



**THE COUNCIL OF THE CITY OF NEW YORK  
FINANCE DIVISION  
PRESTON NIBLACK, DIRECTOR  
FISCAL IMPACT STATEMENT**

**PROPOSED INTRO. NO: 5-A**

**COMMITTEE: Consumer Affairs**

**TITLE:** A Local Law to amend the administrative code of the city of New York, in relation to disclosure of the use of tenant screening reports.

**Sponsor:** By Council Member Garodnick, Brewer, Gonzalez, James, Koppell, Koslowitz, Lander, Lappin, Mark-Viverito, Palma, Seabrook, Williams, Arroyo, Crowley

**SUMMARY OF LEGISLATION:** This legislation would require any person who requests application information directly from a prospective tenant to disclose either that the information may be used to obtain a tenant screening report and provide the name and address of the consumer reporting agency, or that the information provided will not be used to obtain a tenant screening report. The disclosure must also state that, pursuant to federal and state law, if adverse action is taken against the applicant based on the information in the tenant screening report, the applicant must be notified that such action was taken and be supplied with the name and address of the consumer reporting agency; that the applicant has the right to inspect and receive a free copy of the report from the consumer reporting agency; and that every tenant or prospective tenant is entitled to one free screening report from each national consumer reporting agency annually and may dispute inaccurate or incorrect information contained in the report.

Any person requesting application information from a prospective tenant would be required to post a sign in any location where his/her principal purpose is conducting business pertaining to the rental of residential real estate properties, disclosing the name and address of all consumer reporting agencies being used, unless the lease involves a building with five or fewer housing units.

The Department of Consumer Affairs would be authorized, upon due notice and hearing, to impose civil penalties of \$250-\$500 for the first offense and \$500-\$700 for any subsequent offense on any person found to be in violation of this legislation.

**EFFECTIVE DATE:** This local law would take effect 120 days after enactment, except that the commissioner of consumer affairs shall take such measures as are necessary for its implementation, including the promulgation of rules, prior to such effective date.

**FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED:** Fiscal 2010

**FISCAL IMPACT STATEMENT:**

	<b>Effective FY10</b>	<b>FY Succeeding Effective FY11</b>	<b>Full Fiscal Impact FY10</b>
<b>Revenues (+)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditures (-)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**IMPACT ON REVENUES:** There is a potential impact on revenues through the collection of fines resulting from the enactment of this legislation. However, there is no way to estimate the actual impact at this time.

**IMPACT ON EXPENDITURES:** There would be no impact on expenditures resulting from the enactment of this legislation.

**SOURCE OF FUNDS TO COVER ESTIMATED COSTS:** N/A

**SOURCE OF INFORMATION:** City Council Finance Division

**ESTIMATE PREPARED BY:** Jonathan Rosenberg, Deputy Director  
Walter Pitts, Legislative Financial Analyst

**HISTORY:** The Committee on Consumer Affairs held a hearing on the Pre-considered Item on February 1, 2010 and it was laid over. Int. 5 was introduced by the Council and referred to the Committee on Consumer Affairs on February 3, 2010. An amendment has been proposed, and the bill will be considered by the Committee on Consumer Affairs as Proposed Int. 5-A on February 11, 2010.