## Proposed Int. No. 360-A

By Council Members Ossé, Abreu, Feliz, Hudson, Krishnan, Nurse, Marte, Hanif, Brooks-Powers, Cabán, Sanchez, Louis, Won, Gennaro, Bottcher, Powers, Gutiérrez, Holden, Salaam, Hanks, Restler, Joseph, Avilés, De La Rosa, Stevens, Farías, Narcisse, Williams, Salamanca, Banks, Riley, Rivera, Ayala and the Public Advocate (Mr. Williams) (in conjunction with the Brooklyn and Queens Borough Presidents)

A Local Law to amend the administrative code of the city of New York, in relation to the payment of fees imposed in relation to the rental of residential real property

## Be it enacted by the Council as follows:

1	Section 1. Chapter 4 of title 20 of the administrative code of the city of New York is
2	amended by adding a new subchapter 15 to read as follows:
3	SUBCHAPTER 15
4	RENTAL REAL ESTATE AGREEMENTS
5	§ 20-699.20 Definitions. For purposes of this subchapter, the following terms have the
6	following meanings:
7	Agent. The term "agent" means a person who is licensed as a real estate broker or real
8	estate salesperson under section 440-a of the real property law and is acting in a fiduciary capacity.
9	Dual agent. The term "dual agent" means an agent who is acting as a tenant's agent and a
10	landlord's agent with respect to an agreement regarding the same residential real property.
11	Engage. The term "engage" means to enter into an agreement that requires the payment of
12	a fee by a person for the performance of services by another person.
13	Fee. The term "fee" means an amount of money that is charged by a person for the
14	provision of services to one or more persons, including but not limited to a commission.
15	Landlord. The term "landlord" means the lessor in a residential real property agreement,
16	and includes an owner who lists residential real property for lease with an agent, whether or not a
17	lease results, or who receives an offer to lease residential real property, except for a cooperative

1	housing corporation leasing residential real property to a dwelling unit owner or shareholder of
2	such cooperative housing corporation.
3	Landlord's agent. The term "landlord's agent" means a listing agent who acts alone, or an
4	agent who acts in cooperation with a listing agent, acts as a landlord's subagent, or acts as a
5	broker's agent, to find or obtain a tenant for residential real property. The term "landlord's agent"
6	does not include a dual agent.
7	Listing. The term "listing" means an advertisement or written notice conveying that a
8	property is available for lease.
9	Listing agent. The term "listing agent" means a person who has entered into a listing
10	agreement to act as an agent of the landlord for compensation.
11	Listing agreement. The term "listing agreement" means an agreement between an owner
12	of residential real property and an agent, by which the agent has been authorized to lease the
13	residential real property or to find or obtain a lessee therefor.
14	Real estate transaction. The term "real estate transaction" means a residential real estate
15	transaction involving the rental of property.
16	Residential real property. The term "residential real property" means a dwelling unit, as
17	defined in paragraph 13 of subdivision a of section 27-2004, including a dwelling unit held in the
18	condominium or cooperative forms of ownership, but does not include a proprietary lease in a sale
19	of a cooperative dwelling unit.
20	Tenant. The term "tenant" means a lessee in a residential real property agreement and
21	includes a person who executes an offer to lease residential real property from a landlord through
22	an agent, or who has engaged the services of an agent with the object of entering into a residential
23	real property agreement as a lessee.

1	renant's agent. The term tenant's agent means an agent who agrees to locate residential
2	real property for a tenant or who finds a tenant for a property and presents an offer to lease to the
3	landlord or landlord's agent and negotiates on behalf of the tenant.
4	Tenant's Bill of Rights. The term "tenant's bill of rights" means a written document that
5	contains the following five provisions: a. It is a tenant's choice to work with a real estate broker,
6	but nothing shall require a tenant to do so.
7	b. Compensation to a real estate broker is not fixed and is negotiable between all parties to
8	the leasing transaction.
9	c, A complete list of permissible fees and required forms under New York State Law
10	associated with a rental estate transaction as well as separately stating the broker's fee to be paid
11	for finalizing the rental real estate transaction.
12	d. A notice of confidentiality, in accordance with the real estate broker's agency obligations
13	to a tenant.;
14	e. Contact information for the New York State Department of State Division of Licensing
15	Services.
16	§ 20-699.21 Payment of certain fees imposed in relation to the rental of residential real
17	property. a. Except as expressly provided by subdivision 1 of section 238-a of the real property
18	<u>law÷</u>
19	1. a landlord's agent shall not impose any fee on, or collect any fee from, a tenant related
20	to the rental of residential real property; and
21	2. any agent who publishes a listing for a rental of residential real property with the permission or
22	authorization of the landlord for such property shall not impose any fee on, or collect any fee from,
23	a tenant related to the rental of residential real property.

1	b. A landlord is in violation of subdivision a of this section if:
2	1. a landlord's agent of such landlord violates such subdivision; or
3	2. any agent who publishes a listing for a rental of residential real property with the
4	permission or authorization of such landlord violates such subdivision.
5	c. No person shall condition the rental of residential real property onengage in any act or
6	conduct that is designed to harass, mislead, or deceive a tenant into engaging any agent, including
7	but not limited in order to lease a dual agentresidential real property.
8	dc. No person shall post a listing for the rental of residential real property that represents
9	that fees must be paid in a manner that would violate this section.
10	e. There shall be d. Nothing in this section prevents a rebuttable presumption that an
11	tenant's agent or a dual agent who publishes from collecting a listing fee from the tenant if a
12	compensation agreement exists in writing.
13	e. In any new lease for a rental of residential real property does so with the permission which
14	a tenant is using a voucher from a federal, state or authorization city agency to cover all or part of
15	the rent of such housing unit, the government entity is permitted to pay the broker's fee for such
16	<u>lease.</u>
17	f. Nothing in this section prevents the owner, landlord of such property or government entity
18	from paying all or part of the fee on behalf of the tenant.
19	g. The real estate broker shall provide a prospective tenant with a Tenant's Bill of Rights
20	at first substantive contact. The prospective tenant shall sign an acknowledgement that they
21	received the Tenant's Bill of Rights.

1	h. The requirements of the Tenant's Bill of Rights, the list of permissible fees and the
2	required forms shall be posted on the website of the New York City Department of Consumer and
3	Worker Protection in all required languages.
4	§ 20-699.22 Total fee disclosure. a. Every listing related to the rental of residential real
5	property shall disclose in such listing in a clear and conspicuous manner any fee to be paid by the
6	prospective tenant for the rental of such property.
7	b. Prior to the execution of an agreement for the rental of residential real property, the
8	landlord or landlord's agent shall provide to the tenant an itemized written disclosure of any fees
9	that the tenant must pay to the landlord or to any other person at the direction of the landlord in
10	connection with such rental of residential real property. Such itemized written disclosure shall
11	include a short description of each fee, and the tenant shall sign any such itemized written
12	disclosure prior to signing an agreement for the rental of residential real property. The landlord or
13	landlord's agent shall retain the signed written disclosure required by this subdivision for 3 years
14	and shall provide a copy of such signed written disclosure to the tenant.
15	§ 20-699.23 Penalties. a. Any person who violates the provisions of section 20-699.21 shall
16	be subject to a civil penalty of not more than \$1,000 for the first violation and not more than \$2,000
17	for each subsequent violation occurring within a two-year period.
18	b. Any person who violates the provisions of section 20-699.22 shall be subject to a civil
19	penalty of not more than \$500 for the first violation and not more than \$1,000 for each subsequent
20	violation occurring within a two-year period.
21	c. In a proceeding alleging a violation of this subchapter, the department may seek an order
22	imposing all applicable civil penalties authorized pursuant to this section and requiring restitution

of any fees charged in violation of this subchapter.

1	§ 20-699.24 Private cause of action. Any person alleging a violation of this subchapter may
2	bring a civil action, in accordance with applicable law, in any court of competent jurisdiction. Such
3	court may order compensatory, injunctive and declaratory relief.
4	§ 20-699.25 Outreach and education. a. The commissioner shall establish an outreach and
5	education campaign about the provisions of this subchapter. Such outreach and education shall be
6	provided to real estate brokers, tenants, prospective tenants and members of the public who are
7	likely to be affected by this law.
8	b. The materials required by this section shall be made available on the department's
9	website in English and the designated citywide languages as provided in section 23-1101.
10	§ 2. No person shall enter into an agreement that would allow the collection of a fee that
11	would violate section one of this local law during the period from the effective date of this section
12	until section one of this local law goes into effect. Any such agreement is void.
13	§ 3. This local law takes effect as follows:
14	(i) section one of this local law takes effect 180 days after it becomes law, and applies only
15	to agreements that govern the rental or lease of residential real property, as the term "residential
16	real property" is defined in section 20-699.20, as added by section one of this local law, executed
17	on or after such effective date; and
18	(ii) section two of this local law takes effect immediately.
19	
	DPM/SS LS #12679 7/29/24
	<u>REBNY</u> 11/5/24