

LAW OFFICES OF HEATHER A. WRIGHT
ATTORNEYS AND COUNSELORS AT LAW

30 Main Street
P.O. Box 3070
Southampton, New York 11969

16 Library Avenue
Westhampton Beach
New York, 11978
By Appointment Only

631-283-1602
heather@hwrightlaw.com

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The Housing Stability and Tenant Protection Act of 2019

Dear Landlord:

On June 14, 2019, New York State enacted The Housing Stability and Tenant Protection Act of 2019. The Act impacts all residential landlord-tenant leases and eviction proceedings in New York State.

The Act itself is 145 pages long and amends the Real Property Law, the Real Property Actions and Proceedings Law as well as the General Obligations Law.

While much of the Act addresses rent controlled apartments and condominium conversions, there are significant provisions impacting the residential real estate market on the East End.

Limit on Deposits

First, and arguably the most significant change for landlords on the East End, is the prohibition on a landlord collecting a deposit or advance in excess of one month's rent. Typically, a landlord on short term or seasonal rental requires the tenant to pay the entire rent along with the security and/or utility deposit up front. This practice is now strictly prohibited under the new legislation. As a result, a landlord must bill the tenant monthly.

A landlord who violates the Act with respect to deposits may be subject to damages twice the amount of the deposit.

Security Deposit and Itemized Statement

Within fourteen days after the tenant has vacated the premises the landlord is now required to provide an itemized statement indicating the basis for the portion of the security deposit retained, if any, and shall return any remaining deposit to the tenant. If the landlord fails to provide the tenant with the required statement within the fourteen days, the landlord forfeits the right to retain any of the deposit.

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Notice of Late Rent Payments

The Act requires landlords or their agents to deliver written notice, via certified mail, to a tenant who has failed to pay rent within five (5) days of the due date of the monthly rent specified in a lease. The failure to provide the tenant with such written notice may be used by the tenant as an affirmative defense in an eviction proceeding. An affirmative defense is a fact or set of facts that the tenant can use to defeat an eviction proceeding.

Notice Requirements to Raise Rent

Depending on the length of the tenant's occupancy and lease term, landlords must now give tenants written notice if the landlord desires to raise the rent by 5% or more above the current rental rate. The failure of the landlord to give the proper written notice, will negate any rent increase until such time as the landlord has provided the tenant the required written notice.

Eviction Proceedings

Prior to the Act, if a landlord commenced an eviction proceeding, the petition needed to be served on the tenant between 5 and 12 days in advance of the hearing. The time period under the act was expanded to require service of the petition between 10 and 17 days.

Also prior to the Act, if a landlord obtained a warrant of eviction from a landlord-tenant court, written notice had to be served on the tenant to be evicted within 72 hours notice before the eviction took place. Now, the notice requirement has been expanded to 14 days.

As we indicated, the Act itself affects many areas of the landlord tenant relationship. We do not know, given the infancy of the Act, how it will be enforced and interpreted over the course of the next few weeks and months.

Landlords are advised to proceed with caution, and when in doubt contact knowledgeable legal counsel to assist with any issues involving drafting of a lease or commencing an eviction proceeding.

Sincerely,

heather wright

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