



Comments Received by the Department of
Consumer and Worker Protection on

Proposed Rules related to
Hotel Licensing

IMPORTANT: The information in this document is made available solely to inform the public about comments submitted to the agency during a rulemaking proceeding and is not intended to be used for any other purpose

From: Tibrewal, Bhav [REDACTED]
Sent: Wednesday, January 29, 2025 2:36 PM
To: Mayuga, Vilda Vera (DCWP) [REDACTED]
Cc: Ortiz, Carlos (DCWP) [REDACTED]; Radecker, Hali (DCWP) [REDACTED]; Vijay Dandapani [REDACTED]; David Rothfeld [REDACTED]; Mitchell, Shane [REDACTED]
Subject: [EXTERNAL] Proposed rules for Local Law 104

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Dear Commissioner Mayuga:

I hope you are well. HTC has been closely consulting with the Hotel Association of New York City with respect to the Department's proposed rules for Local Law 104 of 2024. Pursuant to the agency's request for comment, we have formulated the attached amendments to the proposed rules, with the goal of ensuring a more effective and practical approach to enforcement. We respectfully request that the Department review and adopt these changes in the final rule.

We would love the opportunity to talk through these proposed rules and amendments with the appropriate staff at the Department. Please let us know if there's a good time tomorrow afternoon or Friday afternoon for a call or meeting.

Thank you for your work on this and all of your work on behalf of workers across the city.

Sincerely,

Bhav Tibrewal
Political Director
Hotel & Gaming Trades Council (HTC)
707 8th Ave
New York, NY 10036
[REDACTED]

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-hearingscomments.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, and either (i) the hotel license application supplement, or (ii) a collective bargaining agreement that expressly incorporates the requirements of subchapter 38 of chapter 2 of title 20 of the Administrative Code for the period provided for thereunder in 20-565.2(b)(2). As part of the hotel license application supplement, applicants must provide, in addition to any other documents or information requested by the Department, its policies and procedures demonstrating, with specificity, how the applicant will comply with 20-565.4 (service requirements and prohibitions), 20-565.5 (direct employment), 20-565.6 (panic buttons); 20-565.7 (retaliatory actions by hotels; prohibition); 20-851 (hotel service disruptions); and 22-510 (displaced hotel service workers). Any application must include any active subcontracting agreement concerning core employees made prior to November 4, 2024; if not specified in the agreement, the applicant must also submit the name of the subcontractor, the expiration date of the agreement, and the rate of pay for core employee services.
- (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) The management agreement between such hotel operator and an owner of a hotel in the City of New York, provided confidential or proprietary data may be redacted;
 - (2) Records demonstrating compliance with the requirements of Administrative Code section 20-565.4. Such record requirement shall be satisfied by the following documents or their equivalents: (a) work schedules and related

employee attendance records for front desk and security guard employees, and (b) room status report (record showing each guest room and whether it is vacant, stayover, or a checkout), daily room assignment report (document showing which room attendant is assigned to each room), and room attendant work schedules, and room attendant attendance records;

- (3) Records demonstrating compliance with the requirements of Administrative Code section 20-565.5. Such record requirement shall be satisfied by the following documents or their equivalents: (a) any subcontracting agreement concerning core employees made prior to November 4, 2024 and any documents showing 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 training;
- (4) Records demonstrating compliance with the requirements of Administrative Code section 20-565.6. Such record requirement shall be satisfied by the following documents or their equivalents: any invoice, receipt, or other proof of purchase and upkeep of panic buttons;
- (5) Where applicable, the records required to be maintained pursuant to section 22-510 of the Administrative Code;
- (6) and any notification sent to guests sent pursuant to section 20-851 of the Administrative Code.

(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, and further either submit (i) the hotel license application supplement and proof of compliance with section 22-510 of the Administrative Code (displaced hotel service workers), as well as any other documents or information requested by the Department or (ii) a collective bargaining agreement that expressly incorporates the requirements of subchapter 38 of chapter 2 of title 20 of the Administrative Code and satisfies the requirements of section 22-510(c)(4)(d) of the Administrative Code.

- (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) Denial and refusal to renew a license, as well as suspension and revocation of a license, shall be governed by, inter alia, Administrative Code section 20-104 , provided however that pursuant to Administrative Code section 20-565.2 neither the existence of service disruptions as defined in section 20-850 of the Administrative Code nor any remedied violations pursuant to section 20-851 of the Administrative Code shall constitute a basis for the commissioner to fail to approve, deny, suspend, revoke or fail to renew a license hereunder.

§ 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 and/or against a different individual 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
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 panic buttons at hotel	\$500	\$500	\$1,000	\$1,000	\$2,500	\$2,500	\$5,000	\$5,000
Admin. Code § 20565.7	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

NEW YORK CITY

DEPARTMENT OF CONSUMER AND WORKER PROTECTION

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Meeting:

PROPOSED RULES
HOTEL LICENSING

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Date: January 30, 2025

Appearances:

Carlos Ortiz, DCWP

Reina Revina, DCWP

Rich Maroko, Hotel and Gaming Trades Council (HTC)

Bhav Tiberwal, Hotel and Gaming Trades Council (HTC)

Shane Mitchell, Hotel and Gaming Trades Council (HTC)

Vijay Dandapani, Hotel Association NYC (HANYC)

David Rothfeld, Hotel Association NYC (HANYC)

Transcribed by: Geneva Worldwide Inc.

1 MR. CARLOS ORTIZ: Hey, folks, how's it
2 going?

3 MR. VIJAY DANDAPANI: Pretty good. I'm
4 trying to -- I cannot get onto the video part
5 [inaudible] [00:00:11].

6 MR. ORTIZ: Okay, great. Well, we can hear
7 you loud and clear.

8 MR. DANDAPANI: Okay, thank you. Who am I
9 speaking to?

10 MR. ORTIZ: This is Carlos Ortiz from the
11 Department of Consumer and Worker Protection. I'm
12 here with my colleague, Reina Revina.

13 MS. REINA REVINA: Hi. Good evening,
14 folks.

15 MR. DANDAPANI: So, we're waiting for Bhav
16 from HTC and possibly Rich Maroko, as well.
17 [Inaudible] [00:00:39].

18 MR. ORTIZ: Yeah.

19 MR. RICH MAROKO: Don't worry. We're,
20 we're all here, Vijay.

21 MR. DANDAPANI: Oh, okay. Sorry, folks.
22 For some reason, I didn't get your [inaudible]
23 [00:00:45].

24 MR. SHANE MITCHELL: I'm here, as well,
25 Vijay. I'm on the line.

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MR. DANDAPANI: Alright, thank you.

MR. ORTIZ: Cool. So I guess we can, we can get started. Just a, a head's up again from my e-mail. We're taking a transcription of this for the public record, just as well as the Law Department. But, yeah, happy to, to meet with you guys ahead of the public hearing on Monday. Interested to hear your thoughts about the rules, now that you've seen them on paper, in black and white. And also looking forward to any formal comments you'll submit at the time of the hearing.

MR. BHAV TIBERWAL: Okay, thank you. And, look, this is Bhav. I'll, I'll, I'll just set a general frame here before passing it to someone else to, to talk through what we submitted. I, I think, and someone else will correct me if I'm wrong about this, but we, we did, we sent you, we sent you the draft amendments that were put together really by both HTC and the Hotel Association. We mutually agreed on those. The intention behind them was both to clarify and strengthen the [inaudible] [00:01:51] certain areas, and also just clarify just some of, some areas of, of the legislation as, as we thought were, were fit. And, and I, and we do intend for that to be, you know, that document to be our, our

1 formal comments. So, that's [inaudible] [00:02:11]
2 we need to do to, to register that other, that e-mail
3 we sent.

4 MR. ORTIZ: That e-mail, Bhav, that should
5 be fine. And we'll make sure that's, that's part of
6 the public record, as well. I haven't had a chance
7 to really dive deeply into the redlines you sent
8 over. But if you want to walk, walk me through kind
9 of what, what you guys are proposing here and how you
10 feel that it, how, how this corresponds to the
11 legislation, I'm happy to, to hear, to listen through
12 that. I think Vijay is, is joining. I'll see if I
13 can get him in. Okay, sorry.

14 MR. DANDAPANI: Okay, thank you. Thank
15 you.

16 MR. ORTIZ: Okay, great.

17 MR. TIBERWAL: So what, what's the best way
18 to do this? You know, I'm just going to ask Carlos
19 or, or Reina, do you want -- have you had a chance to
20 review the document? And do you have any thoughts or
21 questions that we should run through? Or should we,
22 would you prefer that we kind of, you know, walk
23 through it on our end?

24 MR. ORTIZ: I, I think it's, I think it
25 would be best for you all to walk through it. And I

1 think listening through this would be helpful for us.
 2 I don't know if we'll have questions we, we could
 3 give back to you right now, but I know, myself, for
 4 right now, we're working closely with our general
 5 counsel and we'll make sure that they, they review
 6 all these comments as well. But hearing them
 7 directly, too, would be great.

8 Reina has been part of the implementation
 9 team herself, as well, for Rules.

10 MS. REVINA: And I will be the one
 11 proceeding the Rules hearing on Monday.

12 MR. MAROKO: But, you know, what -- and this
 13 is Rich, by the way. It's, it is nice to see you
 14 all. I, I, I guess I can give you kind of the, the
 15 30,000-foot commentary on, on where we come, came up
 16 with these, you know, suggested amendments and, and
 17 what we were thinking about, ultimately with a goal
 18 towards making sure that the Act, as written, is able
 19 to be enforced by the agency in a way that was both
 20 practical and workable on the hotel side. So, like,
 21 for example, when it came to the types of information
 22 that the agency was looking for hotels to retain, and
 23 presumably for them to have access to, we kind of,
 24 you know, more specified the types of documents that
 25 may actually exist that would be, I think, necessary

1 and useful for the agency to ensure compliance.

2 By the same token, you know, we, we, we
3 tweaked around the edges on what was required when an
4 application was, was submitted, specifically the
5 distinction between those with and without a
6 collective bargaining agreement that provided for,
7 you know, independent enforcement and, and obligation
8 to comply with, with the provisions of the contract.
9 And, then, kind of also did some of those technical,
10 in our mind, clarifications around, for example,
11 successorship and, and things of that nature.

12 When, when it comes to the penalty phases,
13 you know, we, we had some long discussions with, with
14 our counterparts on the hotel side who raised what we
15 consider to be some legitimate concerns about how
16 counting a specific number of violations as, as being
17 kind of a brightline rule for recission of a license
18 may just not be workable, because if you have a large
19 hotel with 800 rooms and you have a, a single type of
20 violation, that violation will occur 800 times in any
21 given day, simply because of the number of rooms or
22 the number of guests or, or things of that nature.

23 So, in our minds, it seemed like the, the
24 simplest way to ensure that the agency has the
25 requisite enforcement authority, both in terms of

1 granting licenses, but also rescinding them, was to
2 kind of go back to the baseline authority that exists
3 in the current regulations, in the current authority
4 that's outlined for the Department in terms of
5 enforcement.

6 And, so, that was kind like just our, our,
7 our general thoughts. We, we wanted to make sure
8 that there weren't any kind of unintended
9 consequences, you know, by -- for applying these
10 rules on the kind of the practical thing about how
11 hotels run and how documents are kept, but also to
12 make sure that it was both enforceable by the agency
13 and that hotels were able to comply.

14 MR. ORTIZ: Alright. I'm interested on, on
15 that piece, Rich. That's, that, just understanding
16 clearly, as well, that these redlines are the, to our
17 proposed rules, are HTC's, HTC's position, HANYC's
18 position, here on edits that should be made. I would
19 say, generally, just to maybe go over some of the
20 points you raised in reverse order.

21 I think, generally, what I've seen in other
22 licensed categories and other rulemakings, the, the
23 type of kind of specificity in, in standards for
24 approving, denying, suspending, revoking licenses,
25 especially in, I think, our newer categories, that is

1 something that I think is increasingly something
2 we've done across the board. I think that's an
3 understanding for you all, too, that for the intent
4 that you have with your changes here that it's
5 something to really bring back to our attorneys
6 [inaudible] [00:07:40].

7 MR. TIBERWAL: And, and just to be clear on
8 that point, and I appreciate this, but obviously,
9 from, from the hotel side, and I don't want to put
10 words in Dave and Vijay's mouth, you know, there,
11 there were some concerns about how, again, having a
12 brightline number of violations that would cause,
13 cause the rescission made them nervous based on the
14 size of the hotel and how easily a single mistake can
15 be repeated, even in the course of a day, just given
16 the number of rooms in a, in a larger hotel.

17 From, from our perspective, the union
18 perspective, you know, our concern is always where
19 there's specificity in one area, the implication is
20 that other areas and other types of violations would
21 not be as serious. And in our mind, you know, the
22 majority of the prohibitions in, in the Act, you
23 know, create serious violations. And, and, and we
24 wouldn't want to see the agency hamstrung by saying,
25 well, this type of violation is really serious, but

1 this other one is not be cause, by omission, it, it,
2 it can't be deemed as, as kind of grave because
3 there's no brightline test attached to it.

4 So, I, I think on all sides we're, we're
5 comfortable with leaving that discretion in the hands
6 of the agency.

7 MR. ORTIZ: Okay. And, then, I think in
8 terms of, just so I'm clear, in terms of moving
9 [inaudible] [00:09:04] the records can be sectioned
10 in kind of a, I guess the redlines you put in here,
11 the intent that you all have here -- and I don't want
12 to put any words in your guys' mouth, necessarily --
13 but the intent here is to make sure that, you know,
14 we are going to need to be specific about the
15 particular provisions that are important to HTC and
16 HANYC that should be -- and then how they would be
17 recorded and we can ensure compliance for them.

18 MR. TIBERWAL: Yeah, I mean, I think that's
19 right. I mean, you know, so we, we, as, as a union,
20 are kind of accustomed to where we're investigating
21 violations, you know, of our contract, we look at
22 certain data, certain records that, that hotels keep
23 in the normal course of business, whether they be
24 attendance records or wage and hour records, but also
25 things like the, you know, the housekeeping

1 assignment list, which is not a document that exists
2 in, in the broader world outside of the hotel
3 industry, you know.

4 So, you know, we, we are aware of the
5 documents that we think it is worth looking at when
6 you're trying to decide whether there's a violation,
7 for example, of the daily room cleaning. That, that
8 is what you would look at, or the staffing stuff.
9 And, you know, so when we raise those things as those
10 are the things, specifically, that folks should be
11 holding onto, I think -- and, again, I don't want to
12 put words into Vijay or David's mouth -- they're
13 saying, well, these are documents that we know exist
14 and that they would otherwise be keeping in the
15 normal course. So, you know, we, we felt like that,
16 that works.

17 And if it works for, for us from an
18 enforcement perspective of, you know, a contract,
19 both labor and employer, our thought was that that
20 might be the most effective way for the agency to
21 approach it, as well.

22 MR. ORTIZ: Okay, understood on that. I
23 don't, I don't know if, if Vijay or David, if you had
24 any, any feedback you wanted to share on these
25 redlines for us to consider?

1 MR. DANDAPANI: David, I'll pass to you.

2 MR. DAVID ROTHFELD: Yeah, well, I think
3 Rich covered it from my point. So, on the latter
4 point, on the records, you know, we made an effort to
5 verify with hotels that these documents were kept in
6 the regular course of business. We think we're
7 reasonably satisfied that they are. So, from our
8 perspective, it satisfies the concerns and, and the
9 purpose that Richard, Richard expressed, and also
10 precludes, you know, a fishing expedition and the
11 uncertainty on the issuing part about what it needs
12 to verify compliance with the statute.

13 On the other comment that Rich made about
14 the counting, you know, and maybe we'll get a smile
15 on Rich's face, but the example I gave him was the
16 700-room hotel, 80 percent occupancy. That's 613,000
17 room nights over a three-year period. The, the rules
18 that you had drafted provided for, that if the hotel
19 failed to take out the trash five times in that
20 period of time, that would impair his license. That
21 frac-, that fraction is .000005. That is beyond
22 perfection. That is a reasonable standard for any,
23 any person, employer, thing to hold to.

24 And so, you know, we're, we're, you know, we
25 made an effort working with Rich and Bhav and Shane

1 and the team, trying to come up with something that
2 was meaningful to enforcement, but also tied to the
3 law. And these proposed regs do that.

4 MR. ORTIZ: Okay, thank you for that, those
5 comments. So, is it fair to say that, in terms of
6 our review, we should be -- there aren't any -- if
7 the text is untouched, we're, we're essentially okay
8 with that and we should be really looking at these
9 redlines here for, for our review?

10 MR. DANDAPANI: I'd say so.

11 MR. MAROKO: I agree.

12 MR. ORTIZ: Okay. I think this is, I am
13 ready to bring it back to our folks. I know this is
14 something, typically during the rules process we have
15 the hearing. We're also receiving comments up until
16 11:59 p.m. that day. From that moment, we transcribe
17 all the comments that we receive orally and combine
18 them with all the comments we receive in written
19 format, and those are reviewed by our attorneys,
20 attorneys in the Law Department. I, I anticipate
21 that [inaudible] [00:13:33] be obviously engaged in
22 this process to make sure that it gets to the right
23 place for the rules. Definitely, in my experience in
24 the interim process, there are times where we have to
25 re-notice, there are times where we don't. But we

1 are trying to make sure that we're taking in
2 comments.

3 I anticipate there's going to be other
4 stakeholders, too, that are going to be sending us
5 some feedback, too, in my experience, generally, in
6 rulemaking. But, yeah, I don't, I'm trying to think.
7 Do you guys have any other questions for us in terms
8 of our process?

9 MR. DANDAPANI: Yeah. When will the other
10 stakeholders -- and we, could, could we get to see
11 those stakeholders, their comments?

12 MR. ORTIZ: Typ-, we post, we make sure we
13 post all the comments online on our webpage, so I can
14 make sure that you, you get that link where we put
15 that all up. That really is a matter for us in terms
16 of any transcription that has to happen of, of, of
17 [inaudible] [00:14:27]. But we eventually put
18 everything up there. So, we'll make sure you get
19 access to that, too.

20 MR. DANDAPANI: Thank you, sir.

21 MR. MAROKO: We appreciate it.

22 MR. TIBERWAL: I was, you know, I was just
23 going to say, from, from either of you, Car--

24 [END OF 42 Broadway file]

25 [START OF 42 Broadway 2 file]

1 MR. TIBERWAL: But are there any areas that
2 you think are potentially sticky or are going to get
3 met with particular resistance from the rest of the
4 team at, at DCWP? And, and is there any discussion
5 that's worth kind of pre-emptively having right now,
6 or just, or just flagging for a potential future
7 conversation that might be necessary from, from your
8 read of, of what we sent you? Other than, you know,
9 some things that we, we already went over on this
10 call?

11 MR. ORTIZ: Yeah. I mean, I think -- I
12 don't want to, I don't want to speak for them on,
13 like, what's going to be like a, you know, a sticking
14 point or it's going to be something that's required
15 for the discussion, necessarily. I, I will say that
16 our folks have been, you know, we've been doing
17 licensing for a very long time. I think we don't
18 necessarily, we, we'd like to see licensing -- and I
19 think we said this at the hearing. Like, we like to
20 see licensing as not only putting in these new
21 regulations, but also figuring out ways that we are
22 supportive of our businesses and, and the workers
23 that they engage, as well. So, I think, I think,
24 generally, I think bas-, you know, I think because of
25 that experience, that's kind of what informed these

1 new draft of the Rules. And, that said, you know,
2 within the industry, we want to, we want to take that
3 stakeholder feedback seriously and make sure that
4 we're not, that we're thinking about that open-
5 mindedly.

6 Well, we certainly do appreciate the time.

7 MR. DANDAPANI: Thank you. Thank you.

8 MR. ORTIZ: Oh, thank you. Thank you. I
9 know we've been, we've had lots of discussions over
10 the past few months. I have certainly appreciated,
11 always, the being able to have this kind of
12 interaction with you all, so thank, thank you, too.

13 MR. MAROKO: Okay, thanks.

14 MR. TIBERWAL: Thanks, Carlos. It was nice
15 to meet you, Reina.

16 MS. REVINA: Thank you.

17 ALL: Thank you.

18 [END OF RECORDING]

19

20

21

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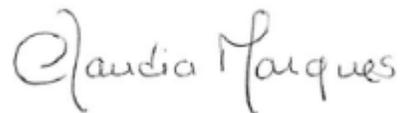
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CERTIFICATE OF ACCURACY

I, Claudia Marques, certify that the foregoing transcript of the meeting regarding the Proposed Rules on Hotel Licensing, on January 30, 2025 was prepared using the required transcription equipment and is a true and accurate record of the proceedings.

Certified By

A handwritten signature in cursive script that reads "Claudia Marques".

Date: March 7, 2025

GENEVAWORLDWIDE, INC.

228 Park Ave S - PMB 27669

New York, NY 10003

From: [Sophie Fernandez](#)
To: [rulecomments \(DCWP\)](#)
Cc: [Jovia Radix-Seaborough](#); [Frank Clarke](#)
Subject: [EXTERNAL] Testimony on Local Law 104 - American Resort Development Association (ARDA)
Date: Monday, February 3, 2025 11:53:53 AM
Attachments: [DCWP testimony ARDA.pdf](#)

You don't often get email from sophiaf@kasirer.nyc. [Learn why this is important](#)

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Hello,

I am reaching out on behalf of my client, the American Resort Development Association (ARDA), to submit their written testimony and comments on Local Law 104, following today's (2/3) Public Hearing on Local Law 104.

Please see the attached for the testimony.

Thank you.

Best,

Sophie Fernandez

Associate, Corporate & Legislation

Kasirer

120 Broadway, Suite 1010

New York, New York 10271



<https://kasirer.nyc>



February 2, 2025

Department of Consumer and Worker Protection
42 Broadway
New York, NY 10004

Re: Local Law 104 of 2024

Thank you, Commissioner Mayuga and other members of the Department of Consumer and Worker Protection. My name is Robert Clements and I represent The American Resort Development Association, or ARDA.

ARDA is the trade association for the timeshare industry. ARDA's membership comprises over 350 companies (both privately held firms and publicly traded corporations). ARDA's active and engaged members have extensive experience in shared ownership interests in leisure real estate.

The current version of the proposed hotel licensing rules, Local Law 104 of 2024, would apply to timeshare properties in New York City. We do not believe the New York City Council intended for the hotel license legislation to apply to timeshares, but we believe it would negatively and disproportionately impact our industry, as overlap in regulatory oversight creates more confusion for our operations than anything else.

When Council was considering this legislation, Council Members recognized the fundamental differences between timeshares and hotels and assured us that it was not the intent of Council to include timeshare within the definition of hotels for the purpose of this legislation.

While there are many hotels in New York City, there are less than 12 timeshare properties. It is currently and will likely remain a very small percentage of accommodations in the city.

Timeshare properties are already highly regulated by the New York Attorney General's Office (NY AG's Office). Before opening, operating, marketing, or selling units (rooms) in a timeshare property in New York, a timesharing plan must be filed, registered, and approved by the NY AG's Office. The submission and consequent review of a timeshare offering plan is highly complex and lengthy—offering plans for timeshares are typically several hundred pages long, cost up to \$30,000 in filing fees to submit (plus legal fees), and can take several months for the NY AG's Office to review. In addition, zoning and Department of Buildings approvals will likely be required in most cases. A timeshare developer which violates the timeshare regulations are subject to penalties and enforcement actions by the NY AG's Office. Because of this, we believe that duplicative regulatory efforts will confuse owners and create the potential for future issues.

The well-established policies of our international brands, as well as our longstanding collective



bargaining agreements with our teams on property are providing the level service and safety that our unit owners expect and demand.

Once a timeshare property is sold out, it may still be managed by a hospitality brand but is overseen by an owners' association which is responsible for common expenses. Common expenses, including services such as housekeeping and front desk operations, are paid by the individual owners through their annual assessment rather than an overnight guest or corporate owner.

Under the proposed rules, a hotel guest has many hotel choices in New York City and the impact on hotel guests of one hotel losing its hotel license would be minimal. A hotel guest can simply choose another hotel. A timeshare owners' options are limited. They own their timeshare interest in a particular timeshare property and cannot simply choose another timeshare.

Our timeshare owners purchase a deeded right to use of their unit for a specific week per year, in perpetuity. If a timeshare property is licensed as a hotel under the New York law, suspension of that license will break the contracts we have with our unit owners. Hotels that rent their rooms nightly have no such permanent unit ownership contracts.

In addition, the proposed rules do not take into consideration the conflict that would arise between the jurisdiction and approval of the timesharing plan by the NY AG's Office and the new jurisdiction and requirements that would be imposed on timeshare properties under the hotel license regime.

Given that timeshare is already highly regulated by the NY AG's Office, presents a different business model than hotels and represents a very small percentage of the accommodations in New York City, the proposed rules regarding hotel licensing should not apply to timeshare properties.

We are glad to answer any questions or provide more information. Thank you for the opportunity to present testimony.

Sincerely,

Robert Clements
Vice President & General Counsel

Online comments: 2

- **Laura Lee Blake**

Please see the attached letter for the comments of the Asian American Hotel Owners Association (“AAHOA”).

[Comment attachment](#)

2025.02.02-AAHOA-Comment-Letter-to-NYC-Local-Law-104.pdf

Comment added February 2, 2025 5:01pm



February 2, 2025

Re: *Comment on Rules Implementing Hotel Licensing, Local Law 104 of 2024*

Dear New York City Department of Consumer and Worker Protection:

The Asian American Hotel Owners Association (“AAHOA” or “the association”) is honored to provide this response to the Department of Consumer and Worker Protection’s (“Department”) proposal 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.”

AAHOA is the largest hotel owners’ association in the world and a major driver of American economic growth at the state and federal levels. The association’s 20,000 members own 60% of the hotels in the United States, and are responsible for 1.7% of the nation’s multitrillion-dollar GDP. AAHOA member-owned hotels employ more than 1 million employees, generating more than \$47 billion annually. In total, AAHOA member hotels support 4.2 million jobs in all sectors of the hospitality industry across the United States. Statewide, AAHOA members own more than 40% of hospitality properties in New York.

By submitting these comments, AAHOA’s objectives are to share the perspectives of its members and to support the creation and implementation of rules and regulations that are compatible with the complexities of the hospitality industry and the daily challenges of hotel operations. The considerations, suggestions, and recommendations enumerated within this letter are by no means exhaustive, but were included because of their central importance to AAHOA’s members who either currently (or soon will) operate a hotel subject to these licensing requirements. To promote efficiency and highlight the consensus that exists across various industry stakeholders, we have attempted to coordinate with other groups to minimize overlap and avoid raising the same issue in multiple submissions. AAHOA encourages the Department to review and consider the American Hotel & Lodging Association’s (“AHLA”) comments submitted in connection with this same rulemaking and expressly incorporates those by reference into AAHOA’s own submission.¹

- i. Utilize Contextual Standards for Cleanliness and Housekeeping** – The licensing requirements vaguely state—without more context or detail—that a hotel must “maintain

¹ In the event of any conflict between AHLA’s comments and those of AAHOA, it is these comments that shall control. With the incorporation by reference, AAHOA reserves all rights to pursue legal challenges to the licensing requirements (including the Department’s rules and regulations implementing them) as if AAHOA had stated every comment of AHLA verbatim.

the cleanliness of guest rooms, sanitary facilities, and hotel common areas.” § 20-565.4(c)(1).

AAHOA encourages the Department to accept the existing standards for “cleanliness”—and associated services—that have been developed within discrete market segments across the hospitality industry. The requirements for preparing a room for the next guest and servicing a room periodically during a multi-night stay vary significantly between economy and luxury properties. AAHOA is concerned about the Department imposing its own rubric for cleanliness and required services—and that, without some guidance for Department personnel, the licensing requirements cannot be enforced uniformly and fairly. While AAHOA agrees with AHLA that the Department should not require any higher standard than a third-party brand establishes as part of a hotel’s license or franchise, hotels that are “independent” (because they have not subscribed to one of those business systems) should not be subjected to any additional and/or heightened requirements than their “peer” properties (as determined by service level, average daily rate, and format) that share branding with other hotels. Simply put, no property should receive a “free pass” simply because it pays a royalty. Independent and branded properties must be treated equitably under this law.

- ii. **Allow Guests’ Freedom of Choice and Permit Guest Incentives for Conservation Programs** – The licensing requirements prohibit charging “for daily room cleaning or offering any discount or incentive to forgo daily room cleaning.” § 20-565.4(4).

This text counterintuitively and disruptively takes freedom of choice away from guests, particularly in economy or extended-stay hotels where housekeeping may follow an every-other-day schedule or the included housekeeping is provided daily, but only on a “light touch” basis. The licensing requirements may be read as prohibiting guests of these non-luxury hotels from purchasing additional housekeeping services to suit the needs of their stay—whether that be by upgrading the frequency or extent of housekeeping. Similarly, a hotel’s expression of appreciation to a guest—with some type of gesture—for skipping a day of housekeeping would be banned under these licensing requirements, even though these programs have a remarkably positive impact on conserving resources and environmental stewardship.

AAHOA encourages the Department to allow guests to choose a service level, rather than legislating one. For example, where a hotel clearly does not offer daily housekeeping and/or trash removal at the time of booking, this alone should constitute a guest “affirmatively declin[ing]” that service. § 20-565.4(c)(4). And, where these services are already provided

daily, hoteliers should have the flexibility to offer—and guests should have the freedom to accept—alternatives that they prefer instead.

The impact of energy, water, and other conservation programs cannot be overstated. Our members' experience is that more frequent housekeeping and mandated room cleanings inevitably lead to waste—and the licensing requirements are difficult to reconcile with the New York City Department of Environmental Protection's "Hotel Manager's Guide to Water Efficiency."² That guide acknowledges: (i) New York City "[h]otels account for approximately 12 million gallons of New York City's total water use each day"; and (ii) "[o]ffering linen and towel reuse options to hotel guests will help lower water consumption ... and may appeal to environmentally conscious guests."

- iii. **Additional Criteria for "Small Hotel" Designation** – The licensing requirements currently provide only one criterion for a hotel qualifying as a "small hotel": having "less than 100 guest rooms." § 20-565.

AAHOA urges the Department to establish additional criteria for hotels to meet the "small hotel" designation within the licensing requirement, which currently considers exclusively the total number of guest rooms. Utilizing a single, round-number metric ignores a wide array of other attributes and characteristics of hospitality properties—in addition to guest room count (or "keys," to use an industry term). Countless other factors also warrant (and, in some cases, necessitate) a hospitality property being treated as a "small hotel" under the licensing requirements as well. For example, hotels with marginally more than 100 guest rooms, but with minimal common areas other than room corridors, may be considerably 'smaller' than a hotel with dedicated event space. Likewise, a 100+ room hotel that does not offer in-room dining and provides limited in-room amenities has a remarkably different—and lighter—housekeeping profile than another property that does provide these services and/or contain suites/larger-format guest "rooms." AAHOA encourages the Department to establish additional criteria so that properties with 100 or more rooms may, nonetheless, be licensed as a "small hotel."

- iv. **Clarification of On-Demand Towel/Bedding Replacement** – Hotels are required to replace towels, sheets, and pillowcases "upon request by a guest" of an "occupied guest room," § 20-565.4(c)(3), but doing so without some guidepost limitations creates safety concerns and operational challenges.

² Available at <https://www.nyc.gov/assets/dep/downloads/pdf/water/drinking-water/hotel-housekeeping-water-saving-booklet.pdf>.

AAHOA encourages the Department to clarify that this “replacement” requirement is satisfied by furnishing the requested items to the guest at the front desk.

- v. **Clarification of Self-Service Check-in, Including Kiosks** – The licensing requirements identify particular categories of staff that “must be available to confirm the identity of guests checking in to [a] hotel.” § 20-565.4(a)(3).

The leading hotel brands have invested in technology that both elevates the guest experience and improves the safety and security of a guest room. These advancements and solutions include offering the option of contactless check-in and guest room “keys” on mobile devices. Business travelers enjoy the resulting time savings, and the vast majority of international guests are able to engage with hotels in their first language. The hotel brands and third-party technology providers have already implemented safeguards (either as part of their brand standards or as a feature of their platform) to ensure the registered guest and the individual arriving at a hotel are one and the same. AAHOA wants to ensure the licensing requirements do not prohibit the use of existing guest self-service technologies, whether that is an app, a hotel website, or an on-premises kiosk. Likewise, AAHOA also wants to ensure the licensing requirements do not limit hoteliers’ ability to deploy new technologies and solutions, as those are developed in the future

- vi. **Indefinite Administrative Requirements** – Hotel operators and the Department will benefit from clear instructions and guidelines on what specifically is required to be submitted to the Department. Local Law 104 includes numerous references to non-descript authority and requirements, but the proposed rules do not include the requisite details to ensure compliance. *See, e.g.,* § 20-565.2(3) (“Such other information as the commissioner may require.”); § 2-481(b) (“[A]ny other documents and information requested by the Department.”)

AAHOA encourages the Department to adopt rules that clearly explicate what hotels are required to submit for licensure and that any such clear explication is the product of adherence to the rulemaking process, both in setting the standard for what must be submitted as a matter of course and the upper limit on the Department’s authority.

- vii. **Removal or Restricted Application of Adverse Inference from Recordkeeping** – Without added specificity, uncertainty necessarily exists with respect to what types and/or volumes of records will be required to satisfy the Department. For example, § 2.482(a)(2)-(3) mandates a “hotel operator ... [to] maintain ... records demonstrating compliance with

the requirements ..." referenced—but provides no guidelines for what the Department will deem sufficient as to each of those referenced requirements.

AAHOA encourages the Department to provide an explicit statement of what records are sufficient. Under these circumstances, the adverse inference that results because of § 2-482(c) from the Department's conclusion a "failure to maintain, retain, or produce a record that is required" raises fundamental fairness concerns. Using panic buttons as an example, the licensing requirements fail to provide guidance on the number, type, or contents of records that are required to be maintained. AAHOA concurs with AHLA that a certification of compliance from an appropriate person affiliated with a hotel should be sufficient for the Department.

- viii. **Clarification of Human Trafficking "Violations" and Training Requirements** – Within the proposed rule, § 2-284 allows for adverse action regarding licensure for exceeding a set number of "violations for human trafficking, as defined in section 20-565...."

For more than a decade, AAHOA has been a leader in training, education, and overall awareness aimed at preventing and detecting human trafficking in the hospitality industry. Consistent with AAHOA's overall request for guidance within these licensing requirements, AAHOA suggests that the Department provide clarification about which specific violation(s) count toward the threshold for denial, revocation, suspension, and/or non-renewal of a license.

Beyond this general request, AAHOA also has a specific provision where it encourages the Department to provide clarification that reflects the realities of human resources in the hospitality industry. AAHOA recognizes the Department would allow up to 60 days for a new employee to complete "human trafficking recognition training" within § 20-565.5(b). While many hoteliers aim to complete this training as part of onboarding or shortly after hiring, this is not always feasible. The current phrasing may not account for circumstances where this training cannot be completed within this window simply because not all employees remain active and employed on the 60th day following their date of hire.

For example, some new hires may resign, be terminated, or go on leave in the first few weeks of their employment (or even fail to attend/complete the required training, which itself results in termination), so a violation should not result where the employee is no longer active on the 60th day after their date of hire. Further, and in line with aligning accountability with responsible management practices, the text of § 20-565.4 states an "[o]perator of a hotel may not permit the premises of such hotel to be used for the purposes

of human trafficking.” AAHOA submits the Department can only find a violation where an occurrence was knowing or willful on the part of the hotelier.

- ix. **Clarification of “Continuous” Front Desk Staffing** – “Continuous” is defined as “24 hours a day” in relation to staffing a front desk in §§ 20-565, 20-565.4(a)(1) and expressly contemplates only one employee needs to be assigned these duties. Practical considerations, however, must account for brief periods of interrupted front desk coverage without giving rise to a licensing violation.

AAHOA encourages the Department to clarify the scheduling of a single employee to staff the front desk during that employee’s shift is sufficient to meet the licensing requirements, even if that employee steps away from the front desk, e.g., for a necessary restroom break or required meal period.

- x. **Private Civil Claim for Retaliation** – While the Department is required to receive “notice” of a civil action that is filed for alleged “retaliatory action against an employee,” the Department otherwise has no role. AAHOA is concerned about the changes this provision may inadvertently cause in employer-employee dynamics, particularly in the context of employment claims that are often vigorously, and expensively, litigated.

AAHOA encourages the Department to take an active role in allegations of retaliation, including the implementation of a process to prevent frivolous and unsubstantiated contentions from burdening hoteliers with the significant and non-recoverable costs and expenses that they are otherwise required to incur as defendants.

- xi. **Punitive Structure of Civil Penalties** – While AAHOA appreciates administrative and regulatory regimes must include consequences for non-compliance, both the number of violations a hotel can accrue and the magnitude of the civil penalty that can be levied may be grossly disproportionate to the circumstances. Indeed, a comparatively minor infraction of failing to “conspicuously display hotel license” carries the same penalty schedule as permitting human trafficking to occur on-premises.

AAHOA encourages the Department to consider the aggregate and/or annual rate of the civil penalties it is creating the authority to impose by treating a “different day” as a new violation. §§ 6-88; 20-656.8. Stated differently, a \$5,000 per day penalty amounts to a civil penalty at the rate of \$1.825 million per year, which is uniquely burdensome to small business owners who are already facing ever-increasing costs and operational challenges.

Likewise, AAHOA asks the Department to consider the relative severity of each type or category of violation, and create a tiered structure that reflects those realities—rather than a “one size fits all” approach.

AAHOA’s concerns would be heightened (even) more by aspects of privatization within the Department’s monitoring or enforcement mechanism for these licensing requirements, including any revenue-sharing or other incentivization to assess civil penalties for non-compliance. Given the continuing uncertainty surrounding many of the licensing requirements and the unavoidable subjectivity of assessment within the hospitality industry overall, the department must utilize exclusively its own, direct employees to administer every aspect of the licensing requirements.

To the extent the Department has any follow-up questions or may benefit from further details about any subject addressed within this letter, AAHOA welcomes an opportunity to submit additional responses and/or documentation. On behalf of AAHOA’s 20,000 members (and, in particular, those within New York), we are grateful for every consideration given to our comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Lee Blake", with a large, sweeping flourish extending to the right.

Laura Lee Blake
President & CEO

- **Sarah Bratko**

Please find attached AHLA's comments on the proposed rules governing the Safe Hotel Act.

[Comment attachment](#)

AHLA-Regulatory-Comments.pdf

Comment added February 3, 2025 10:26am



Sent Via Email: Rulecomments@dcwp.nyc.gov

February 3, 2025

Vilda Vera Mayuga
Department of Consumer & Worker Protections
42 Broadway
New York, NY 10004

Dear Commissioner Vera Mayuga:

On behalf of the American Hotel and Lodging Association (“AHLA”), we write regarding Int 0991-B, which will be implemented by the Department of Consumer & Worker Protections.

AHLA is a national association representing all segments of the U.S. lodging industry, including hotel owners, real estate investment trusts, chains, franchisees, management companies, independent properties, bed & breakfasts, state hotel associations, and industry suppliers.

The industry is comprised of more than 62,000 properties, 33,000 of which are small businesses, and more than 5.6 million hotel rooms across the country. The American lodging industry services more than 1.4 billion rooms per year, supports more than 7 million jobs, and generates more than \$52 billion in state and local tax revenue.¹

New York City is one of the most important hotel markets in the world. It directly employs 42,000 people at an average annual wage of \$90,658. It also supports another 257,000 jobs and over \$24 billion in wages and salaries each year.² The hotel industry pays over \$6.7 billion in state and local taxes annually, plus an additional \$5.5 billion in federal taxes and contributes more than \$39 billion in GDP to support the local economy.³

While many other jurisdictions have some form of a hotel license, the NYC hotel license is unique in its broadness and its strict mandates over the operations of a hotel. AHLA’s primary concern with the implementation of the legislation is to ensure that the procedure to obtain, maintain, and renew the license is a transparent, streamlined process that recognizes the complexity of the hotel industry model.

If you have any questions, please do not hesitate to contact me at sbratko@ahla.com.

Sincerely,

Sarah Bratko
Vice President and Policy Counsel
State & Local Government Affairs

¹ For more information about AHLA and its members, please visit <https://www.ahla.com>.

² <https://economic-impact.ahla.com/>

³ <https://economic-impact.ahla.com/>

§ 2-481-2-483 General Comments

These rules fail to recognize the effect of and relative requirements of a collective bargaining agreement, which are expressly referenced in the law.

§ 2-481 License application requirements

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

Comments:

1. Set hotel license to expire two years after the date it is awarded, rather than on “September 30th of even number years.” The proposed § 2-481(a) is inconsistent with Administrative Code § 20-565.1(b), which provides that hotel licenses are valid for two years. Without the change, nearly all initial hotel licenses will be valid for less than two 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.

Comments:

1. There should be a clarification as to what is included in the “basic license application.” Applicants should not be required to include information that includes confidential or sensitive information.
2. “[A]ny other documents and information requested by the Department” is overly broad and vague. The proposed regulation should specifically identify what documents and information DCWP can request, and the enumerated list should be tailored to the requirements of the Safe Hotel Act’s licensing requirements. It should be noted that the rules regarding the license application is more specific for other licensing schemes controlled by DCWP. “Other documents and information requested by the Department” shall not include any employee names, addresses, phone numbers, or other private information including employees’ wage rates.
3. There should be a presumption that licenses will be granted if the application is complete, timely, and there is no evidence that applicant is not in compliance. Add a provision stating, “A license shall be granted absent evidence that the hotel license application is not in compliance with any provisions of the chapter or any rules promulgated by the commissioner to effectuate the purposes of such chapters.”
4. A hotel operator or owner shall be permitted to provide evidence of an enforceable agreement that terminates on a date certain by providing the Department a redacted copy of said agreement that provides the parties to the agreement, the date of the agreement, the termination date, and the signatories to such agreement to demonstrate its exemption from the direct employment requirements of Administrative Code Sections 20-565.5.

5. Include a provision stating: “Compliance with Administrative Code section 20-565.4(e) will be assumed, unless there is evidence that a license applicant knowingly or purposefully permits the hotel to be used for the purposes of human trafficking.” (Administrative Code section 20-565.4(e) requires that “[a]n operator of a hotel may not permit the premises of such hotel to be used for the purposes of human trafficking.”)

§ 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.*

Comments:

1. Provision (A)(1) is overly broad and seems to limit a hotel’s ability to redact confidential information. This could be alleviated by adding “Records demonstrating,” to the beginning of provision (A)(1).
2. Identify what records would appropriately demonstrate a hotel’s compliance with safety and cleanliness standards. It should be noted that for other worker protection statutes enforced by DCWP, such as the Fair Workweek Law and Earned Safe and Sick Time law, DCWP’s regulations have specifically specified what records an employer must maintain. *See* Title 6 §§ 7-212, 7-603.
3. Identify what records would appropriately demonstrate that a hotel operator has not permitted the hotel premises to be used for the purposes of human trafficking.
4. Identify what records would appropriately demonstrate compliance with section 20-851.
5. Remove § 2-482(a)(3) as it conflicts with the express provisions of 20-565.2(f).

(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.

Comments:

1. This subsection is vague and punitive and should be deleted. The “reasonable inference” provision effectively shifts the burden of proof to the hotel operator in all enforcement actions pursuant to the Safe Hotels Act.

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

(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.

Comments:

1. Delete. Subdivision 3(c) of Section of 20.562 says a license is transferable if a transfer was in accordance with 22-510 and notice was given. If those criteria are met, the successor hotel operator should not have to complete a new application (otherwise, this provision negates the point of transferability).

(d) 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.

Comments:

1. Delete. It is overly broad and irrelevant to licensure requirements.

§ 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.

Comments:

1. Section (A)(1) uses the phrase “found to have,” but does not define makes this determination.
2. Add “knowingly” to the provisions of (A)(1).
3. The procedural protections providing “*due notice and opportunity to be heard*” should be specified and should include an opportunity to appeal the Department’s determination to a court and should require the Department to issue a written decision stating the reasons for a license denial, revocation, refusal to renew, or suspension. If the Department finds a failure to comply with the Administrative Code, it should be required to inform the hotel operator what the violations were, when the violations occurred, and the evidence the Department relied upon in making such determination.
4. Subsection (1) should be governed by a materiality standard.
5. Section 3 is overly broad and unfairly punitive. This means that a hotel could lose its ability to operate for minor infractions – such as failing to meet a subjective cleaning standard. Given the penalty schedule in § 6-88, this could allow the department to deem Service Disruption Act and Hotel Worker Displacement Act violations to be a violation of the law.