

## **New York City Department of Consumer and Worker Protection**

### **Notice of Adoption**

Notice of Adoption 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.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN the Commissioner of the Department of Consumer and Worker Protection by sections 1043 and 2203(c) of the New York City Charter, and section 20-104 of the New York City Administrative Code, and in accordance with the requirements of section 1043 of the New York City Charter, that the Department amends Title 6 of the Rules of the City of New York.

This rule was proposed and published on January 3, 2025. A public hearing was held on February 3, 2025. On April 1, 2025, the comment period was extended to April 8, 2025. It was extended again on April 16, 2025 to April 30, 2025.

### **Statement of Basis and Purpose of Rule**

The Department of Consumer and Worker Protection (“DCWP” or “Department”) is adding 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 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, and explain the requirements for transfers of a hotel license. Finally, the rules create a penalty schedule for violations of the hotel licensing law and rules.

In response to its Notice of Proposed Rulemaking and Amended Notice of Proposed Rulemaking, DCWP received comments from representatives of the hotel industry and the hotel workers’ trade union. Additionally, DCWP met directly with some of those representatives. DCWP has reviewed and considered this feedback and made updates to certain sections of these rules.

Specifically, these changes:

- Provide, in sections 2-481 and 2-483, that a hotel operator that submits a collective bargaining agreement (“CBA”) that incorporates the requirements of Local Law 104 as part of its license application is not required to submit other documents to demonstrate compliance with the requirements of Local Law 104 as part of that application or to resubmit such CBA at license renewal for the duration of the agreement or 10 years, whichever is longer, provided that such hotel operator must notify the Department of any changes to such provisions;
- List, in section 2-482, examples of the types of records that may be used to demonstrate compliance with Local Law 104, as part of the Department’s recordkeeping requirements;
- Remove the explicit criteria for revocation, suspension or non-renewal of hotel licenses, as the Department has authority for such actions under Administrative Code section 20-104; and
- Clarify, in section 6-88, that violations of the same provision of Local Law 104 or the rules on a different day or against a different individual will be counted separately, and

that each instance in which a hotel operator violates Administrative Code sections 20-565.5, 20-565.6 or 20-565.7 constitutes a separate and distinct offense.

Additional comments suggested that the Department require hotel license applicants that do not submit a CBA incorporating the requirements of Local Law 104 to instead submit detailed records establishing compliance with the requirements of Local Law 104 as part of the application process. The Department has considered this suggestion and declines to make the proposed changes. Local Law 104 requires that all applicants demonstrate adequate procedures and safeguards to ensure compliance with its requirements, regardless of whether they are party to a CBA that expressly incorporates those requirements. The Department has determined that requiring a self-certification at the time of application is the most efficient means of achieving the goals of the Local Law because it will allow for a streamlined process for review of applications. Moreover, requiring applicants that are not party to such a CBA to provide extensive documentation would unfairly place a burden only on those applicants. Finally, the most effective means of ensuring compliance with the Law will be to investigate reports of non-compliance with the Law by licensees and issue penalties for any such violations.

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 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 or information the Department requires. Such other documents may include documents that demonstrate compliance with the requirements of Administrative Code Title 20, Chapter 2, Subchapter 38. Where an applicant provides a collective bargaining agreement that demonstrates compliance with the requirements of Administrative Code Title 20, Chapter 2, Subchapter 38, the Department will not request additional documents demonstrating compliance with Administrative Code Title 20, Chapter 2, Subchapter 38.

(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.

(d) A hotel operator that has submitted a collective bargaining agreement that demonstrates compliance with the requirements of Administrative Code Title 20, Chapter 2, Subchapter 38 as part of its hotel license application does not need to resubmit such agreement at license renewal for the duration of the agreement or ten years from the date the hotel operator submitted such license application, whichever is longer, provided that the hotel operator must notify the Department if such agreement is modified to remove the provisions that demonstrate such compliance.

## **§ 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 regarding day-to-day operations of such hotel, including employment of natural persons who work at such hotel;

(2) Records demonstrating compliance with the requirements of Administrative Code section 20-565.4, which may include, but are not limited to: (a) work schedules and related employee attendance records for front desk and security guard employees, (b) room status reports (records showing each guest room and whether it is vacant, stayover, or a checkout), daily room assignment reports (documents showing which room attendant is assigned to each room), room attendant work schedules, and room attendant attendance records, and (c) logs of room cleaning schedules and statuses;

(3) Records demonstrating compliance with the requirements of Administrative Code section 20-565.5, which may include, but are not limited to: (a) any documents showing that core employees are employed directly (e.g., payroll records), and (b) copies of human trafficking recognition training materials and proof of employees' completion of human trafficking recognition trainings;

(4) Records demonstrating compliance with the requirements of Administrative Code section 20-565.6, which may include, but are not limited to: invoices, receipts, or other proofs of purchase, upkeep and distribution of panic buttons;

(5) Records demonstrating compliance with the requirements of Administrative Code section 20-851, which may include, but are not limited to, notices about hotel service disruptions and proof that such notices were sent to guests and third-party vendors.

(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 presumption 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 and the hotel license application supplement, and provide any other documents and information requested by the Department. Where a successor hotel operator provides a collective bargaining agreement that demonstrates compliance with the requirements of Administrative Code Title 20, Chapter 2, Subchapter 38, the Department will not request additional documents for such application to demonstrate compliance with Administrative Code Title 20, Chapter 2, Subchapter 38.

(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.

§ 3. Subchapter B of chapter 6 of Title 6 of the Rules of the City of New York is amended by adding a 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 or against a different person within two years of the prior violation.

Each instance in which a core employee is employed in a manner other than direct employment in violation of Administrative Code section 20-565.5 constitutes a separate and distinct offense.

Each instance in which a hotel operator failed to provide a panic button to an employee in violation of Administrative Code section 20-565.6 constitutes a separate and distinct offense.

Each instance in which a hotel operator retaliates against an employee in violation of Administrative Code section 20-565.7 constitutes a separate and distinct offense.

Citation	Violation Description	First Violation	First Default	Second Violation	Second Default	Third Violation	Third Default	Fourth and Subsequent Violation	Fourth and Subsequent Default
Admin. Code § 20-565.1	Operating a hotel without a license	\$100 per day	\$100 per day	\$100 per day	\$100 per day	\$100 per day	\$100 per day	\$100 per day	\$100 per day
Admin. Code § 20-565.3	Failure to conspicuously display hotel license	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000
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 a panic button to employee	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000
Admin. Code § 20-565.7	Improper retaliation against hotel employee	\$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

**Required Finding of Substantial Need Pursuant to New York City Charter Section 1043(f)(1)(d)**

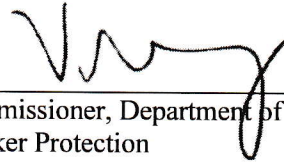
It is hereby certified that there is substantial need for this rule to take effect immediately without waiting for 30 days to elapse after publication in the City Record. This rule implements Local Law 104 of 2024, which becomes effective May 3, 2025. The rule clarifies the hotel license application process, substantive requirements for hotel licensees, and penalties for non-compliance. Therefore, the rule must take effect at the same time as the law.

The need for this rule to take effect immediately is substantial because hotel operators need clarity on the license application process and on-going license requirements, and because DCWP needs the ability to hold non-compliant businesses accountable. Delaying the effective date of this rule until after the effective date of the law would lead to widespread confusion and non-compliance with the law, cause economic harm to the hotel industry, and prevent DCWP from enforcing the law's consumer and worker protections.

IT IS HEREBY CERTIFIED that there is substantial need for this rule to take effect immediately upon publication in the City Record to ensure that the Department of Consumer and Worker Protection can process license applications as soon as possible while enforcing the requirements of Local Law 104 of 2024.

Date: May 1, 2025

Vilda Vera Mayuga



Commissioner, Department of Consumer and  
Worker Protection

Approved:

Eric Adams



Mayor, New York City