

STATE OF NEW YORK

3845--A

2025-2026 Regular Sessions

IN SENATE

January 30, 2025

Introduced by Sen. HOYLMAN-SIGAL -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- committee discharged, bill amended, ordered reprinted as amended and recommended to said committee

AN ACT to amend the real property law and the general obligations law, in relation to prohibiting residential landlords from charging tenants a fee for a dishonored rent check in excess of the actual costs or fees incurred by such landlord as a result thereof

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

1 Section 1. Section 238-a of the real property law is amended by adding
2 a new subdivision 2-a to read as follows:

3 2-a. (a) No landlord, lessor, sub-lessor or grantor shall demand any
4 payment, fee, or charge from a tenant for the delivery of a check, draft
5 or like instrument that was given in payment for rent and subsequently
6 dishonored by the tenant's financial institution for insufficient funds
7 except as provided in paragraph (b) of this subdivision.

8 (b) Notwithstanding any contrary provision herein, a landlord, lessor,
9 sub-lessor or grantor may demand any payment, fee, or charge from a
10 tenant for the delivery of a dishonored check only if such payment, fee,
11 or charge was provided for in the lease or contract between landlord,
12 lessor, sub-lessor or grantor and the tenant; provided, however, that
13 such payment, fee, or charge shall not exceed the actual costs, charges
14 or fees incurred by landlord, lessor, sub-lessor or grantor for the
15 return of such dishonored check or the amount set forth in subdivision
16 three of section 5-328 of the general obligations law, whichever is
17 less.

18 (c) As used in this subdivision, "dishonored check" shall have the
19 same meaning as such term is defined in section 5-328 of the general
20 obligations law.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (d) The provisions of this subdivision shall not apply to a sharehold-
2 er of a cooperative housing corporation, provided, however, that the
3 provisions of this subdivision shall apply with respect to any tenant or
4 subtenant of such a shareholder.

5 § 2. Subdivision 3 of section 5-328 of the general obligations law, as
6 added by chapter 529 of the laws of 1995, is amended to read as follows:

7 3. (a) Notwithstanding any other provision of law, any person to whom
8 a check, draft or like instrument, other than a money order, bank cash-
9 ier's check or certified check, is tendered for any transaction, other
10 than a consumer transaction, may, if such instrument is dishonored
11 charge or collect from the maker or drawer the amount of twenty dollars
12 for the return of such unpaid or dishonored instrument.

13 (b) Notwithstanding any other provision of this subdivision, a land-
14 lord, lessor, sub-lessor or grantor to whom a check, draft or like
15 instrument, other than a money order, bank cashier's check or certified
16 check, is tendered for payment of rent, may if such instrument is
17 dishonored charge or collect from the maker or drawer the amount of
18 actual costs, charges or fees incurred by such landlord, lessor, sub-
19 lessor or grantor for the return of such dishonored check or the amount
20 set forth in paragraph (a) of this subdivision, whichever is less,
21 provided that such dishonored check charge was contracted for in the
22 lease agreement between the tenant and landlord, lessor, sub-lessor or
23 grantor in accordance with the requirements of subdivision two-a of
24 section two hundred thirty-eight-a of the real property law. The
25 provisions of this paragraph shall not apply to a shareholder of a coop-
26 erative housing corporation, provided, however, that the provisions of
27 this paragraph shall apply with respect to any tenant or subtenant of
28 such a shareholder.

29 § 3. This act shall take effect immediately and shall apply to actions
30 and proceedings commenced on and after such effective date.