STATE OF NEW YORK

4780

2019-2020 Regular Sessions

IN ASSEMBLY

February 5, 2019

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

AN ACT to amend the general obligations law and the real property law, in relation to limiting the amount of a security deposit on rental property

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

Section 1. Subdivision 1 of section 7-103 of the general obligations law, as amended by chapter 1009 of the laws of 1970, is amended to read as follows

1.**(a)** Whenever money shall be deposited or advanced on a contract or license agreement for the use or rental of real property as security for performance of the contract or agreement or to be applied to payments upon such contract or agreement when due, such money, with interest accruing thereon, if any, until repaid or so applied, shall continue to be the money of the person making such deposit or advance and shall be held in trust by the person with whom such deposit or advance shall be made and shall not be mingled with the personal moneys or become an asset of the person receiving the same, but may be disposed of as provided in section 7-105 of this chapter.

(b) No person shall require a deposit or advance, pursuant to paragraph (a) of this subdivision, in an amount greater than the equivalent of one month's rent.

§ 2. Subparagraph (a) of paragraph 4 of subdivision g of section 233 of the real property law, as amended by chapter 566 of the laws of 1996, is amended to read as follows:

(a) **(i)** Whenever money shall be deposited or advanced on a contract or license agreement for the use or rental of premises and the manufactured home, if rented, in a manufactured home park as security for performance of the contract or agreement or to be applied to payments upon such contract or agreement when due, such money with interest accruing there-

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

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on, if any, until repaid or so applied, shall continue to be the money of the person making such deposit or advance and shall be a trust fund in the possession of the person with whom such deposit or advance shall be made and shall not be mingled with other funds or become an asset of the park owner, operator or his agent.

(ii) No person shall require a deposit or advance, pursuant to clause (i) of this subparagraph, in an amount greater than the equivalent of one month's rent.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law and shall apply to contracts entered into or renewed on and after such effective date.