

## NOTICE OF ADOPTION

Notice of Adoption of Rules and Amendments to Rules regarding the licensing of Process Servers.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN the Commissioner of the Department of Consumer Affairs by Section 20-104(b) of Chapter 1, Title 20 of the Administrative Code of the City of New York and in accordance with the requirements of Section 1043 of the New York City Charter that the Department promulgates and adopts rules and amendments to existing rules regarding the licensing of process servers.

These rules and amendments were proposed and published on May 12, 2011. The required public hearing was held on June 13, 2011. This rule will take effect in thirty days.

Material being deleted is shown below in brackets and material being be added is underlined.

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

Section 20-104 (a) of the New York City Administrative Code confers on the Commissioner jurisdiction and control over all licenses issued under Chapter 2 of such Code, which includes process servers who are required to be licensed according to Subchapter 23 of Chapter 2 of Title 20 of the Code. Section 20-104 (b) grants the Commissioner the power to set forth rules necessary to carry out his or her powers and duties, to require licensees to keep such records as he or she may determine are necessary or useful to carrying out the purpose of Chapter 2 governing licensing laws and all other laws conferring such powers upon him or her, and to protect the health, safety, convenience and welfare of the general public with respect to licensed activities.

Those powers include the authority to:

- set forth rules prescribing how licensees maintain records that they are by law required to keep;
- require that licensees, their employees and agents, conduct their activities consistent with the requirements of the laws applicable to the service of process in the City of New York and with standards of honesty and integrity; and
- require the licensees to notify the Department and the public when they fail to carry out their duties in a competent and lawful manner.

This new rule, section 2-233b of subchapter W of chapter 2 of title 6 of the Rules of the City of New York, implements section 20-410 of the Administrative Code which was added by Local Law 7 of 2010. Section 20-410 requires licensed process servers to carry and operate a device to establish electronically and record

the time, date and location of service or attempted service, (at the time process is served or attempted). In hearings on the provision held by a committee of the City Council, witnesses presented evidence of the widespread prevalence in New York City of “sewer service,” an illegal practice in which process servers falsely claim to serve summonses and other process on parties to legal proceedings. The false service of legal papers is particularly common in consumer debt collection cases, where it deprives consumers of the opportunity to defend themselves against creditors’ claims that are frequently incorrect or even entirely false. As a result, consumers are subjected to wage garnishments or other damaging efforts to collect debts that are not legally justifiable.

By requiring process servers to carry a device that will record the location and time of service of process, section 20-410 provides a modern, technological tool to detect and deter “sewer service.” Such confirmation data will also help those process servers falsely charged with “sewer service” to defend themselves by providing independent corroboration of their location when they served the disputed process.

According to the rule, a licensed process server must carry and operate a mobile device using Global Positioning System (GPS) technology that makes an electronic record of the location where process is served or attempted to be served, including the date and time. If a GPS signal is unavailable, the mobile device must use triangulated cellular tower signals to establish the date and time when the record is made. The device must transmit a completed record automatically to an independent third party contractor. The process server’s contract with the independent third party must provide that the contractor will store the electronic records for seven years without allowing the process server access to delete or alter the original record. The third party must agree contractually with the process server to make the electronic records available to the Department upon request with specified information and in specified formats, including interactive electronic street maps. The rule provides that, in place of securing his or her own contract, a licensed process server may use services that a process serving agency has contracted from an independent third party.

"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.

## **RULE**

Subchapter W of Chapter 2 of Title 6 of the Rules of the City of New York is amended by adding a new section 2-233b to read as follows:

### **§ 2-233b Electronic Record of Service**

**(a) General Requirements.** A process server licensed pursuant to this subchapter must comply with the requirement of section 20-410 of the Code to carry at all

times during the commission of his or her licensed activities, and operate at the time process is served or attempted, a device to establish electronically and record the time, date, and location of service or attempted service as follows:

(1) Equipment.

(i) The process server must obtain a mobile device, such as a telephone or personal digital assistant, that utilizes the software necessary to make an electronic record of the location where, and the time and date when, the record is made as determined by Global Positioning System (“GPS”) technology or Assisted-Global Positioning System (“A-GPS”) technology, and labels the record with the network date and time maintained by the mobile device, the DCA license number of the process server, the DCA license number of the process serving agency that has distributed the process for service, the name of the plaintiff or petitioner, the name of the defendant or respondent, the docket number (if any), the name of the person to whom process is delivered and a unique file identifier of the process being served.

(ii) The mobile device must be equipped with the software necessary to make an electronic record of the location where and time and date when the record is made, as determined by triangulated cell tower signals, in the event that at the time of the effected or attempted service of process a GPS signal is not available.

(iii) The mobile device software must automatically add that location, time and date information to the electronic record as soon as a GPS or cellular signal reaches the device if neither a GPS nor a cellular signal is present at the time the process server causes the electronic record to be made.

(2) Operation of Equipment.

(i) On every occasion that a process server attempts or effects service of process, the process server must ensure that the mobile device makes an electronic record of the GPS location, time and date of the attempted or effected service immediately after attempting or effecting service. In the event that no GPS signal is available at the time of attempted or effected service of process, the location, time and date will be determined by triangulated cell tower signals.

(ii) Each electronic record must be labeled with:

- a) the GPS or cellular network date and military time maintained by the mobile device;
- b) the DCA license number of the process server;
- c) the DCA license number of the process serving agency that distributed the process for service;
- d) the name of the plaintiff or petitioner;
- e) the name of the defendant or respondent;
- f) the docket number, if any;

- g) the name of the person to whom process is delivered; and
- h) a unique file identifier of the process being served.

(3) Contract for Services. The process server must enter into a contract with an independent third party (“the Contractor”) pursuant to which the Contractor will provide services and perform functions described in paragraph (4) of this subdivision that enable the process server to meet the data storage and retrieval requirements set forth in such paragraph, provided, however, that if the process server performs process serving activities distributed to him or her by a licensed process serving agency, the process server may utilize the device and facilities for the electronic record of service that the process serving agency obtains under a contract with a Contractor.

(4) Data Storage and Retrieval. The electronic record must be automatically transmitted electronically from the mobile device to the Contractor as soon as a GPS or cellular signal is available and location, date and time are entered into the electronic record. The Contractor must store the electronic record according to the following terms:

(i) the original digital file must be maintained by the Contractor unaltered for a period of not less than seven years;

(ii) neither the process server nor the process serving agency will be permitted to alter the original data, but may obtain copies of the original data file;

(iii) the Contractor must maintain the records in a manner that will permit retrieval by the DCA license number of the process server, the DCA license number of the process serving agency that has distributed the process for service, the name of the plaintiff or petitioner, the name of the defendant or respondent, the docket number (if any), the name of the person to whom process is delivered and a unique file identifier of the process being served;

(iv) the Contractor must maintain the records in a manner that will ensure that their integrity is adequate for admissibility in a judicial proceeding under the rules of evidence applicable in the state of New York;

(v) the Contractor must produce upon request by the Department, and to any other party according to an appropriate order or subpoena, a copy of the electronic records, or any reasonably described part involved, certified to be true and accurate;

(vi) the Contractor must provide to the Department upon request a street map in hard copy format and access to an interactive electronic street map that display the locations where the digital records were recorded with a date and time provided by GPS or cellular date and time;

(vii) the Contractor must provide to the Department upon request, and to any other

party according to an appropriate order or subpoena, such software as may be necessary to display the electronic records in an MS Excel spreadsheet, 2003 version or later, with the following fields and in the following data formats:

- a) Plaintiff or petitioner, which must be specified by the last name of the first plaintiff, or, if not a natural person, the name of the entity, except that the field may contain the name of every plaintiff or petitioner in the case, provided that the entire record is searchable by a wildcard search of the name of any plaintiff or petitioner;
- b) Defendant or respondent, which must be specified by the last name of the first defendant, or, if not a natural person, the name of the entity, except that the field may contain the name of every defendant or respondent in the case, provided that the entire record is searchable by a wildcard search of the name of any defendant or respondent;
- c) the full docket number, which must be entered with all information necessary to identify the case, such as XXXXXX/XX, unless the case is a Civil Local matter, in which case, it will include the prefix of CV, CC, LT, MI, NC, RE, SC, or TS;
- d) the date that service was effected or attempted according to the device, which must be entered as MM/DD/YYYY;
- e) the time that service was effected or attempted according to the device, which must be entered in military time;
- f) the date that service was effected or attempted according to GPS or cellular signals, which must be entered as MM/DD/YYYY;
- g) the time that service was effected or attempted according to GPS or cellular signals, which must be entered as military time;
- h) the address where service was effected or attempted, which must consist of four fields in the following order: building number, street name, city; and zip code, which must be five digits. All address information must be CASS (Coding Accuracy Support System) processed to insure its accuracy with software graded to be CASS Certified by the National Customer Support Center of the United States Postal Service;
- i) the name of the intended recipient of the process, which must be entered in two data fields such that the first data field is the last name of the intended recipient, or, if not a natural person, the name of the entity, and the second data field is the first name of the intended recipient if a natural person.
- j) the name of the person to whom process was delivered, which must be entered in two data fields such that the first data field is the last name of the person, and the second data field is the first name of the person.

(b) *Provision of Equipment and Services by Process Serving Agency.* A process serving agency licensed according to this subchapter may provide to licensed process servers the device and services required by subparagraph (a) according to a contract with an independent third party. For purposes of this Rule, a third party will not be considered independent if any officer or owner of ten percent or more of the shares of the licensed process serving agency has any interest, direct or indirect,

in the third party.

(c) Report to Department.

(1) Within sixty days after the effective date of this Rule a licensed process server must submit to the Department in a form approved the Commissioner a certification that he or she has secured the contract required by this Rule and identifying the name, address and account number of the Contractor(s) providing the required device and services. After sixty days after the effective date of this Rule, no process server license will be issued or renewed unless the applicant submits such a certificate.

(2) A licensed process server must submit to the Department an amended certification within two days of entering into a contract with a different Contractor.

(3) In place of submitting the certificates required by the preceding provisions, the licensed process server may submit a certification in a form approved by the Commissioner affirmed by an owner or officer of a licensed process serving agency that the device and services the process server is required to obtain are provided by the agency under a contract with an independent third party.

(d) Compliance with all laws. Compliance with the requirements of this Rule does not relieve a licensed process server of the obligation to make or maintain records required by any other federal, state, or local law, rule or regulation.