

STATE OF NEW YORK

56--B

Cal. No. 11

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. EPSTEIN, BURDICK, GALLAGHER, KELLES, GLICK, REYES, CUNNINGHAM, RAGA, CRUZ, SEAWRIGHT, DAVILA, LEVENBERG, BICHOTTE HERMELYN, SCHIAVONI, LEE -- Multi-Sponsored by -- M. of A. SIMON -- read once and referred to the Committee on Housing -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- passed by Assembly and delivered to the Senate, recalled from the Senate, vote reconsidered, bill amended, ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the real property law and the general obligations law, in relation to prohibiting residential landlords from charging tenants a fee for a dishonored rent check in excess of the actual costs or fees incurred by such landlord as a result thereof

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

1 Section 1. Section 238-a of the real property law is amended by adding
2 a new subdivision 2-a to read as follows:

3 2-a. (a) No landlord, lessor, sub-lessor or grantor shall demand any
4 payment, fee, or charge from a tenant for the delivery of a check, draft
5 or like instrument that was given in payment for rent and subsequently
6 dishonored by the tenant's financial institution for insufficient funds
7 except as provided in paragraph (b) of this subdivision.

8 (b) Notwithstanding any contrary provision herein, a landlord, lessor,
9 sub-lessor or grantor may demand any payment, fee, or charge from a
10 tenant for the delivery of a dishonored check only if such payment, fee,
11 or charge was provided for in the lease or contract between landlord,
12 lessor, sub-lessor or grantor and the tenant; provided, however, that:

13 (i) such payment, fee, or charge shall not exceed the actual costs,
14 charges or fees incurred by landlord, lessor, sub-lessor or grantor for
15 the return of such dishonored check or the amount set forth in subdivi-

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

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1 sion three of section 5-328 of the general obligations law, whichever is
2 greater; and

3 (ii) if the payment, fee or charge exceeds the amount set forth in
4 subdivision three of section 5-328 of the general obligations law, the
5 landlord, lessor, sub-lessor or grantor shall provide to the tenant upon
6 request evidence substantiating the equivalence between the payment, fee
7 or charge and the amount of actual costs, charges or fees incurred for
8 the return of the dishonored check.

9 (c) As used in this subdivision, "dishonored check" shall have the
10 same meaning as such term is defined in section 5-328 of the general
11 obligations law.

12 (d) The provisions of this subdivision shall not apply to a sharehold-
13 er of a cooperative housing corporation, provided, however, that the
14 provisions of this subdivision shall apply with respect to any tenant or
15 subtenant of such a shareholder.

16 § 2. Subdivision 3 of section 5-328 of the general obligations law, as
17 added by chapter 529 of the laws of 1995, is amended to read as follows:

18 3. (a) Notwithstanding any other provision of law, any person to whom
19 a check, draft or like instrument, other than a money order, bank cash-
20 ier's check or certified check, is tendered for any transaction, other
21 than a consumer transaction, may, if such instrument is dishonored
22 charge or collect from the maker or drawer the amount of twenty dollars
23 for the return of such unpaid or dishonored instrument.

24 (b) Notwithstanding any other provision of this subdivision, a land-
25 lord, lessor, sub-lessor or grantor to whom a check, draft or like
26 instrument, other than a money order, bank cashier's check or certified
27 check, is tendered for payment of rent, may if such instrument is
28 dishonored charge or collect from the maker or drawer the amount of
29 actual costs, charges or fees incurred by such landlord, lessor, sub-
30 lessor or grantor for the return of such dishonored check or the amount
31 set forth in paragraph (a) of this subdivision, whichever is greater,
32 provided that:

33 (i) if the payment, fee or charge exceeds the amount set forth in
34 paragraph (a) of this subdivision the landlord, lessor, sub-lessor or
35 grantor shall provide to the tenant upon request evidence substantiating
36 the equivalence between the payment, fee or charge and the amount of
37 actual costs, charges or fees incurred for the return of the dishonored
38 check; and

39 (ii) such dishonored check charge was contracted for in the lease
40 agreement between the tenant and landlord, lessor, sub-lessor or grantor
41 in accordance with the requirements of subdivision two-a of section two
42 hundred thirty-eight-a of the real property law. The provisions of this
43 paragraph shall not apply to a shareholder of a cooperative housing
44 corporation, provided, however, that the provisions of this paragraph
45 shall apply with respect to any tenant or subtenant of such a sharehold-
46 er.

47 § 3. This act shall take effect immediately and shall apply to actions
48 and proceedings commenced on and after such effective date.