

**NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)**

BILL NUMBER:

SPONSOR:

TITLE OF BILL:

PURPOSE OR GENERAL IDEA OF BILL:

This legislation would amend the real property law, the real property actions and proceedings law, and the general obligations law in relation to changes to Part M of Chapter 36 of the Laws of 2019 to address certain unintended consequences of the Housing Stability and Tenant Protection Act of 2019.

SUMMARY OF PROVISIONS:

Section 1: Amends Section 227-F of the real property law to incorporate the Federal Fair Housing Act by reference.

Section 2: Amends Section 235-A of the real property law in relation to eliminating the five-day notice requirement by property owners for actions arising out of the nonpayment of rent.

Section 3: Amends Section 711 of the real property actions and proceedings law in relation to clarifying notice requirements by property owners for actions arising out of the nonpayment of rent.

Section 4: Amends Section 731 of the real property actions and proceedings law to allow for payment by cash or certified funds in payment when a tenant pays a property owner in whole nullifying an eviction action based on payment defaults.

Section 5 Amends Section 749 of the real property actions and proceedings law in relation to notice requirements for eviction as a result of a breach of a lease and eviction as a result of nonpayment of rent.

Section 6: Amends Section 7-108 of the general obligations law in relation to exemptions from limited deposit requirements paid by tenants of non-rent-stabilized dwelling units.

Section 7: Provides an immediate effective date.

JUSTIFICATION:

While well intentioned, the Housing Stability and Tenant Protection Act of 2019 created a number of unintended consequences that negatively impact both small “Mom and Pop” landlords, as well as tenants alike.

Small business property owners are facing significant challenges under the new law and are facing the potential of losing their livelihoods as a result of some of the more onerous burdens dictated by the law. This legislation seeks to rectify several burdensome processes that were enacted under the new law, while staying true to the legislative intent of the law.

This bill would improve upon notice requirements that are currently duplicative, and costly for small businesses. Failure to pay rent is a leading cause of eviction and costs landlords a significant amount in lost revenue while the process is carried out, threatening their ability to keep up with their own financial obligations. The HSTPA delays the availability of a rental unit to another potential tenant, while threatening the economic sustainability of the property owner during the protracted process. Before this law, the average eviction process took 28 days. But under the new laws, in some instances it has taken as long as 65 days to remove a tenant that has breached the housing contract, which is an unbearable burden for a small business property owner to carry.

The Housing Stability and Tenant Protection Act of 2019 prevents landlords from knowing a tenant's eviction history, full ability to pay rent and other issues that become concerns for the community, which has led to negative impacts for seniors, students, new immigrants, first-time renters and others who have restricted or inconsistent income. The provision has hurt tenants since property owners can no longer afford to take a chance on riskier applicants for housing such as those without steady and reliable income streams. Those riskier applicants seeking housing are now relegated to less desirable options, and that displacement is negatively affecting all renters. This legislation includes amendments to allow tenants with restricted or inconsistent income to have the option of paying additional security to achieve desirable housing.

One-size-fits-all legislation does not best serve all communities throughout the state.

This proposed legislation would improve the current legal framework for both landlords and tenants, as it will fix burdensome process requirements for property owners, improve access to units for tenants, and even guarantee fair operation of seasonal rentals throughout the state.

PRIOR LEGISLATIVE HISTORY:

New bill

FISCAL IMPLICATIONS FOR STATE AND LOCAL GOVERNMENTS:

None

EFFECTIVE DATE:

This act shall take effect immediately.