



Labor & Employment Issues Client Alert

Pitta LLP
For Clients
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**“We believe in the ideas of family, mutuality,
the sharing of benefits and burdens
for the good of all, feeling one another’s pain,
sharing one another’s blessing
recognizing that at the heart of the matter
we are bound to each other.”**

-Mario M. Cuomo-

NEW YORK CITY PASSES COVID-19 PACKAGE TO ASSIST SMALL BUSINESSES

On May 13, 2020 the New York City Council passed a package of bills to provide relief to small businesses from the economic difficulties caused by the COVID-19 pandemic. Speaker Corey Johnson said “small businesses and restaurants are the heart and soul of our city. They were struggling before COVID hit and this shutdown has been catastrophic for so many of them.” The package of bills was passed at the City Council’s virtual Stated meeting and are at Mayor Bill de Blasio desk for signature.

The City Council package included passing legislation which places a \$10,000 to \$50,000 civil fine on landlords that threaten commercial tenants who have been impacted by the COVID-19 pandemic. The legislation adds commercial tenants impacted by COVID-19 into a list of protected classes during the health crisis included on a list of factors such as age, race or gender. This legislation was sponsored by Council Member Adrienne E. Adams and Speaker Johnson.

The City Council also passed a bill that suspends personal liability provisions in commercial leases. The legislation protects business owners’ personal assets from being taken in the case of a commercial lease violation if the business is impacted by COVID-19. Council Member Carlina Rivera and Speaker Johnson sponsored the legislation.

The small business package included a waiver for sidewalk fees through February 26, 2021. The legislation was sponsored by Council Member Andrew Cohen. Council Member Cohen said “there’s no revenue to pay that fee. I also think it can play an important role when we reopen restaurants if restaurants’ capacity is limited initially.”

The City Council also passed legislation restricting the fees that third-party food delivery services may charge restaurants during states of emergency when restaurants are not able to offer on premises food consumption. The legislation will regulate delivery services applications such as Grubhub/Seamless, Postmates and Uber Eats. Currently, these apps charge fees amounting to 20 percent of the order for deliveries and 10 percent for the order itself. The City Council’s legislation reduces the fees to 15 and 5 percent. A violation of this bill carries a penalty of \$1,000 per restaurant per day. This bill would remain in effect for the duration of any state of emergency and additional 90 days thereafter. Council Member Francisco Moya sponsored the legislation.

In addition, the Council also passed legislation that prevents third-party food delivery services from charging restaurants for telephone orders that did not result in a transaction. This bill will carry a civil penalty of up to \$500 per day per restaurants for unlawful charges and remains in effect for the duration of any state of emergency and additional 90 days after. The legislation was sponsored by Council Member Mark Gjonaj.

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