

STATE OF NEW YORK

3504

2021-2022 Regular Sessions

IN SENATE

January 29, 2021

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

AN ACT to amend the general obligations law, in relation to permitting lessees the option to pay security deposits in installments

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

1 Section 1. Section 7-103 of the general obligations law is amended by
2 adding a new subdivision 2-c to read as follows:

3 2-c. For any deposit or advance under this section, the person making
4 such deposit or advance shall have the option to pay such deposit or
5 advance in installments.

6 (a) Such installments shall be due on the first of each subsequent
7 month until the deposit or advance is paid in full.

8 (b) For leases under this section of a term of one year or longer,
9 tenants shall be allowed to pay not more than six consecutive and equal
10 installments.

11 (c) Landlords shall not impose any additional fees or interest on a
12 tenant that pays his or her security deposit or advance under this
13 subdivision.

14 (d) Any agreement to pay a security deposit in installments shall be
15 included within such contract or agreement and shall specify the total
16 deposit amount due and the amount due for each installment.

17 (e) This subdivision shall apply to any deposit, advance or non-re-
18 fundable fee used as a down payment for use of rental property.

19 (f) Any person who violates the provisions of this subdivision shall
20 be punished by a civil fine of up to fifteen percent of the annual rent
21 under such contract or agreement.

22 § 2. This act shall take effect on the sixtieth day after it shall
23 have become a law.

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

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