



Legislation Text

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Int. No. 1432

By Council Members Rivera, Powers, Cumbo, Levine, Brannan, Holden, Dromm, Levin, Kallos, Rosenthal, Ayala, Adams, Chin, Lander, Reynoso and Louis

A Local Law to amend the administrative code of the city of New York, in relation to transparency in residential rental application fees

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

REAL ESTATE BROKERS

§ 26-2301 Definitions

§ 26-2302 Disclosure in application fees

§ 26-2303 Penalties

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

Application fee. The term “application fee” means money, remitted in cash or otherwise, as a condition for submitting an application to rent real property for residential purposes.

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

§ 26-2302 Disclosure in application fees. It shall be unlawful for any person to collect an application fee in connection with a rental real estate transaction from a prospective tenant without remitting to the prospective tenant an itemized list of expenses associated with processing the application that are to be paid by such fee at the time of collecting the fee.

§ 26-2303 Enforcement. The department of housing preservation and development shall have the power to enforce this chapter.

§ 26-2304 Penalties. A person who collects an application fee after failing to remit an itemized list of costs as required by section 26-2302 shall be liable for a civil penalty of \$150 for each such violation. Such penalty may be recovered in a proceeding before the office of administrative trials and hearings or a court of competent jurisdiction.

§ 2. This local law takes effect 60 days after it becomes law and shall only apply to rental real estate transactions as defined in section one of this local law that are entered into on or after the effective date of this local law.

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