



Legislation Text

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Int. No. 1424

By Council Members Powers, Rivera, the Public Advocate (Mr. Williams), Treyger, Cumbo, Levin, Lander, Kallos, Levine, Chin, Ayala, Van Bramer, Rosenthal, Gibson, Moya, Dromm, Adams, Koslowitz, Holden, Reynoso, Cornegy, Ampry-Samuel, Brannan, R. Diaz and Louis

A Local Law to amend the administrative code of the city of New York, in relation to limiting rental security deposits to one month of rent

Be it enacted by the Council as follows:

Section 1. Title 26 of the administrative code of the city of New York is amended by adding a new chapter 23 to read as follows:

CHAPTER 23

SECURITY DEPOSITS IN REAL ESTATE TRANSACTIONS

§ 26-2301 Definitions.

§ 26-2302 Security deposits in rental real estate transactions.

§ 26-2301 Definitions. As used in this subchapter, the following terms have the following meanings:

Rental real estate transaction. The term “rental real estate transaction” means a residential real estate transaction involving the rental of real property.

Security deposit. The term “security deposit” means money, whether cash or otherwise, paid to a landlord to be held for all or part of the term of a tenancy to secure performance of any obligation of the tenant under the rental agreement.

§ 26-2302 Security Deposits in rental real estate transactions. It shall be unlawful for any individual, corporation or entity to collect a security deposit in connection with a rental real estate transaction from a tenant or prospective tenant which, in the aggregate, exceeds the value of one month of rent of the property in such

transaction.

§ 2. This local law takes effect 60 days after it becomes law, and shall only apply to rental real estate transactions entered into on or after the effective date of this local law.

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