STATE OF NEW YORK

3164

2025-2026 Regular Sessions

IN SENATE

January 24, 2025

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

AN ACT to amend the general obligations law, in relation to permitting lessees the option to pay security deposits in installments

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

Section 1. Section 7-103 of the general obligations law is amended by adding a new subdivision 2-c to read as follows:

2-c. For any deposit or advance under this section, the person making such deposit or advance shall have the option to pay such deposit or advance in installments.

(a) Such installments shall be due on the first of each subsequent month until the deposit or advance is paid in full.

(b) For leases under this section of a term of one year or longer, tenants shall be allowed to pay not more than six consecutive and equal installments.

(c) Landlords shall not impose any additional fees or interest on a tenant that pays such tenant's security deposit or advance under this subdivision.

(d) Any agreement to pay a security deposit in installments shall be included within such contract or agreement and shall specify the total deposit amount due and the amount due for each installment.

(e) This subdivision shall apply to any deposit, advance or non-refundable fee used as a down payment for use of rental property.

(f) Any person who violates the provisions of this subdivision shall be punished by a civil fine of up to fifteen percent of the annual rent under such contract or agreement.

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

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

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