STATE OF NEW YORK

5144--B

2021-2022 Regular Sessions

IN SENATE

February 25, 2021

Introduced by Sens. GIANARIS, BROUK, GOUNARDES, JACKSON, MYRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property law, in relation to personal liability provisions in certain commercial leases

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

Section 1. The real property law is amended by adding a new section 235-i to read as follows:

§ 235-i. Personal liability provisions in commercial leases. A provision in a commercial lease or other rental agreement involving real property located within New York state that provides for one or more natural persons who are not the tenant under such agreement to become, upon the occurrence of a default or other event, wholly or partially personally liable for payment of rent, utility expenses, or taxes owed by the tenant under such agreement, or any other fees, charges or payments owed by the tenant under such agreement, shall not be enforceable against such natural persons at any point if:

(a) The tenant was:

(i) required to cease serving patrons food or beverage for on-premises consumption or to cease operation under executive order number 202.3 issued by the governor on March sixteenth, two thousand twenty;

(ii) a non-essential business subject to in-person limitations under guidance issued by the New York state department of economic development pursuant to executive order number 202.6 issued by the governor on March eighteenth, two thousand twenty; or

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

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(iii) required to close to members of the public under executive order number 202.7 issued by the governor on March nineteenth, two thousand twenty; and

(b) The default or other event causing such natural persons to become wholly or partially personally liable for such obligation occurred between March seventh, two thousand twenty and August thirty-first, two thousand twenty-one.

§ 2. This act shall take effect immediately.