

New York City Department of Consumer Affairs

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Department of Consumer Affairs (“DCA” or “Department”) is proposing to amend the Department’s consumer protection law penalty schedule to add entries for some violations currently missing from the penalty schedule, including for violations of section 5-38 of chapter 5 of title 6 of the Rules of the City of New York, which requires sellers to comply with certain requirements when selling goods declared to be temporarily in short supply. The Department is also proposing to add language to provide for maximum penalties of \$500 in the event of a knowing violation of the consumer protection law code and rules.

When and where is the hearing? DCA will hold a public hearing on the proposed rule via teleconference. The public hearing will take place at 10:30 AM on April 17, 2020. To participate in the public hearing via teleconference, please dial **712-770-4010**, and use the access code **789 503**.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to DCA through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to Rulecomments@dca.nyc.gov.
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling (212) 436-0345. You can also sign up on the teleconference before the hearing begins at 10:30 AM on April 17, 2020. You can speak for up to three minutes.
 - **To speak or listen at the public hearing via teleconference, please dial 712-770-4010 (access code 789 503).** The hearing begins at 10:00 AM on March 25, 2020.

Is there a deadline to submit comments? Yes. You must submit any comments to the proposed rule on or before April 17, 2020.

What if I need assistance to participate in the hearing? You must tell DCA’s External Affairs division if you need a reasonable accommodation of a disability at the hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone at (212) 436-0345. Advance notice is requested to allow sufficient time to arrange the accommodation. Please tell us by April 14, 2020.

This location has the following accessibility option(s) available: wheelchair accessible.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. A few days after the hearing, all comments received by DCA on the proposed rule will be made available to the public online at <http://www1.nyc.gov/site/dca/about/public-hearings-comments.page>.

What authorizes DCA to make this rule? Sections 1043 and 2203(f) of the New York City Charter and sections 20-104(e) and 20-702 of the New York City Administrative Code authorize the Department of Consumer Affairs to make this proposed rule. This proposed rule was not included in the Department of Consumer Affairs’ regulatory agenda for this Fiscal Year because it was not contemplated when the Department published the agenda.

Where can I find DCA’s rules? The Department’s rules are in Title 6 of the Rules of the City of New York.

What laws govern the rulemaking process? DCA must meet the requirements of Section 1043 of the New York City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the New York City Charter.

Pursuant to section 1043(d)(4)(ii) of the New York City Charter, this proposed rule is exempt from review and certification under Charter section 1043(d).

Statement of Basis and Purpose of Proposed Rule

The Department of Consumer Affairs (“DCA” or “Department”) is proposing to amend the Department’s consumer protection law penalty schedule to add an entry for violations of section 5-38 of chapter 5 of title 6 of the Rules of the City of New York, which requires sellers to comply with certain requirements when selling goods declared to be temporarily in short supply. The Department is also proposing to add entries for:

- Violations of section 5-09, which imposes limitations on offers made by sellers;
- Violations of section 5-33, which creates requirements for transactions negotiated in Spanish; and
- Violations of section 5-50, which creates requirements for the delivery of furniture and major appliances.

The penalty for each of these added entries is found in section 20-703 of the New York City Administrative Code.

The Department is also proposing to add language to the penalty schedule to incorporate a maximum penalty of \$500 for knowing violations of the consumer protection law code and rules, which is provided for by section 20-703 of the New York City Administrative Code.

Sections 1043 and 2203(f) of the New York City Charter and sections 20-104(e) and 20-702 of the New York City Administrative Code authorize the Department of Consumer Affairs to make this proposed rule.

Pursuant to section 1043(d)(4)(ii) of the New York City Charter, this proposed rule is exempt from review and certification under Charter section 1043(d).

New material is underlined.

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Proposed Rule Amendments

Section 1. Section 6-47 of subchapter B of chapter 6 of title 6 of the Rules of the City of New York is amended to read as follows:

§ 6-47 Consumer Protection Law Penalty Schedule.

All citations are to Title 20 of the Administrative Code of the City of New York or Title 6 of the Rules of the City of New York.

Unless otherwise specified, the penalties set forth for each section of law or rule shall also apply to all subdivisions, paragraphs, subparagraphs, clauses, items, or any other provision contained therein. Each subdivision, paragraph, subparagraph, clause, item, or other provision charged in the Notice of Violation shall constitute a separate violation of the law or rule.

For the fine amounts marked by a single asterisk, if the respondent timely submits the appropriate proof of having cured a first-time violation, the respondent will not be subject to a civil penalty pursuant to Local Law 153 of 2013.

Pursuant to Section 20-703(b) of the Administrative Code of the City of New York, the knowing violation of any provision of subchapter 1 of chapter 5 of title 20 of the Administrative Code of the City of New York or of any rule promulgated thereunder is subject to a maximum penalty of \$500.

Unless otherwise specified by law, a second or third or subsequent violation means a violation by the same respondent, whether by pleading guilty, being found guilty in a decision, or entering into a settlement agreement for violating the same provision of law or rule, within two years of the prior violation(s).

Citation	Violation Description	First Violation	First Default	Second Violation	Second Default	Third and Subsequent Violation	Third and Subsequent Default
Admin Code § 20-700	Engaged in an unlawful deceptive or unconscionable trade practice	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-09	<u>Failure to comply with the requirements for limitations on offers</u>	<u>\$260</u>	<u>\$350</u>	<u>\$315</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>
6 RCNY § 5-23	Failure to meet the requirement(s) for layaway plans	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-24	Failure to meet requirement(s) for credit card limitations	\$260*	\$350*	\$315	\$350	\$350	\$350
6 RCNY § 5-32	Failure to meet the requirement(s) for documentation of transactions	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-33	<u>Failure to comply with the requirements for transactions negotiated in Spanish</u>	<u>\$260</u>	<u>\$350</u>	<u>\$315</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>
6 RCNY § 5-36	Failure to meet the requirement(s) for sale of used items	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-37	Failure to comply with disclosure of refund policy requirements	\$260*	\$350*	\$315	\$350	\$350	\$350
6 RCNY § 5-38	<u>Failure to comply with requirements for selling goods temporarily in short supply</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>
6 RCNY § 5-39	Failure to meet the requirements for cancellation of home appointment	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-40	Improper limit or disclaimer of liability for negligence	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-40(e)	Improper posting of sign that business is not liable for negligence	\$260*	\$350*	\$315	\$350	\$350	\$350
6 RCNY § 5-41	Collected sales tax on sale of good or service not subject to such tax under Article 28 of the NYS Tax Law or rule and regulations promulgated thereunder	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-46	Failure to meet the requirement(s) for a car rental business	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-46(d)	Failure to post notice of consumer protection law	\$260*	\$350*	\$315	\$350	\$350	\$350
6 RCNY § 5-47	Failure to meet the requirement(s) for jewelry sellers and appraisers	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-50	<u>Failure to comply with the requirements for delivery of furniture and major appliances</u>	<u>\$260</u>	<u>\$350</u>	<u>\$315</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>

6 RCNY § 5-51	Failure to meet the requirement(s) for retail sale of gasoline	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-54	Failure to meet the requirement(s) for repairs of consumer goods	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-55	Failure to meet the requirement(s) for meat and poultry advertising	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-56	Failure to meet the requirement(s) for window gates	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-57	Failure to meet the requirement(s) for utility bill payments	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-58	Improper offer of sale of food in damaged containers	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-59	Improper imposition of restaurant surcharges	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-60	Failure to meet the requirement(s) for franchises	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-61	Failure to meet the requirement(s) for public performance seats	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-63	Failure to meet the requirement(s) for catering contracts	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-68	Failure to meet the requirements for dealers at flea markets	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-69	Failure to meet the requirements of blood pressure reading services	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-70	Failure to meet the requirements for retail service establishments	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-73	Failure to meet the requirement(s) for the sale of box cutters	\$350	\$350	\$350	\$350	\$350	\$350
6 RCNY § 5-75	Failure to post the Buyer's Guide when selling or offering to sell any used automobile	\$260	\$350	\$315	\$350	\$350	\$350
6 RCNY § 5-87 through 6 RCNY § 5-103	Prohibited conduct in offering sales or discounts and related recordkeeping requirements	\$260	\$350	\$315	\$350	\$350	\$350