NEW YORK STATE OF OPPORTUNITY. Homes and Community Renewal

KATHY HOCHUL
Governor

RUTHANNE VISNAUSKAS
Commissioner/CEO

FORTY-FIRST (41st) ANNUAL UPDATE OF SECTION B OF SUPPLEMENT NO. 1 TO OPERATIONAL BULLETIN 84-4

B. Permissible Charges for the Use and/or Initial Installation of an Air Conditioner for Both Rent Controlled and Rent Stabilized Housing Accommodations in New York City.

This annual update reflects the amendments enacted by the Rent Regulation Reform Act of 1993 and is issued pursuant to Section 2527.11 of the Rent Stabilization Code, and Section 2209.8 of the New York City Rent and Eviction Regulations.

ELECTRICAL EXCLUSION BUILDINGS

Prior to the rent laws being updated by Chapter 619 of the Laws of 2022, a five dollar ($5.00) per air conditioner per month surcharge was lawful. Effective November 21, 2022, in rent stabilized and rent controlled apartments, owners are prohibited from the continued collection and from the prospective imposition of a surcharge on a tenant for the use of a tenant-installed air conditioning unit if the tenant pays for the electric utility service. For rent controlled apartments, the five dollar ($5.00) per month surcharge previously collected can no longer be included in the Maximum Collectible Rent (MCR).

ELECTRICAL INCLUSION BUILDINGS

An owner may charge a tenant $475.80* per annum per air conditioner ($39.65 per month) for the use of air conditioners in rent stabilized and rent controlled accommodations initially installed between October 1, 2026 and September 30, 2027 if electricity costs are **included** in the rent.

For **RENT STABILIZED APARTMENTS**, this electrical inclusion charge shall take effect on October 1, 2026 and will thereafter be annually adjusted upward or downward depending upon whether the "Price Index of Operating Costs for Rent Stabilized Apartment Houses in New York City", prepared by the New York City Rent Guidelines Board (or such research company as the Rent Guidelines Board may choose), shows an increase or decrease in the cost of electricity for electrical inclusion buildings.

* The 2025 charge (estimated average operating cost) per air conditioner of $433.45 per annum ($36.12 per month) increased to reflect a 9.77% increase in the price of electricity for electrical inclusion buildings. See Rent Guidelines Board 2026 Price Index of Operating Costs, Report to the Board, New York City Rent Guidelines Board, Page 18, April 9, 2026.

For air conditioners in Rent Stabilized accommodations in electrical inclusion buildings previously installed between October 1, 1985 and September 30, 2026, the allowable charge per annum is hereby increased to $475.80 per air conditioner ($39.65 per month), effective October 1, 2026.

BUILDING OWNER PROVIDED NEW AIR CONDITIONER

Where a new air conditioner is purchased and installed by the owner of a rent controlled or rent stabilized apartment, the owner may be entitled to a rent increase in the legal regulated or base rent for the cost of installation excluding finance charges. However, the recoverable costs incurred by the owner are subject to revised limitations that went into effect on October 17, 2024, which are detailed in DHCR Operational Bulletin 2024-2. Owners of apartments subject to rent stabilization or rent control must file electronically DHCR Form RN–19N INDIVIDUAL APARTMENT IMPROVEMENT: NOTIFICATION, for IAIs made in vacant and occupied apartments. In addition to the Notification Form in an occupied apartment where tenant's consent is required, owners must also file electronically DHCR Form RN–19C INDIVIDUAL APARTMENT IMPROVEMENT: TENANT'S INFORMED CONSENT. DHCR form RN-79b also contains filing instructions for installations in apartments subject to rent control.

For additional details on individual apartment improvement requirements under HSTPA, please review Operational Bulletin 2024-2.

TERMS AND CONDITIONS

For **RENT STABILIZED APARTMENTS**, these surcharges, do not become part of the legal rent for the purpose of computing any guidelines or other increases under the Rent Stabilization Law or Code. Owners can collect the charges from rent stabilized tenants without an order from DHCR. These monthly charges remain collectible throughout the year even if the air conditioner is removed, i.e., during the winter months.

For **RENT CONTROLLED APARTMENTS**, these surcharges become part of the Maximum Collectible Rent (MCR), but do not become part of the Maximum Base Rent (MBR). Before collecting the monthly electrical inclusion surcharge from rent controlled tenants, the owner must apply to DHCR for permission to collect the surcharge by filing the DHCR Form RN-79b. The surcharge may not be collected until DHCR issues an order authorizing the surcharge. These monthly charges remain collectible throughout the year even if the air conditioner is removed, i.e., during the winter months. Where prior to October 1, 2026, collection of an air conditioner charge was ordered and approved in a specified dollar amount, that charge remains in effect for the current year.

For both **RENT STABILIZED and RENT CONTROLLED APARTMENTS**, for air conditioners initially installed prior to October 1, 1985, the permissible charge is dependent upon the lawful practice then in effect.

Anthony Tatano
Deputy Commissioner
for Rent Administration

Dated: September 30, 2026