

STATE OF NEW YORK

10828

IN ASSEMBLY

July 16, 2020

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Epstein) --
read once and referred to the Committee on Housing

AN ACT to suspend rent payments for certain tenants in response to the outbreak of coronavirus; and to amend the state finance law, in relation to establishing the COVID-19 rental assistance fund

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

Section 1. For the purposes of this act:

(a) "actual income" means (i) for a residential tenant, all wages, tips, overtime, salary, recurring gifts, returns on investment, welfare assistance, social security payments, child support payments, unemployment benefits, emergency federal, state or local assistance, or any other form of income that may be used to pay rent; and (ii) for a not-for-profit organization employing less than one hundred people or small business, all revenue, including emergency federal, state or local assistance, or any other form of income that may be used to pay rent, received minus the amount of any wages or salary paid to employees of the not-for-profit corporation or small business.

(b) "landlord" means the person or entity to whom a tenant owes rent;

(c) "rent" means the amount charged in consideration for the use and occupancy of real property pursuant to a written or oral rental agreement or statute;

(d) "state of emergency" means the state of emergency declared by executive order 202 that began on March 7, 2020.

(e) "covered tenant" includes a residential tenant having the same meaning as paragraph (a) or (b) of subdivision 1 of section 235-f of the real property law, or those who otherwise pay for the use and occupancy of a residential dwelling, except for a residential tenant receiving a local, state or federal income based rental subsidy, a tenant that is a not-for-profit corporation, or a tenant that is a small business as defined by section 131 of the economic development law.

§ 2. (a) (i) Notwithstanding any other provision of law, rule or regulation to the contrary, any covered tenant in the state that has lost earned income, has been forced to close their place of business, or

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

LBD16740-01-0

1 whose business activities have been substantially curtailed resulting in
2 a loss of income as a result of government ordered restrictions in
3 response to the outbreak of coronavirus disease 2019 (COVID-19), shall
4 be responsible for rent payments up to thirty percent of their current
5 income or their contractual rent, whichever is less, per month for the
6 duration of ninety days following the effective date of this act. A
7 landlord of a covered tenant shall waive twenty percent of the contrac-
8 tual rent per month for the duration of ninety days following the effec-
9 tive date of this act.

10 (ii) Where a tenant is authorized to pay an amount that is less than
11 their contractual or statutory rent pursuant to this act, the tenant
12 shall provide the landlord with a written and signed statement affirming
13 the tenant's aggregate actual income for the thirty days prior to the
14 date such rent was due. Such payment shall absolve the tenant of any
15 further obligation to pay rent and any difference between the rent that
16 would have been contractually or statutorily owed and the amount paid
17 pursuant to this paragraph shall be waived, except where a tenant later
18 receives additional income, such rent obligations shall be recalculated.

19 (iii) In a summary proceeding for the non-payment of rent under arti-
20 cle 7 of the real property actions and proceedings law, a tenant may
21 raise a payment made pursuant to this act as a defense to non-payment.
22 If the amount of the tenant's actual income is in dispute, the court
23 shall review documentation of the tenant's income in camera, unless
24 otherwise deemed necessary by the court. Notwithstanding any other
25 provision of law to the contrary, pay stubs, copies of checks and signed
26 letters from the tenant's employer, and other customary documentation of
27 income shall constitute prima facie evidence of the tenant's actual
28 income and shall be presumptively admissible in such summary proceeding.

29 (b) Any tenant whose lease expires during the state of emergency shall
30 have the option of extending such lease under the terms existing prior
31 to the expiration of the lease for a period of up to ninety days after
32 the expiration of the state of emergency.

33 (c) Late fees, interest or other penalties shall not be collectable
34 for rent accrued during the existence of the state of emergency.

35 § 3. Notwithstanding any other law to the contrary, a landlord that
36 has lost rental income pursuant to this act and has not been fully
37 compensated by emergency federal, state or local assistance, may apply
38 to the division of housing and community renewal for relief. The commis-
39 sioner may, upon satisfaction of the veracity of the landlord's applica-
40 tion and to the extent possible, authorize the distribution of any emer-
41 gency aid available through the COVID-19 rental assistance fund pursuant
42 to section 99-ii of the state finance law in response to the outbreak of
43 the novel coronavirus disease 2019 (COVID-19), to any such landlord in
44 the amount of the balance of rental income lost after the twenty percent
45 of the contractual rent waived by the landlord and any amount paid by a
46 covered tenant pursuant to section two of this act. The commissioner of
47 the division of housing and community renewal shall promulgate rules and
48 regulations to effectuate this act.

49 § 4. Notwithstanding any other law to the contrary, no court shall
50 accept for filing a petition to commence a new summary proceeding to
51 recover possession of real property under article 7 of the real property
52 actions and proceedings law for non-payment of rent for at least thirty
53 days following the expiration of the state of emergency; provided any
54 statute of limitations applicable to such summary proceedings shall be
55 tolled for thirty days. In no event shall late or reduced rent payments

1 during the state of emergency constitute the basis for a summary hold-
2 over proceeding for the chronic nonpayment of rent.

3 § 5. The state finance law is amended by adding a new section 99-ii to
4 read as follows:

5 § 99-ii. COVID-19 Rental assistance fund. 1. There is hereby estab-
6 lished in the joint custody of the commissioner of housing and community
7 renewal and the comptroller, a special fund to be known as the "COVID-19
8 rental assistance fund".

9 2. Such fund shall consist of any unrestricted federal emergency
10 assistance funding provided to the state that may be appropriated for
11 such purpose, and all other moneys appropriated, credited, or trans-
12 ferred thereto from any other fund or source pursuant to law. Nothing in
13 this section shall prevent the state from soliciting and receiving
14 grants, gifts or bequests for the purposes of the fund as defined in
15 this section and depositing them into the fund according to law.

16 3. Moneys of the fund shall be expended only for relief due to reduced
17 rental income caused by outbreak of novel coronavirus disease 2019
18 (COVID-19).

19 4. Moneys shall be paid out of the fund on the audit and warrant of
20 the comptroller on vouchers approved and certified by the commissioner
21 of housing and community renewal. Any interest received by the comp-
22 troller on moneys on deposit in the COVID-19 rental assistance fund
23 shall be retained in and become part of such fund.

24 § 6. This act shall take effect immediately and shall be deemed to
25 have been in full force and effect on and after March 7, 2020.