S T A T E O F N E W Y O R K

10359

I N A S S E M B L Y

May 23, 2016

Introduced by M. of A. WALKER, WEINSTEIN -- read once and referred to the Committee on Judiciary

AN ACT to amend the general obligations law, in relation to tenant security deposit accounts

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

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

2. Whenever the person receiving money so deposited or advanced shall deposit such money in a banking organization, such person shall thereupon notify in writing each of the persons making such security deposit or advance, giving the name and address of the banking organization in which the deposit of security money is made, and the amount of such deposit. Deposits in a banking organization pursuant to the provisions of this subdivision shall be made in a banking organization having a place of business within the state. If the person depositing such security money in a banking organization shall deposit same in an interest bearing account, [he] SUCH PERSON shall be entitled to receive, as administration expenses, a sum equivalent to TWENTY PERCENT OF THE INTEREST EARNED BY SUCH SECURITY MONEY PER ANNUM, BUT NO MORE THAN one [per cent] PERCENT per annum [upon] OF the security money so deposited, which shall be in lieu of all other administrative and custodial expenses. The balance of the interest paid by the banking organization shall be the money of the person making the deposit or advance and shall either be held in trust by the person with whom such deposit or advance shall be made, until repaid or applied for the use or rental of the leased premises, or annually paid to the person making the deposit of security money.

S 2. This act shall take effect on the first of January next succeeding 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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