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Int. No. 626

By Council Members Restler, Louis and P. Sanchez

A Local Law to amend the administrative code of the city of New York, in relation to providing tenants the option of paying a security deposit in six equal monthly installments

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 DEPOSIT INSTALLMENT OPTION

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

Landlord. The term "landlord" has the same meaning as provided in section 27-2004.

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

Tenant. The term "tenant" has the same meaning as provided in section 26-1101.

§ 26-2302 Security deposit installments. a. For tenancies that are six months or longer, a security deposit may be paid at the option of the tenant in six, equal, consecutive, monthly installments.

b. For tenancies that are less than six months, a security deposit may be paid at the option of the tenant in equal, consecutive, monthly installments provided that the number of such installments match the number of months of the tenancy.

c. Nothing in this section shall prohibit a tenant from paying a security deposit in full, or an owner

accepting such payment, provided that the owner has complied with the requirements of section 26-2303.

§ 26-2303 Notification. The owner shall notify a tenant of the security deposit installment option established pursuant to section 26-2302 prior to entering into a lease or rental agreement with the tenant.

§ 26-2304 Damages for noncompliance; attorney's fees. Upon finding a violation of section 26-2303 in any action brought before a court of competent jurisdiction, the court may award damages to the tenant in the amount of one half of the security deposit, in addition to reasonable attorney's fees and other costs.

§ 26-2305 Outreach and education. The department shall conduct outreach and education efforts to inform owners and tenants about the requirements of this chapter.

§ 2. Paragraph 1 of subdivision b of section 26-1102 of the administrative code, as added by local law number 45 for the year 2014, is amended to read as follows:

(1) owners' responsibilities with respect to eviction, heat and hot water, pest management, repairs and maintenance, security deposit installment options, tenant organizations, rent-regulated leases, rental assistance for elderly or disabled tenants, and housing discrimination;

§ 3. Paragraph 1 of subdivision c of section 26-1103 of the administrative code, as added by local law number 45 for the year 2014, is amended to read as follows:

(1) owners' responsibilities with respect to eviction, heat and hot water, pest management, repairs and maintenance, security deposit installment options, tenant organizations, rent-regulated leases, rental assistance for elderly or disabled tenants, and housing discrimination;

§ 4. This local law takes effect 120 days after it becomes law.

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