

# STATE OF NEW YORK

7735

## IN SENATE

January 7, 2022

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

AN ACT to amend the general obligations law and the real property law, in relation to excluding tenant-shareholders in cooperative housing corporations from certain housing provisions

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

1 Section 1. Paragraph (a) of subdivision 1-a of section 7-108 of the  
2 general obligations law, as separately amended by chapter 428 and a  
3 chapter of the laws of 2021 amending the general obligations law, the  
4 real property law, and the real property actions and proceedings law  
5 relating to excluding tenant-shareholders in cooperative housing corpo-  
6 rations from certain housing provisions, as proposed in legislative  
7 bills numbers S. 5105-C and A. 350-C, is amended to read as follows:

8 (a) No deposit or advance shall exceed the amount of one month's rent,  
9 unless the deposit or advance is for a seasonal use dwelling unit as  
10 provided for in subdivisions four and five of this section, or unless  
11 the deposit or advance is for an owner-occupied cooperative apartment as  
12 provided for in subdivision [~~four~~] six of this section.

13 § 2. Subdivision 4 of section 7-108 of the general obligations law, as  
14 amended by a chapter of the laws of 2021 amending the general obli-  
15 gations law, the real property law, and the real property actions and  
16 proceedings law relating to excluding tenant-shareholders in cooperative  
17 housing corporations from certain housing provisions, as proposed in  
18 legislative bills numbers S. 5105-C and A. 350-C, is renumbered subdivi-  
19 sion 6 and is amended to read as follows:

20 6. A dwelling unit shall qualify as an owner-occupied cooperative  
21 apartment for the purpose of paragraph (a) of subdivision one-a of this  
22 section if it meets all of the following conditions:

23 (a) the tenant is the dwelling unit owner, purchaser or shareholder of  
24 such a cooperative housing corporation;

25 (b) such tenant has or will have after purchase exclusive occupancy of  
26 such dwelling unit individually and with the permitted occupants pursu-

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

LBD03421-16-2

1 ant to a proprietary lease or occupancy agreement and established and  
2 delimited rights under such lease or agreement; and

3 (c) such dwelling unit is not subject to the provisions of article  
4 two, article four, article five, or article eleven of the private hous-  
5 ing finance law. For the purposes of this paragraph, "deposit or  
6 advance", as used in paragraph (a) of subdivision one-a of this section,  
7 shall not include any payments or advances that are part of the purchase  
8 price of the unit or shares.

9 § 3. Paragraph (b) of subdivision 1 of section 238-a of the real prop-  
10 erty law, as amended by a chapter of the laws of 2021 amending the  
11 general obligations law, the real property law, and the real property  
12 actions and proceedings law relating to excluding tenant-shareholders in  
13 cooperative housing corporations from certain housing provisions, as  
14 proposed in legislative bills numbers S. 5105-C and A. 350-C, is amended  
15 to read as follows:

16 (b) A landlord, lessor, sub-lessor or grantor may charge a fee or fees  
17 to reimburse costs associated with conducting a background check and  
18 credit check, provided the cumulative fee or fees for such checks is no  
19 more than the actual cost of the background check and credit check or  
20 twenty dollars, whichever is less, and the landlord, lessor, sub-lessor  
21 or grantor shall waive the fee or fees if the potential tenant provides  
22 a copy of a background check or credit check conducted within the past  
23 thirty days. The landlord, lessor, sub-lessor or grantor may not collect  
24 the fee or fees unless the landlord, lessor, sub-lessor or grantor  
25 provides the potential tenant with a copy of the background check or  
26 credit check and the receipt or invoice from the entity conducting the  
27 background check or credit check. Notwithstanding the provisions of  
28 this paragraph, a cooperative housing corporation[~~, other than a cooper-~~  
29 ~~ative housing corporation subject to the provisions of article two,~~  
30 ~~article four, article five or article eleven of the private housing~~  
31 ~~finance law,~~] shall be permitted to charge a fee or fees to reimburse  
32 costs associated with conducting a background check and credit check in  
33 excess of twenty dollars, where the potential tenant would become a  
34 dwelling unit owner or shareholder of such cooperative housing corpo-  
35 ration, provided the cumulative fee or fees for such checks is no more  
36 than the actual cost of such background check and/or credit check.  
37 Further, with regard to a cooperative housing corporation subject to the  
38 provisions of article two, article four, article five or article eleven  
39 of the private housing finance law, all such fees must be reasonable and  
40 approved by the agency supervising such cooperative housing corporation.

41 § 4. This act shall take effect on the same date and in the same  
42 manner as a chapter of the laws of 2021 amending the general obligations  
43 law, the real property law, and the real property actions and  
44 proceedings law relating to excluding tenant-shareholders in cooperative  
45 housing corporations from certain housing provisions, as proposed in  
46 legislative bills numbers S. 5105-C and A. 350-C, takes effect.