

**LEGISLATIVE DIGEST**

[Administrative Code - Termination of Commercial Tenancies Due to COVID-19]

**Ordinance amending the Administrative Code to clarify the rights of landlords and “Tier 1” commercial tenants (certain commercial tenants that employ fewer than 10 full-time equivalent employees as of November 1, 2020) following the tenant’s termination of the lease due to COVID-19.**

Existing Law

Chapter 37C of the Administrative Code protects certain commercial tenants from being evicted due to non-payment of certain months’ rent due to COVID-19. Chapter 37C also states that a “tier 1” tenant (a covered commercial tenant with fewer than 10 employees as of November 1, 2020) may terminate their lease on 30 days’ notice, if the tenant could not pay certain months’ rent due to COVID-19 and has not been to agree with the landlord on a repayment plan.

Amendments to Current Law

The proposed ordinance would clarify that a tier 1 tenant who terminates their lease under Chapter 37C need not continue paying rent after the effective date of the termination, that the landlord may not enforce any penalties that may have been provided for in the lease as a result of the termination, and that the ordinance does not affect any rights or remedies that a landlord may have under state law with respect to any actual damages that may result from the termination of the lease, or any legal or equitable defenses that the tenant may have with respect to such claims.

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