

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sen. MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend general obligations law, in relation to money deposited or advanced for use or rental of real property

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision 2 of section 7-103 of the general obligations
2 law, as amended by chapter 402 of the laws of 1979, is amended to read
3 as follows:

4 2. Whenever the person receiving money so deposited or advanced shall
5 deposit such money in a banking organization, such person shall thereup-
6 on notify in writing each of the persons making such security deposit or
7 advance, giving the name and address of the banking organization in
8 which the deposit of security money is made, and the amount of such
9 deposit. Deposits in a banking organization pursuant to the provisions
10 of this subdivision shall be made in a banking organization having a
11 place of business within the state. If the person depositing such secu-
12 rity money in a banking organization shall deposit same in an interest
13 bearing account, [he shall be entitled to receive, as administration
14 expenses, a sum equivalent to one per cent per annum upon the security
15 money so deposited, which shall be in lieu of all other administrative
16 and custodial expenses. The balance of] the interest paid by the banking
17 organization shall be the money of the person making the deposit or
18 advance and shall either be held in trust by the person with whom such
19 deposit or advance shall be made, until repaid or applied for the use or
20 rental of the leased premises, or annually paid to the person making the
21 deposit of security money.

22 S 2. This act shall take effect on the first of January next succeed-
23 ing the date on which it shall have become a law.

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

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