

New York City Department of Consumer and Worker Protection

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Department of Consumer and Worker Protection (“DCWP” or “Department”) is proposing to add rules implementing Local Law 104 of 2024, which requires that hotel operators obtain a license to operate a hotel in the City of New York.

When and where is the hearing? DCWP will hold a public hearing on the proposed rule. The public hearing will take place at 11:00 AM on February 3, 2025. The public hearing will be accessible by phone and videoconference.

- To participate in the public hearing via phone, please dial +1 646-893-7101.
 - Phone conference ID: 383 304 883#
- To participate in the public hearing via videoconference, please follow the online link:
 - <https://tinyurl.com/4czvnyjf>
 - Meeting ID: 221 004 259 811
 - Passcode: Bw3P86MM

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

- **Website.** You can submit comments to DCWP through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to Rulecomments@dcwp.nyc.gov.
- **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 emailing Rulecomments@dcwp.nyc.gov. You can also sign up on the phone or videoconference before the hearing begins at 11:00 AM on February 3, 2025. You can speak for up to three minutes. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.

Is there a deadline to submit comments? Yes. You must submit any comments to the proposed rule on or before February 3, 2025.

What if I need assistance to participate in the hearing? You must tell DCWP’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 may tell us by email at Rulecomments@dcwp.nyc.gov. Advance notice is requested to allow sufficient time to arrange the accommodation. Please tell us by January 27, 2025.

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 DCWP 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 DCWP to make this rule? Sections 1043 and 2203(c) of the New York City Charter and section 20-104 of the New York City Administrative Code authorize the Department of Consumer and Worker Protection to make these proposed rules.

This proposed rule was not included in the Department of Consumer and Worker Protection’s regulatory agenda for this Fiscal Year because it was not contemplated when the Department published the agenda.

Where can I find DCWP’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? DCWP must meet the requirements of section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of section 1043 of the City Charter.

Statement of Basis and Purpose of Proposed Rule

The Department of Consumer and Worker Protection (“DCWP” or “Department”) is proposing to add rules implementing Local Law 104 of 2024, which requires that hotel operators obtain a license to operate a hotel in the City of New York.

The proposed rules designate the expiration date for hotel licenses, set forth license application requirements for hotels, specify the records that hotels must maintain for inspection by the Department, note the grounds for license suspension, revocation, or denial of a license renewal, and explain the requirements for transfers of a hotel license. Finally, the proposed rules create a penalty schedule for violations of the hotel licensing law and rules.

Sections 1043 and 2203(c) of the New York City Charter and section 20-104 of the New York City Administrative Code authorize the Department of Consumer and Worker Protection to make these proposed rules.

New material is underlined.

[Deleted material is in brackets.]

“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.

Section 1. Subdivision a of section 1-02 of chapter 1 of Title 6 of the Rules of the City of New York is amended by adding the following entry in alphabetical order to read as follows:

<u>Hotel</u>	<u>September 30 of Even Years</u>
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§ 2. Chapter 2 of Title 6 of the Rules of the City of New York is amended by adding a new Subchapter MM to read as follows:

Subchapter MM: Hotels

§ 2-481 License application requirements.

(a) A hotel license expires on September 30th of even numbered years.

(b) An application for a hotel license must include the Department's basic license application, the hotel license application supplement, and any other documents and information requested by the Department. Such other documents and information may include collective bargaining agreements, agreements between the hotel and its employees other than collective bargaining agreements, or other documents that demonstrate compliance with the requirements of Administrative Code sections 20-565.4, 20-565.5, and 20-565.6.

(c) A hotel operator must obtain a separate license for each premises where it operates a hotel in the City of New York, notwithstanding common ownership or operation of multiple hotels. The hotel license issued by the Department shall include the address of the licensed hotel.

§ 2-482 Records.

(a) A hotel operator shall maintain the following records in an electronic format for a period of at least three years:

(1) Any agreement between such hotel operator and an owner of a hotel in the City of New York;

(2) Records demonstrating compliance with the requirements of Administrative Code sections 20-565.4, 20-565.5, and 20-565.6; and

(3) Records demonstrating compliance with the requirements of Administrative Code section 20-851.

(b) All records required by this section shall be made available to the Department electronically upon request, consistent with applicable law and in accordance with rules promulgated hereunder and with appropriate notice.

(c) A hotel operator's failure to maintain, retain, or produce a record that is required to be maintained under this section that is relevant to a material fact alleged by the Department in a summons, petition, or other notice of hearing creates a reasonable inference that such fact is true.

§ 2-483 Transfer of license; change in ownership or partnership.

(a) A successor hotel operator must notify the Department that it has taken over operation of a hotel from a licensed predecessor operator in accordance with Administrative Code section 20-565.2(c) no more than 10 days after assuming operation of such hotel, and before the expiration of the predecessor's hotel license. Failure to provide such notice shall render the hotel license void.

(b) A successor hotel operator must complete the Department's basic license application, the hotel license application supplement, and any other documents and information requested by the Department.

(c) A hotel licensee must notify the Department of a change in its own corporate ownership or partnership in accordance with Administrative Code sections 20-110 and 20-111.

§ 2-484 Denial and refusal to renew; suspension and revocation of license.

(a) Pursuant to Administrative Code section 20-565.2 and in addition to any other powers of the commissioner, and not in limitation thereof, the commissioner may, after due notice and opportunity to be heard, deny or refuse to renew a hotel license and may suspend or revoke any

such license if the applicant or licensee, or, where applicable, any of its officers, principals, directors, members, managers, employees, or stockholders owning more than ten percent of the outstanding stock of the corporation, is found to have:

(1) Made a false statement or concealed a fact in connection with the filing of any application required by subchapter 38 of chapter 2 of title 20 of the Administrative Code or this subchapter;

(2) Failed to comply with any of subdivisions a or b of section 20-565.4, subdivisions a or c of 20-565.5, section 20-565.7 of the Administrative Code, or any of the rules promulgated thereunder, on three or more occasions within a three-year period;

(3) Failed to comply with any of the requirements of this subchapter or any of the provisions of subchapter 38 of Title 20 of the Administrative Code on five or more occasions within a three-year period; or

(4) Operated a hotel at which three or more violations for human trafficking, as defined in section 20-565 of the Administrative Code, occurred within a three-year period.

§ 3. Subchapter B of chapter 6 of Title 6 of the Rules of the City of New York is amended to add new section 6-88 to read follows:

§ 6-88 Hotel Licensing Penalty Schedule.

All citations are to Title 20 of the Administrative Code 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.

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

Citation	Violation Description	First Violation	First Default	Second Violation	Second Default	Third Violation	Third Default	Fourth and Subsequent Violation	Fourth and Subsequent Default
<u>Admin. Code § 20-565.1</u>	<u>Operating a hotel without a license</u>	<u>\$100 per day</u>	<u>\$100 per day</u>	<u>\$100 per day</u>	<u>\$100 per day</u>	<u>\$100 per day</u>	<u>\$100 per day</u>	<u>\$100 per day</u>	<u>\$100 per day</u>
<u>Admin. Code § 20-565.3</u>	<u>Failure to conspicuously display hotel license</u>	<u>\$500</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$2,500</u>	<u>\$2,500</u>	<u>\$5,000</u>	<u>\$5,000</u>

Admin. Code § 20-565.4	Failure to comply with hotel service requirements and prohibitions	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000
Admin. Code § 20-565.5	Failure to comply with direct employment requirement at hotel	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000
Admin. Code § 20-565.6	Failure to provide panic buttons at hotel	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000
Admin. Code § 20-565.7	Improper retaliation against hotel employees	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000
6 RCNY § 2-482	Failure to maintain or produce records	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Rule Relating to Licensing of Hotel Operators

REFERENCE NUMBER: 2024 RG 133

RULEMAKING AGENCY: Department of Consumer and Worker Protection

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Senior Counsel

Date: December 20, 2024

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Rule Relating to Licensing of Hotel Operators

REFERENCE NUMBER: DCWP-55

RULEMAKING AGENCY: Department of Consumer and Worker Protection

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Lisa Taapken
Mayor's Office of Operations

December 23, 2024
Date