



## **Legal Alert: NYC Imposes Limitations on Charging Brokerage Commissions to Tenants**

**December 4, 2024**

On November 14, 2024, the New York City Council passed a new bill (the “Rental Real Estate Agreements”), which would bar a landlord or landlord’s agent from imposing or collecting any fee related to the rental of residential real estate. A “fee” herein would specifically mean a real estate broker’s commission fee or “any amount of money that is charged by a person for the provision of services to one or more persons.” Violations of this provision are subject to a civil penalty of up to \$1,000 for the first violation, and up to \$2,000.00 for each subsequent violation in a two-year period.

The bill further requires that a landlord or landlord’s agent disclose, in a clear and conspicuous manner, any fees the tenant must pay to the landlord (or to any other person at the landlord’s direction), for a rental unit, in any listing of residential real property that the landlord has.

The bill also qualifies a “dual agent” (i.e., one who works for both the landlord and the tenant) to no longer be deemed to be a landlord’s agent. There are also record retention obligations imposed on the Landlord under the bill. Violations of this provision are subject to a civil penalty of up to \$500 for the first violation, and up to \$1,000.00 for each subsequent violation in a two-year period.

Additionally, the bill could be interpreted as deeming online real estate search engines, such as Zillow or StreetEasy, to be agents of landlords, since they are presumed to be acting with the permission of the owner if they re-post a landlord’s listing.

Currently, the bill has been sent it to the Mayor for review and signature. If Mayor Adams does not veto it, it will become the new law, effective in 180 days from signing. We will continue to update you if the law is enacted.