The New York City Council

Legislation Details (With Text)

File #:	Int 0021-2022 **Version:** *	**Name:**	Requiring a clause in commercial leases that obligates the parties to engage in good faith negotiations during certain states of emergency.
Type:	Introduction	**Status:**	Filed (End of Session)
		In control:	Committee on Small Business
On agenda:	2/10/2022		
Enactment date:		**Enactment #:**	
Title:	A Local Law to amend the administrative code of the city of New York, in relation to requiring a clause in commercial leases that obligates the parties to engage in good faith negotiations during certain states of emergency		
Sponsors:	Justin L. Brannan, Darlene Mealy, Farah N. Louis, Julie Won, Nantasha M. Williams, Kevin C. Riley, Lincoln Restler		
Indexes:			
Attachments:	1. Summary of Int. No. 21, 2. Int. No. 21, 3. February 10, 2022 - Stated Meeting Agenda, 4. Hearing Transcript - Stated Meeting 2-10-22, 5. Minutes of the Stated Meeting - February 10, 2022		

Date	Ver.	Action By	Action	Result
2/10/2022	*	City Council	Introduced by Council	
2/10/2022	*	City Council	Referred to Comm by Council	
12/31/2023	*	City Council	Filed (End of Session)	

Int. No. 21

By Council Members Brannan, Mealy, Louis, Won, Williams, Riley and Restler

A Local Law to amend the administrative code of the city of New York, in relation to requiring a clause in commercial leases that obligates the parties to engage in good faith negotiations during certain states of emergency

Be it enacted by the Council as follows:

Section 1. Chapter 10 of title 22 of the administrative code of the city of New York is amended by adding a new section 22-1007 to read as follows:

§ 22-1007 Good faith negotiation clause in commercial leases. a. Definitions. As used in this section, the following terms have the following meanings:

Commercial lease. The term "commercial lease" means a lease or other rental agreement to rent a covered property for any period of time.

Covered property. The term "covered property" means any property or portion of a property (i) that is lawfully used for buying, selling or otherwise providing goods or services or for other lawful business, commercial, professional services or manufacturing activities, and (ii) for which a certificate of occupancy authorizing residential use of such property or portion of a property has not been issued.

State of emergency. The term "state of emergency" means a period of time during which one or both of the following are in effect: (i) a proclamation issued by the mayor, declaring a local state of emergency pursuant to section 24 of the executive law or other applicable law; or (ii) an executive order issued by the governor, declaring a state disaster emergency pursuant to section 28 of the executive law or other applicable law, and the city of New York, or some portion thereof, an affected area.

b. Good faith negotiations required. 1. Whenever parties contract for the rental of a covered property, the commercial lease shall include, at a minimum, a clause obligating the parties to negotiate in good faith toward a rent concession where the tenant's business is required to close pursuant to an order issued as a result of a state of emergency. Failure to include such good faith clause in a commercial lease shall not be construed to abrogate any implied covenant of good faith and fair dealing.

2. Where parties entered into a commercial lease before the effective date of the local law that added this section and the tenant's business is required to be closed pursuant to an order issued as a result of a state of emergency that is in effect on such effective date, the parties shall negotiate in good faith toward a rent concession.

3. Nothing in this section shall be construed as creating a private right of action.

4. This section does not limit or abrogate any claim or cause of action a person has under common law or by statute.

§ 2. This local law takes effect immediately.

Session 12
MHL
LS #4593
01/18/22

Session 11
SG
LS #14957
Int. 2107-2020