

MAYOR DE BLASIO SIGNS "COMMERCIAL TENANT HARASSMENT" LAW

New York City landlords should take note that on June 28, 2016, Mayor de Blasio signed into law a bill passed by the City Council which outlaws "commercial tenant harassment," *i.e.* the "harassment" by landlords of small businesses and other non-residential tenants operating in their buildings. The law will take effect on September 28, 2016.

The new law defines "commercial tenant harassment" as any conduct by a landlord which is intended to cause a commercial tenant to vacate "covered property" (*i.e.* commercial space), or to surrender or waive any rights (whether under a lease or otherwise) in relation to such covered property, and which conduct includes one or more of the following factors:

- (1) using force against or making express or implied threats that force will be used against a commercial tenant or its invitee;
- (2) repeated interruptions or discontinuances of one or essential services;
- (3) interruption or discontinuance of essential services for an extended period of time;
- (4) interruption or discontinuance of essential service which substantially interferes with a commercial tenant's business;
- (5) the repeated commencement of frivolous court proceedings against a commercial tenant;
- (6) removal from covered property of any personal property belonging to a commercial tenant or its invitee;
- (7) removal of the entrance door for a covered property, rendering the lock on such entrance door inoperable, or changing such lock without supplying the key to the commercial tenant;
- (8) preventing a commercial tenant or its invitee from entering covered property;
- (9) substantially interfering with a commercial tenant's business by commencing unnecessary construction or repairs in or near covered property; and
- (10) engaging in any other repeated or enduring acts or omissions that substantially interfere with the operation of a commercial tenant's business.

The new law permits commercial tenants to bring lawsuits against their landlords for commercial tenant harassment. If the court finds that a landlord has harassed its commercial tenant in violation of law, the court has wide latitude to impose what it deems to be appropriate penalties against the landlord. For instance, the court may impose a monetary penalty of not less than \$1,000 nor more than \$10,000 for each covered property in which the tenant has been harassed; order reimbursement of the tenant's reasonable attorneys' fees and costs; issue a restraining order directing the landlord not to engage in further acts of commercial tenant harassment; and direct the landlord to pay compensatory and even punitive damages.

The law does allow for certain defenses (other than with respect to items [1] and [5] above), *i.e.* that the landlord did not intend to cause the tenant to vacate a covered property or waive rights, and that the landlord acted in good faith and in a reasonable manner to promptly correct the offending conditions. The law also clarifies that a lawful termination of a tenancy, a lawful repossession of covered property, and a lawful refusal to renew or extend a lease or other rental agreement does not constitute commercial tenant harassment. Finally, the law specifically provides that it does not relieve the tenant of the obligation to pay any rent for which it is otherwise liable, and that any monetary remedy awarded to a commercial tenant must be reduced by any amount of delinquent rent or other sums due to the landlord.

Landlords must be mindful of this new law in their dealings with their commercial tenants. Any attempt to engage in the conduct cited above -- for whatever reason -- may now result in, among other things, significant monetary liability. If you are having a dispute with a commercial tenant or you have questions about your commercial tenants, the terms of their leases or the premises they occupy, please call us so that we can work together to formulate a strategy to realize your goals.

For more information regarding this subject matter, please contact us at [\[212\] 867-6000](tel:2128676000).

Sincerely,
Rosenberg & Estis, P.C.
Commercial Real Estate Representation



More Information

[About Rosenberg & Estis, P.C.](#)

