STATE OF NEW YORK

7589

2025-2026 Regular Sessions

IN ASSEMBLY

April 1, 2025

Introduced by M. of A. TAPIA -- read once and referred to the Committee on Judiciary

AN ACT to amend the general obligations law, in relation to declaring any conveyances of real property to a landlord identified on the city of New York's office of the public advocate's worst landlord watchlist as void as against public policy

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

Section 1. Subdivisions 1 and 3 of section 5-101 of the general obligations law are amended to read as follows:

1. As used in sections 5-331, **5-331.1,** 5-703 and 5-1115, the term "conveyance" includes every instrument, in writing, except a will, by which any estate or interest in real property is created, transferred, assigned or surrendered.

3. As used in sections 5-321, 5-323, 5-331, **5-331.1,** 5-703 and 5-1115, the term "real property" is co-extensive in meaning with lands, tenements and hereditaments.

§ 2. The general obligations law is amended by adding a new section 5-331.1 to read as follows:

§ 5-331.1. Certain conveyances of real property void as against public policy. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Affiliated entity" means any entity in which an individual or other entity has a controlling interest or that is otherwise controlled by, or acting at the direction of, such other entity.

(b) "Covered property" means any residential or mixed-use real property or portion thereof in the state of New York.

(c) "Worst landlord watchlist" means the list the city of New York's office of the public advocate's most recently published worst landlord watchlist.

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

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2. Any conveyance of a covered property made to an individual, entity, or beneficial owner identified on the worst landlord watchlist shall be void as against public policy. Such restriction shall apply to conveyances made directly or indirectly, including but not limited to, through affiliated entities, trusts, or limited liability companies where such individual, entity, or beneficial owner holds twenty-five percent or more beneficial ownership.

3. Any conveyance made in violation of subdivision two of this section shall be deemed void by the attorney general, a municipality, or any interested party. Any party that knowingly conveys a covered property in violation of subdivision two of this section shall be subject to a civil penalty of up to fifty thousand dollars per such conveyance. The attorney general shall be authorized to seek injunctive relief for any such violation, including but not limited to, divestiture of such unlawfully conveyed covered property.

4. (a) Upon the conveyance of any covered property, other than where the purchaser of such covered property is purchasing such covered property for their primary residence, the purchaser shall submit an affidavit at the time of deed recording affirming that neither the purchaser nor any beneficial owner is identified on the worst landlord watchlist.

(b) The county clerk shall not record any deed for a covered property for which an affidavit is required to be submitted under paragraph (a) of this subdivision prior to receipt of such affidavit.

5. The city of New York's office of the public advocate shall submit the most recent version of the worst landlord watchlist to the attorney general, the department of state, and all county clerks within the city of New York within thirty days of publication of such most recent version.

6. Any municipality in the state shall be authorized to establish and maintain a registry of landlords operating within the jurisdiction of such municipality that is comparable to the worst landlord watchlist, and may adopt enforcement procedures consistent with this section.

7. If any clause, sentence, paragraph, or subdivision of this section shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or subdivision thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this section would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect July 1, 2026. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made, including by emergency, and completed on or before such effective date.