



Legal Alert: Fairness in Apartment Rental Expenses (FARE) Act Enacted

December 17, 2024

On November 13th, the City Council passed the Fairness in Apartment Rental Expenses (FARE) Act. This bill, which was approved by a veto-proof majority, automatically became law on December 14th after Mayor Adams declined to sign it within the 30-day window. The FARE Act, aimed to provide financial relief to renters, requires the party that hires the real estate agent (broker) for a residential rental transaction pay the agent's fees. Landlords will no longer be able to charge tenants broker fees for the landlord's agent. Landlords or their agents will also be required to disclose the fees that the tenant must pay in their listings and rental agreements.

Violating the FARE Act can result in civil penalties of up to \$1,000 for the first offense and \$2,000 for repeated violations within two years.

Opponents, including brokers and real estate industry lobby groups, caution that the legislation could backfire, as landlords may increase rents to offset the fees they will soon be required to pay. On December 16, 2024, the Real Estate Board of New York (REBNY) sued in Manhattan federal court to block the law on the grounds that it violates brokers' first amendment right to publish an open listing and the contracts clause of the US constitution, amongst other legal challenges.

The law will take effect in 180-days. The text of Introduction Bill No. 360-A is available [here](#).

We will continue to update you as more information becomes available.