



S.305 (Salazar) / A.4454 (Hunter)

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BILL S.305 (Salazar) / A.4454 (Hunter)
SUBJECT Good Cause Eviction
DATE March 27, 2023
OPPOSE

The Business Council, representing more than 3,000 businesses, chambers of commerce, and professional and trade organizations from across New York State that employ more than 1.2 million New Yorkers, strongly opposes S.305 (Salazar) / A.4454 (Hunter), which erodes basic property owner rights and jeopardizes the state’s ability to invest in and build affordable housing.

As it is known, the “Good Cause Eviction Bill” prohibit evictions without good cause, and completely strips property owners of any contractual rights to their rental property by prohibiting the non-renewal of a lease without good cause. A residential lease is a contractual agreement between two parties where the property owner conveys property to a tenant for a specified amount of time. Currently, at the end of each lease agreement, both parties have the right to not renew. “Good Cause” violates basic contract principles, denying the property owner of their contractual right to not renew at the end of a lease term, and therefore, the right to their property until that tenant chooses to vacate. In essence, this bill transfers ownership rights of a property to a tenant without conveying corresponding obligations. This shouldn’t be a lopsided process; both parties should retain the right to renegotiate the terms of the lease upon expiration.

Further, this bill places an arbitrary cap on rent increases while also allowing the renter to sue the owner even if the increase is within the prescribed 3% limit. This overregulation of a currently stable market doesn’t consider costs to the property owner which could warrant an increase over the cap, including rising property taxes, insurance, maintenance, and repairs. Without the ability to cover costs, prospective property owners may be disincentivized from buying or developing rental housing, and those who already own property and rent it out may not be able to meet their mortgage and property tax payments.

The Business Council strongly believes that “Good Cause” would severely limit access to affordable housing across the state and dramatically stifle the state’s ability to attract and retain businesses of all sizes. After St. Paul, MN passed

similar rent-control ordinances, building permits dropped 80% and investors and builders halted development on housing projects, resulting in related job losses. Without sufficient housing, larger businesses will move their businesses elsewhere if there is no affordable housing to accommodate their growing workforce.

This legislation will only lead to disinvestment in rental properties, increased mortgage defaults, and ultimately, a smaller, unstable rental housing market at a time when we need to be increasing access to affordable housing statewide. Without affordable housing, we cannot attract and recruit employers who offer good, stable jobs.

New York is facing a housing crisis and “Good Cause” will only exacerbate it. For these reasons, The Business Council strongly opposes S.305 (Salazar) / A.4454 (Hunter).