STATE OF NEW YORK

5071

2023-2024 Regular Sessions

IN SENATE

February 22, 2023

Introduced by Sen. CLEARE -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to prohibiting certain debt arrears from being reported to consumer reporting agencies

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

Section 1. The general business law is amended by adding a new section 399-zzzzzz to read as follows:

§ 399-zzzzzz. Prohibition on reporting of certain debt arrears. 1. No person, firm, partnership, association or corporation shall report debt arrears of an individual which are due to a COVID-19 related hardship to a consumer reporting agency as defined in section three hundred eighty-a of this chapter.

2. Debt arrears reported in violation of the provisions of subdivision one of this section shall be expunged from the file, as defined in section three hundred eighty-a of this chapter, of any individual who files a dispute regarding such debt arrears pursuant to section three hundred eighty-f of this chapter.

3. As used in this section "COVID-19 related hardship" means:

(a) A significant loss of household income during the COVID-19 pandemic.

(b) Increase in necessary out-of-pocket expenses related to performing essential work or related to health impacts during the COVID-19 pandemic.

(c) Childcare responsibilities or responsibilities to care for an elderly, disabled, or sick family member during the COVID-19 pandemic have negatively affected the ability of the individual or the ability of someone in the household of such individual to obtain meaningful employment or earn income or increased such individual's necessary out-of-pocket expenses.

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

LBD07995-01-3

(d) Other circumstances related to the COVID-19 pandemic have negatively affected the individual's ability to obtain meaningful employment or earn income or have significantly reduced the individual's household income or significantly increased such individual's expenses.

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