

Int. No. 5

By Council Member Garodnick

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

Be it enacted by the Council as follows:

Section 1. Chapter 5 of title 20 of the administrative code of the city of New York is amended by adding a new subchapter 16, to read as follows:

Subchapter 16

Tenant Screening Report Disclosure

§20-807 Definitions.

§20-808 Disclosure.

§20-809 Posting of signs.

§20-810 Violations.

§20-811 Hearing authority.

§20-807 Definitions. For purposes of this subchapter, the following definitions shall apply:

a. "Application information" means all information any prospective tenant or tenants is/are required to provide in connection with renting or leasing residential real property, the purpose of which is to gather information about such prospective tenant or tenants, including, but not limited to personal information such as names, addresses, contact information, social security numbers, employment history, rental history or other information pertinent to entering into a real estate tenancy agreement.

b. "Consumer reporting agency" means any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on

consumers for the purpose of furnishing consumer reports, tenant screening reports or other investigative consumer reports to third parties.

c. "Tenant screening report" means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, history of contact with any housing, civil or criminal court of any state, or mode of living, which is used or expected to be used or collected in whole or part for the purpose of serving as a factor in establishing a consumer's suitability for housing.

d. "User" when used in connection with the use of a tenant screening report means any property owner who receives or requests a tenant screening report for a prospective tenant or tenants, or an agent or representative of such property owner who receives or requests a tenant screening report.

§20-808 Disclosure. a. Any user of a tenant screening report shall disclose to the prospective tenant or tenants who is/are the subject of such report and applying for housing that (i) application information provided by the prospective tenant or tenants may be used to obtain a tenant screening report; and (ii) the name and address of the consumer reporting agency or agencies from which the user will obtain such report.

b. Any user of a tenant screening report shall also notify such potential tenants that, pursuant to federal and state law:

(1) if a user takes adverse action against a prospective tenant on the basis of information contained in a tenant screening report, such user must notify the tenant that such action was taken and supply the name and address of the consumer reporting agency that provided the tenant screening report on the basis of which such action was taken;

(2) any prospective tenant against whom adverse action was taken based on information contained in a tenant screening report has the right to inspect and receive a free copy of such report by contacting the consumer reporting agency;

(3) every tenant or prospective tenant is entitled to one free tenant screening report from each national consumer reporting agency annually, in addition to a credit report that should be obtained from www.annualcreditreport.com; and

(4) every tenant or prospective tenant may dispute inaccurate or incorrect information contained in a tenant screening report directly with the consumer reporting agency.

c. If application information is requested in writing, the statements required by subdivisions a and b of this section shall be in writing, located immediately adjacent to where personal information is requested, and set off in a box and printed in a color that sharply contrasts with the print surrounding it. If application information is requested orally, the user shall provide written copies of the statements required by subdivisions a and b of this section.

§20-809 Posting of signs. a. Any user of a tenant screening report shall post a sign, the form and manner of which shall be determined by rule of the commissioner, in any location at which the principle purpose is conducting business transactions pertaining to the rental of residential real estate properties. Such sign shall be posted in a location visible to potential subjects of such reports and shall disclose in conspicuous size type the name and address of all consumer reporting agencies used. Such sign shall also contain a statement that consumers are entitled to one free tenant screening report from each consumer reporting agency annually and may dispute inaccurate or incorrect information

contained in such tenant screening report directly with the consumer reporting agency.

b. A user of a tenant screening report who has the right to rent or lease housing units in one building with five or fewer housing units that is owned and occupied by such user shall not be required to post a sign pursuant to subdivision a of this section in such building.

§20-810 Violations. Any user of a tenant screening report violating sections 20-808 or 20-809 of this subchapter shall be subject to a civil penalty of not less than two hundred fifty dollars nor more than five hundred dollars for the first violation. Subsequent violations shall be subject to civil penalties of not less than five hundred dollars nor more than seven hundred dollars for each violation.

§20-811 Hearing authority. a. Notwithstanding any other provision of law, the department shall be authorized, upon due notice and hearing, to impose civil penalties for the violation of any provision of this subchapter and any rules promulgated thereunder. The department shall have the power to render decisions and orders and to impose civil penalties not to exceed the amounts specified in section 20-810 of this subchapter for each such violation. All proceedings authorized pursuant to this section shall be conducted in accordance with rules promulgated by the commissioner. The penalties provided for in section 20-810 of this subchapter shall be in addition to any other remedies or penalties provided for the enforcement of such provisions under any other law including, but not limited to, civil or criminal actions or proceedings.

b. All proceedings under this subchapter shall be commenced by the service of a notice of violation returnable to the administrative tribunal of the department. The commissioner shall prescribe the form and wording of notices of violation. The notice of

violation or copy thereof when filled in and served shall constitute notice of the violation charged, and, if sworn to or affirmed, shall be prima facie evidence of the facts contained therein.

§2. This local law shall 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.