

1. What Is The Senior Citizen Rent Increase Exemption (SCRIE)?

The Senior Citizens Rent Increase Exemption Program (SCRIE) provides assistance to eligible seniors from having to pay certain rent increases. Senior citizen tenants who reside in rent control or rent stabilized apartments can apply for SCRIE through NYC Department of Finance, and may be entitled to an exemption from future rent increases. If a tenant is approved, landlords are eligible for an equivalent credit (abatement) on property taxes.

2. How Does The SCRIE Program Work?

If you own a rent regulated apartment building, you are entitled to periodically raise rents to cover costs, as determined by the New York City Rent Guidelines Board (for rent stabilized units) or the New York State Division of Housing and Community Renewal (for rent controlled units).

The City of New York then gives you a dollar-for-dollar property tax abatement credit (TAC) that makes up for the rent your tenants have been exempted from paying. Finance authorizes the TACs and transfers the credit to the building owner's property tax account.

3. What Are My Responsibilities As A Landlord?

As a SCRIE landlord, you are primarily responsible for the following:

- a. Helping Finance verify tenant status, rental amounts, and building information during the application process.
- b. Serving your tenants in a timely manner with rental documents such as renewal leases for rent stabilized tenants and DHCR-issued orders for rent controlled tenants. You must also ensure that Major Capital Improvement (MCI) Orders are served to rent stabilized and rent controlled tenants. MCI worksheets should not be substituted for the actual MCI order.
- c. Collecting the appropriate rent each month and handling any retroactive adjustments. **Note:** It is unlawful to collect, or attempt to collect any payment that is more than the SCRIE authorized rent while a valid Approval Order is in effect. *Under no circumstances may a landlord retain any overpayment from the tenant while waiting for Tax Abatement Credits to be applied to the owner's account at Finance.*
- d. Monitoring your SCRIE Statement of Account issued by Finance each quarter to ensure you are receiving what you are entitled to receive.
- e. Keeping the Finance SCRIE Unit aware of rent increases and decreases, changes in building status, ownership or management, and changes in your tenant's status due to a move or death.

- f. Registering your rent stabilized apartments with DHCR every year in April and filing appropriate building and rental information. Owners of rent controlled apartments can apply for Maximum Base Rent (MBR) adjustments every two years.
- g. Reporting any suspected fraudulent claim for SCRIE by a tenant.

4. What Papers Must I Provide to the Tenant?

For Rent Stabilized Apartments: You must provide each tenant with a lease stating terms and conditions of the rental agreement, including the monthly rent and the lease dates. You are required by law to serve renewal leases at least 120 days prior to the expiration of the current lease. All leases must be signed by both you and the tenant. This fully-executed lease must be attached to the tenant's application for SCRIE certification. You are also responsible for providing any Major Capital Improvement (MCI) Orders to your rent stabilized tenant.

For Rent Controlled Apartments: Tenants do not require leases, but instead are served Rental Orders issued by DHCR to the landlord. You are responsible for providing your tenant with the following documents:

- Maximum Base Rent Order of Eligibility (DHCR Form RO-30).
- Notice of Maximum Collectible Rent (MCR) or Notice of Increase (for prior year) (DHCR Form RN-26 or RN-26L).
- Owner's Report and Certification of Fuel Cost Adjustment Eligibility (Form R33.10), if any.
- Major Capital Improvement (MCI) Order, if any.

5. What Happens After My Tenant Has Applied?

After the Finance SCRIE Unit makes an eligibility determination, an Order of Approval or Denial will be forwarded to the tenant. If the tenant is approved, you will receive a notification (Owner Approval Order,) stating the effective dates of the exemption period, the amount the tenant is responsible for paying, and the amount of your TAC. A modified Order will be issued if there is a subsequent adjustment in the authorized rent.

When you receive the Owner Approval Order, you must repay the tenant any retroactive portion of the rent that is due. The tenant will stop paying the full collectible rent and begin paying only that portion authorized under the SCRIE Program.

6. What Happens When It's Time to Renew the Lease?

Tenants must renew their SCRIE eligibility when their lease or rent cycle comes up for renewal -- normally every one or two years. They should complete their Renewal Application and return it to Finance immediately after they receive it.

Finance will send the tenant a reminder notice if the tenant fails to return the Renewal Application within three months. You will also be notified if your tenant has not recertified. The law provides a six-month grace period after the lease has expired in which the tenant is entitled to continue to pay the exempted rent. After six months, the tenant's benefit ceases, and the rent reverts to the full legal rent owed at the beginning of the lease period or rent cycle.

If the tenant is no longer eligible to continue receiving benefits or has failed to recertify, the exemption is revoked. Both you and the tenant will receive an Order of Revocation. You are then entitled to collect the full rent owed by the tenant. You and the tenant may need to work out a repayment plan for the retroactive portion that was not collected from the tenant during the grace period.

7. How Can I Expedite the Renewal Process?

You can do two things to help your SCRIE tenants recertify their eligibility for continued benefits.

- a. First, you can remind them that their one-or two-year lease is about to expire and it's time to renew both the lease and their SCRIE eligibility.
- b. Second, be sure to issue renewal leases for rent stabilized tenants and DHCR-issued orders for rent controlled tenants on a timely basis. The tenant then will have the documents needed to reapply on time. This usually results in a quicker transfer of your TACs.

8. How Can I Check the Status of the Renewal Application?

You may call 311 for an update on the tenant's application.

9. How Do Property Tax Abatements Work?

Finance maintains a SCRIE account for each landlord to track your tax abatement credits and debits. We then apply credits from your account to offset your property taxes. You will receive a quarterly Statement of Account reflecting credit or debit activity.

10. How Are Credits Applied to My Property Tax Bill?

Finance will apply tax credit balances from your SCRIE Account in the following order:

- Automatically offset any taxes that are due for the next tax period;
- Leave the remaining credits in the account to offset potential SCRIE debit adjustments.

11. Can I Receive My Credits As A Refund?

Yes, you may apply for your excess SCRIE tax credits in the form of a refund. Note: your credits will first be used to pay any past due taxes. You can receive only what is left over in your account. You may obtain an Excess SCRIE Refund Application by visiting the Finance website at nyc.gov/finance or by dialing 311.

12. What Happens If I Have A Negative Balance?

If your account balance falls below zero because of a debit adjustment (as a result of a tenant move or an audit, for example), Finance will add the debit balance to the next tax period and issue an adjusted property tax bill.

13. Will I Ever Be Reviewed?

The SCRIE Program periodically conducts audits on each building in which SCRIE tenants reside to ensure that the proper tax abatements have been granted over the years. After Finance completes its building-wide audits, any tax abatement overclaims discovered must be recouped and returned to the City of New York. **Note:** The law provides no statute of limitations on the retroactive period for recoupment. Landlords are notified by Finance when each audit is completed and given a period of time to supply additional information which may be relevant to the audit, or to pay back any overclaimed amounts. Failure to respond may result in the imposition of a lien on the property.

14. What If The Tenant Moves Or Dies?

If a tenant vacates your apartment or hotel unit, dies or becomes ineligible for any reason, you must notify Finance in writing within 30 days. You must fill out an Affidavit attesting to the tenant's ineligibility. Then mail this affidavit to the Finance SCRIE Unit.

In the case of the tenant's death, benefits are revoked the first day of the month following the date of death. However, in some cases, a surviving household member may be eligible for a transfer of SCRIE benefits. That person should be encouraged to contact the SCRIE Office as soon as possible.

15. If I Don't Agree With A SCRIE Decision, Can I Appeal?

Yes. The process is the same as for a tenant Appeal. An Appeal form may be obtained online or by calling 311. Using an Appeal form, you must file your Appeal within 60 days of the date your Owner Approval, Denial or Revocation Order was issued. State the matter you are appealing and attach relevant documentation supporting your claim, including copies of the Order you received from the Finance SCRIE Unit. Mail to: New York City Department of Finance, SCRIE Program (Appeals), 59 Maiden Lane, 22nd Floor, New York, NY 10038.

After reviewing your Appeal, Finance will notify you if more information is needed, a hearing will be scheduled, or a decision has been made regarding your Appeal.

16. Why Must I Give A Rent Stabilized Tenant A New Lease When His Or Her Portion Of The Rent Is Already Frozen Under The SCRIE Program?

By law, the landlord must issue a new lease to the tenant 120 days before the current lease expires. The new lease must specify the terms and rent amounts, including any increases the landlord will collect. The SCRIE Program uses the fully-executed lease to determine the appropriate tax abatement to which the landlord is entitled. SCRIE also reviews the lease to ensure that the increases are consistent with the percentages authorized annually by the City's Rent Guidelines Board.

17. Can I send One Major Capital Improvement (MCI) Order For All My SCRIE Tenants Who Reside In The Same Building?

Yes. The MCI increase will be processed on a building-wide basis. All SCRIE tenants living in the building will receive an adjusted benefit.

18. Who will pay for my MCI increase?

The MCI Order, which is authorized by DHCR, entitles the Landlord to receive a rent increase. Retroactive and prospective amounts will be paid through the SCRIE benefit only if the MCI Order is submitted to SCRIE within 90 days of issuance. After 90 days, only the prospective amounts will be paid through the SCRIE Program. **Note:** It is important to provide a copy of the MCI Order to the tenant. Worksheets are not an acceptable form of verification for an MCI.

19. What is a TAC Report? Thought it was Tax abatement credit?

The Tenant Application Detail Report provides information on the landlord's tax abatement credits (TACs) on behalf of a SCRIE tenant. This report shows the rent calculations for the TACs.

In addition, it gives the effective dates, the exemption amount, and the amount the tenant is responsible for paying. It also shows the dates the credits were electronically transferred to the landlord's SCRIE property tax account at Finance. TAC reports are available upon request from the SCRIE Program by calling 311.

CONTINUING ELIGIBILITY INFORMATION

There are instances where the SCRIE Program must make a determination about continued eligibility or whether to adjust a tenant's exemption rate and the landlord's tax credit. Here are some of the circumstances that may occur:

Rent Reduction Orders

If a landlord receives an Order from DHCR to reduce rents, the exemption for SCRIE tenants will be affected. If the amount of the reduced rent falls below the SCRIE calculated exemption, the tenant's SCRIE benefit is then suspended, since there is no longer an increase.

Rent Restoration Orders

After the landlord has corrected the conditions for a Rent Reduction Order, the landlord must provide the Finance SCRIE Unit with a copy of a Rent Restoration Order to reactivate their previous exemption benefit. They must still meet the basic eligibility requirements for SCRIE, including one-third of their after-tax income going toward rent. A tenant, who applied for SCRIE for the first time and was denied during a Rent Reduction, may reapply under a Rent Restoration Order.

Hardship Cases

If rent increases authorized by RGB or DHCR do not cover a landlord's operating expenses or do not allow the landlord to maintain sufficient rental income, the landlord may apply to DHCR for a building-wide rent increase. This applies only to those cases for which DHCR has authorized such an increase and has issued an Order. For information, write to the New York State Division of Housing and Community Renewal (DHCR), 92-31 Union Hall Street, Jamaica, NY 11433.

Portability

This is a legal provision that allows tenants to transfer all or part of their exemption from one rent regulated residence to another. When a former SCRIE tenant moves into your building, he or she must submit a Portability Application to the Finance SCRIE Unit within 30 days before or after the date of occupancy. The amount of the new exemption will be recalculated based primarily on the most recent rent exemption the tenant received at the former apartment.

**For More Information or Access to SCRIE Forms,
Please Visit the Finance Website at nyc.gov/finance
or
You May Call 311.**