Bill Draft 3

**STATE OF NEW YORK**

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2019-2020 Regular Sessions

**SENATE - ASSEMBLY**

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IN SENATE -- Introduced by

IN ASSEMBLY -- Introduced by

AN ACT to amend the general obligations law and the real property law in relation to exemptions from deposit requirements for tenants of non-stabilized permanent dwelling units

**The people of the State of New York, represented in Senate and Assembly, do enact as follows:**

Section 1. Subdivision (1) of section 7-108 of the general obligations law is amended to read as follows:

§ 7-108. Deposits made by tenants of non-rent stabilized dwelling units. 1. This section shall apply to all **permanent** dwelling units in residential premises, unless such dwelling unit is specifically referred to in section 7-107 of this title.

§2. Subdivision (1-a) and paragraph (a) of Subdivision (1-a) of section 7-108 of the general obligations law is amended to read as follows:

    1-a. Except in dwelling units subject to the city rent and rehabilitation law or the emergency housing rent control law, continuing care retirement communities licensed pursuant to article forty-six or forty-six-A of the public health law, assisted living providers licensed pursuant to article forty-six-B of the public health law, adult care facilities licensed pursuant to article seven of the social services law, senior residential communities that have submitted an offering plan to the attorney general, **[or]** not-for-profit independent retirement communities that offer personal emergency response, housekeeping, transportation and meals to their residents, **or housing subject to the Housing for Older Persons Act of 1995 (HOPA) Pub. Law 104-76, 109 Stat. 878**:

1. No deposit or advance shall exceed the amount of one month's rent under such contract **except, if applicant fails to meet the financial qualifications of landlord’s rental selection screening criteria and is thereafter rejected by landlord as a tenant, the landlord and applicant may enter into a mutual written agreement at the request of the applicant for a specific amount agreed upon by the parties in excess of one month’s security to mitigate the landlord’s risk as a sign of good faith to accept such applicant. It shall be unlawful for any landlord to threaten or engage in any other conduct which is intended to coerce an applicant to pay more than one month’s rent as security.**

§3. Paragraph 1 of Section 238-a of the Real Property Law is amended to read as follows:

1.(a) Except in instances where statutes or regulations provide for a payment, fee or charge, no landlord, lessor, sub-lessor or grantor may demand any payment,  fee, or charge for the processing, review or acceptance of an application, or ~~[demand any other payment, fee, or charge before or]~~ at the beginning of the tenancy, except background  and  credit checks as provided by paragraph **[(b)]** **(c)** of this subdivision, provided that this subdivision shall not apply to entrance fees charged by continuing care retirement communities licensed pursuant to article forty-six or forty- six-A of the public health law, assisted living providers licensed pursuant to article forty-six-B of the public health law, adult care facilities licensed pursuant to article seven of the social services law, **[or]** not-for-profit independent retirement communities that offer personal emergency response, housekeeping transportation and meals to their residents, **or housing subject to Housing for Older Persons Act of 1995 (HOPA) Pub. L. 104-76, 109 Stat. 878.**

1. **The tenant may prepay rent at any time in tenant’s discretion for as long as the duration of the term of the written lease provider provided landlord holds the money in escrow and as the rent becomes due applies it to tenant’s ledger as a credit.  If tenant vacates a premise in violation of the terms of the lease, the landlord shall, in good faith and accordance with §227-e return any amounts beyond what is owed in rent under the terms of the written lease within 14 days to Tenant.**

**(c)** A landlord, lessor, sub-lessor or grantor may charge a fee or fees to reimburse costs associated with conducting a background check and credit check, provided the cumulative fee or fees for such checks is no more than the actual cost of the background check and credit check or twenty dollars, whichever is less, and the landlord, lessor, sub-lessor or grantor shall waive the fee or fees if the potential tenant provides a copy of a background check or credit check conducted within the past thirty days. The landlord, lessor, sub-lessor or grantor may not collect the fee or fees unless the landlord, lessor, sub-lessor or grantor provides the potential tenant with a copy of the background check or credit check and the receipt or invoice from the entity conducting the background check or credit check.

§3. This act shall take effect immediately