 or later.

(b) [The tax abatement credit for preferential rent renewals whose initial eligibility was June 1, 2019 or earlier shall be the difference between the preferential rent and the legal regulated rent for the period covered by the rent increase exemption approval-order.] Notwithstanding subdivision (a), the frozen rent for all program renewals whose initial eligibility was June 1, 2019 or earlier shall be the frozen rent in effect on July 1, 2019, except as otherwise adjusted by law.

(c) The tax abatement credit for preferential rent renewals whose initial eligibility was June 1, 2019 or earlier shall be the difference between the frozen rent in effect on July 1, 2019 and the Legal Regulated Rent for the period covered by the rent increase exemption approval order. The tax abatement credit for preferential rent whose initial eligibility was July 1, 2019 or later shall be the difference between the preferential rent in effect upon initial application and any lawful adjustments to the rent for the period covered by the rent increase exemption approval order.

[(c)] (d) A preferential rent, which is lower than the legal regulated rent, will be established as the frozen rent if the tenant lives in a low income housing tax credit apartment in a low income tax credit building pursuant to section 42 of the Internal Revenue Code.

[(d)] (e) A preferential rent, which is lower than the legal regulated rent, may not be the frozen rent for buildings subject to paragraph 14 of subdivision c of section 26-511 of the administrative code of the city of New York.

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS  
253 BROADWAY, 10<sup>th</sup> FLOOR  
NEW YORK, NY 10007  
212-788-1400**

**CERTIFICATION / ANALYSIS  
PURSUANT TO CHARTER SECTION 1043(d)**

**RULE TITLE: Amendment of SCRIE/DRIE Rules**

**REFERENCE NUMBER: DOF-58**

**RULEMAKING AGENCY: Department of Finance**

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro  
Mayor's Office of Operations

August 24, 2022  
Date

**NEW YORK CITY LAW DEPARTMENT  
DIVISION OF LEGAL COUNSEL  
100 CHURCH STREET  
NEW YORK, NY 10007  
212-356-4028**

**CERTIFICATION PURSUANT TO  
CHARTER §1043(d)**

**RULE TITLE:** Amendment of SCRIE/DRIE Rules

**REFERENCE NUMBER:** 2022 RG 058

**RULEMAKING AGENCY:** Department of Finance

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN  
Acting Corporation Counsel

Date: August 24, 2022