



Legislation Details (With Text)

**File #:** Int 1396-2016 **Version:** A **Name:** Establishing general provisions governing fair work practices and requiring certain fast food employers to provide advance notice of work schedules to employees and to provide a schedule change premium when hours are changed after required notices.

**Type:** Introduction **Status:** Enacted  
**In control:** Committee on Civil Service and Labor

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**Title:** A Local Law to amend the administrative code of the city of New York, in relation to establishing general provisions governing fair work practices and requiring certain fast food employers to provide advance notice of work schedules to employees and to provide a schedule change premium when hours are changed after required notices

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**Indexes:** Agency Rule-making Required, Report Required

**Attachments:** 1. Legislative History Report, 2. Summary of Int. No. 1396-A, 3. Summary of Int. No. 1396, 4. Int. No. 1396, 5. December 6, 2016 - Stated Meeting Agenda with Links to Files, 6. Committee Report 3/3/17, 7. Hearing Testimony 3/3/17, 8. Hearing Transcript 3/3/17, 9. Proposed Int. No. 1396-A - 5/30/17, 10. Committee Report 5/22/17, 11. Hearing Transcript 5/22/17, 12. May 24, 2017 - Stated Meeting Agenda with Links to Files, 13. Fiscal Impact Statement, 14. Hearing Transcript - Stated Meeting 5-24-17, 15. Mayor's Letter, 16. Int. No. 1396-A (FINAL), 17. Minutes of the Recessed Stated Meeting of May 10, 2017 held on May 24, 2017, 18. Minutes of the Stated Meeting - May 24, 2017, 19. Minutes of the Recessed Stated Meeting of May 24, 2017 held on June 6, 2017, 20. Local Law 107

Date	Ver.	Action By	Action	Result
12/6/2016	*	City Council	Introduced by Council	
12/6/2016	*	City Council	Referred to Comm by Council	
3/3/2017	*	Committee on Civil Service and Labor	Hearing Held by Committee	
3/3/2017	*	Committee on Civil Service and Labor	Laid Over by Committee	
5/22/2017	*	Committee on Civil Service and Labor	Hearing Held by Committee	
5/22/2017	*	Committee on Civil Service and Labor	Amendment Proposed by Comm	
5/22/2017	*	Committee on Civil Service and Labor	Amended by Committee	
5/22/2017	A	Committee on Civil Service and Labor	Approved by Committee	Pass

5/24/2017	A	City Council	Approved by Council	Pass
5/30/2017	A	Mayor	Hearing Held by Mayor	
5/30/2017	A	Mayor	Signed Into Law by Mayor	
6/2/2017	A	City Council	Recved from Mayor by Council	

Int. No. 1396-A

By Council Members Lander, Johnson, Cohen, Rose, Kallos, Rodriguez, Richards, Ferreras-Copeland, Torres, Reynoso, Rosenthal, Constantinides, Levin, Levine, Salamanca, Van Bramer, Koslowitz, Lancman, Menchaca, Chin, Crowley, Cabrera, Espinal, Eugene, Maisel, Miller, Williams, Cumbo, Dromm, Cornegy, Barron, Gibson, Palma, Treyger, King, Perkins, Vacca, Wills and the Public Advocate (Ms. James)

A Local Law to amend the administrative code of the city of New York, in relation to establishing general provisions governing fair work practices and requiring certain fast food employers to provide advance notice of work schedules to employees and to provide a schedule change premium when hours are changed after required notices

Be it enacted by the Council as follows:

Section 1. Title 20 of the administrative code of the city of New York is amended by adding new chapters 11 and 12 to read as follows:

CHAPTER 11

Reserved

CHAPTER 12

FAIR WORK PRACTICES

Subchapter 1

General Provisions

§ 20-1201 Definitions. As used in this chapter, except as otherwise specifically provided, the following terms have the following meanings:

Chain. The term “chain” means a set of establishments that share a common brand or that are characterized by standardized options for decor, marketing, packaging, products and services.

Director. The term “director” means the director of the office of labor standards established pursuant to section 20-a of the charter.

Employee. The term “employee” means any person covered by the definition of “employee” set forth in subdivision 5 of section 651 of the labor law or by the definition of “employee” set forth in subsection (e) of section 203 of title 29 of the United States code and who is employed within the city and who performs work on a full-time or part-time basis, including work performed in a transitional jobs program pursuant to section 336-f of the social services law, but not including work performed as a participant in a work experience program pursuant to section 336-c of the social services law. Notwithstanding any other provision of this section, the term “employee” does not include any person who is employed by (i) the United States government; (ii) the state of New York, including any office, department, independent agency, authority, institution, association, society or other body of the state, including the legislature and the judiciary; or (iii) the city or any local government, municipality or county or any entity governed by section 92 of the general municipal law or section 207 of the county law.

Employer. The term “employer” means any person or entity covered by the definition of “employer” set forth in subdivision 6 of section 651 of the labor law or any person or entity covered by the definition of “employer” set forth in in subsection (d) of section 203 of title 29 of the United States code. Notwithstanding any other provision of this section, the term “employer” does not include (i) the United States government; (ii) the state of New York, including any office, department, independent agency, authority, institution, association, society or other body of the state including the legislature and the judiciary; or (iii) the city or any local government, municipality or county or any entity governed by section 92 of the general municipal law or section 207 of the county law.

Fast food employee. The term “fast food employee” means any person employed or permitted to work at or for a fast food establishment by any employer that is located within the city where such person’s job duties include at least one of the following: customer service, cooking, food or drink preparation, delivery, security, stocking supplies or equipment, cleaning or routine maintenance. The term “fast food employee” does not include any employee who is salaried.

Fast food employer. The term “fast food employer” means any employer that employs a fast food employee at a fast food establishment.

Fast food establishment. The term “fast food establishment” means any establishment (i) that has as its primary purpose serving food or drink items; (ii) where patrons order or select items and pay before eating and such items may be consumed on the premises, taken out or delivered to the customer’s location; (iii) that offers limited service; (iv) that is part of a chain; and (v) that is one of 30 or more establishments nationally, including (A) an integrated enterprise that owns or operates 30 or more such establishments in the aggregate nationally or (B) an establishment operated pursuant to a franchise where the franchisor and the franchisees of such franchisor own or operate 30 or more such establishments in the aggregate nationally. The term “fast food establishment” includes such establishments located within non-fast food establishments.

Franchise. The term “franchise” has the same definition as set forth in section 681 of the general business law.

Franchisee. The term “franchisee” means a person or entity to whom a franchise is granted.

Franchisor. The term “franchisor” means a person or entity who grants a franchise to another person or entity.

Integrated enterprise. The term “integrated enterprise” means two or more entities sufficiently integrated so as to be considered a single employer as determined by application of the following factors: (i) degree of interrelation between the operations of multiple entities; (ii) degree to which the entities share common management; (iii) centralized control of labor relations; and (iv) degree of common ownership or financial control.

Office. The term “office” means the office of labor standards established pursuant to section 20-a of the charter.

On-call shift. The term “on-call shift” means any time period other than an employee’s regular shift when the employer requires the employee to be available to work, regardless of whether the employee actually

works and regardless of whether the employer requires the employee to report to a work location.

Regular shift. The term “regular shift” means a span of consecutive hours starting when an employer requires an employee to report to a work location and ending when such employee is free to leave a work location. Breaks totaling two hours or less are not an interruption of consecutive hours, provided that such breaks do not include time when the employee’s work location is closed. “Regular shift” does not include the hours worked by an employee who is called into work while on an on-call shift.

Retail employer. The term “retail employer” means any employer that employs a retail employee at a retail business. The term “retail business” means any entity with 20 or more employees that is engaged primarily in the sale of consumer goods at one or more stores within the city. For the purposes of this definition, “consumer goods” means products that are primarily for personal, household, or family purposes, including but not limited to appliances, clothing, electronics, groceries, and household items. In determining the number of employees performing work for a retail business for compensation, all employees performing work for compensation on a full-time, part-time or temporary basis shall be counted, provided that where the number of employees who work for an employer for compensation fluctuates, business size may be determined for the current calendar year based upon the average number of employees who worked for compensation per week during the preceding calendar year, and provided further that in determining the number of employees performing work for an employer that is a chain business, the total number of employees in that group of establishments shall be counted.

Retail employee. The term “retail employee” means any employee who is employed by a retail employer.

Schedule change premium. The term “schedule change premium” means money that an employer pays to an employee as compensation for changes the employer makes to the employee’s work schedule, including: canceling, shortening or moving to another date and time shifts, including on-call shifts; adding additional hours to shifts already scheduled; adding previously unscheduled shifts to the work schedule; and not requiring

employees to report to work during on-call shifts. Such payment is not wages earned for work performed by that employee but rather is in addition to wages.

Work schedule. The term “work schedule” means the regular shifts and on-call shifts that an employer assigns to an employee and includes the dates, times and locations where an employer requires an employee to work.

§ 20-1202 Outreach and education. The director shall conduct outreach and education about the provisions of this chapter. Such outreach and education shall be provided to employers, employees and members of the public who are likely to be affected by this law.

§ 20-1203 Reporting. The director shall report annually on the city’s website, without revealing identifying information about any non-public matter or complaint, on the effectiveness of its enforcement activities under this chapter. The report shall include the following information:

a. Administrative actions. 1. The number and nature of complaints received;

2. The results of investigations undertaken, including the number of complaints not substantiated and the number of notices of violations issued;

3. The number and nature of administrative adjudications;

4. The number of complaints resolved through mediation or conciliation, if any; and

5. The average time for a complaint to be resolved.

b. Civil actions. The number, nature, and outcomes of civil actions commenced by the corporation counsel against employers involving violations under this chapter.

§ 20-1204 Retaliation. a. No person shall take any adverse action against an employee that penalizes such employee for, or is reasonably likely to deter such employee from, exercising or attempting to exercise any right protected under this chapter. Taking an adverse action includes threatening, intimidating, disciplining, discharging, demoting, suspending or harassing an employee, reducing the hours or pay of an employee, informing another employer that an employee has engaged in activities protected by this chapter, and

discriminating against the employee, including actions related to perceived immigration status or work authorization. An employee need not explicitly refer to this chapter or the rights enumerated herein to be protected from retaliation.

§ 20-1205 Notice and posting of rights. a. The director shall publish and make available notices for employers to post in the workplace or at any job site informing employees of their rights protected under each subchapter of this chapter before the effective date of the local law that added each corresponding subchapter. Such notices shall be made available in a downloadable format on the city's website in accordance with the requirements for language access as described in chapter 11 of title 23. The director shall update such notices if any changes are made to the requirements of this chapter or as otherwise deemed appropriate by the director.

b. In accordance with the rules of the office, every employer shall conspicuously post at any workplace or job site where any employee works the notices described in subdivision a of this section that are applicable to the particular workplace or job site. Such notices shall be in English and any language spoken as a primary language by at least five percent of employees at that location if the director has made the notice available in that language.

§ 20-1206 Recordkeeping a. Employers shall retain records documenting their compliance with the applicable requirements of this chapter for a period of three years and shall allow the office to access such records and other information, in accordance with applicable law and with appropriate notice, in furtherance of an investigation conducted pursuant to this chapter.

b. An employer's failure to maintain, retain or produce a record or other information required to be maintained by this chapter and requested by the office in furtherance of an investigation conducted pursuant to this chapter that is relevant to a material fact alleged by the office in a notice of violation issued pursuant to this subchapter creates a rebuttable presumption that such fact is true.

§ 20-1207 Administrative enforcement; jurisdiction and complaint procedures. a. Jurisdiction. The director shall enforce the provisions of this chapter.

b. Complaints and investigations. 1. Any person, including any organization, alleging a violation of this chapter may file a complaint with the office within two years of the date the person knew or should have known of the alleged violation.

2. Upon receiving such a complaint, the office shall investigate it.

3. The office may open an investigation on its own initiative.

4. A person or entity under investigation shall, in accordance with applicable law, provide the office with information or evidence that the office requests pursuant to the investigation. If, as a result of an investigation of a complaint or an investigation conducted upon its own initiative, the office believes that a violation of this chapter has occurred, the office may attempt to resolve it through any action authorized by section 20-a of the charter. Adjudicatory powers pursuant to this subchapter may be exercised by the director or by the office of administrative trials and hearings pursuant to section 20-a of the charter.

5. The office shall keep the identity of any complainant confidential unless disclosure is necessary to resolve the investigation or is otherwise required by law. The office shall, to the extent practicable, notify such complainant that the office will be disclosing the complainant's identity before such disclosure.

§ 20-1208 Specific administrative remedies for employees or former employees. a. For violations of this chapter, the office may grant the following relief to employees or former employees:

1. All compensatory damages and other relief required to make the employee or former employee whole;

2. An order directing compliance with the notice and posting of rights and recordkeeping requirements set forth in sections 20-1205 and 20-1206; and

3. For each violation of:

(a) Section 20-1204,

(1) Rescission of any discipline issued, reinstatement of any employee terminated and payment of back pay for any loss of pay or benefits resulting from discipline or other action taken in violation of section 20-



1204;

(2) \$500 for each violation not involving termination; and

(3) \$2,500 for each violation involving termination;

(b) Section 20-1221, \$200 and an order directing compliance with section 20-1221;

(c) Section 20-1222, payment of schedule change premiums withheld in violation of section 20-1222 and \$300;

(d) Section 20-1231, payment as required under section 20-1231, \$500 and an order directing compliance with section 20-1231;

(e) Section 20-1241, \$300 and an order directing compliance with section 20-1241;

(f) Subdivision a of section 20-1251, the greater of \$500 or such employee's actual damages; and

(g) Subdivisions a and b of section 20-1252, \$300.

b. The relief authorized by this section shall be imposed on a per employee and per instance basis for each violation.

§ 20-1209 Specific civil penalties payable to the city. a. For each violation of this chapter, an employer is liable for a penalty of \$500 for the first violation and, for subsequent violations that occur within two years of any previous violation of this chapter, up to \$750 for the second violation and up to \$1,000 for each succeeding violation.

b. The penalties imposed pursuant to this section shall be imposed on a per employee and per instance basis for each violation.

§ 20-1210 Enforcement by the corporation counsel. The corporation counsel or such other persons designated by the corporation counsel on behalf of the office may initiate in any court of competent jurisdiction any action or proceeding that may be appropriate or necessary for correction of any violation issued pursuant to sections 20-1207 through 20-1209, including actions to secure permanent injunctions, enjoining any acts or practices that constitute such violation, mandating compliance with the provisions of this chapter or such other

relief as may be appropriate.

§ 20-1211 Private cause of action a. Claims. Any person, including any organization, alleging a violation of the following provisions of this chapter may bring a civil action, in accordance with applicable law, in any court of competent jurisdiction:

1. Section 20-1204;
2. Section 20-1221;
3. Subdivisions a and b of section 20-1222;
4. Section 20-1231;
5. Subdivisions a, b, d, f and g of section 20-1241;
6. Section 20-1251; and
7. Subdivisions a and b of section 20-1252.

b. Remedies. Such court may order compensatory, injunctive and declaratory relief, including the following remedies for violations of this chapter:

1. Payment of schedule change premiums withheld in violation of section 20-1222;
  2. An order directing compliance with the recordkeeping, information, posting and consent requirements set forth in sections 20-1205, 20-1206 and 20-1221;
  3. Rescission of any discipline issued in violation of section 20-1204;
  4. Reinstatement of any employee terminated in violation of section 20-1204;
  5. Payment of back pay for any loss of pay or benefits resulting from discipline or other action taken in violation of section 20-1204;
  6. Other compensatory damages and any other relief required to make the employee whole; and
  7. Reasonable attorney's fees.
- c. Statute of limitations. A civil action under this section shall be commenced within two years of the date the person knew or should have known of the alleged violation.

d. Relationship to office action. 1. Any person filing a civil action shall simultaneously serve notice of such action and a copy of the complaint upon the office. Failure to so serve a notice does not adversely affect any plaintiff's cause of action.

2. An employee need not file a complaint with the office pursuant to subdivision b of section 20-1207 before bringing a civil action; however, no person shall file a civil action after filing a complaint with the office unless such complaint has been withdrawn or dismissed without prejudice to further action.

3. No person shall file a complaint with the office after filing a civil action unless such action has been withdrawn or dismissed without prejudice to further action.

4. The commencement or pendency of a civil action by an employee does not preclude the office from investigating the employer or commencing, prosecuting or settling a case against the employer based on some or all of the same violations.

§ 20-1212 Civil action by corporation counsel for pattern or practice of violations. a. Cause of action. 1. Where reasonable cause exists to believe that an employer is engaged in a pattern or practice of violations of this chapter, the corporation counsel may commence a civil action on behalf of the city in a court of competent jurisdiction.

2. The corporation counsel shall commence such action by filing a complaint setting forth facts relating to such pattern or practice and requesting relief, which may include injunctive relief, civil penalties and any other appropriate relief.

3. Such action may be commenced only by the corporation counsel or such other persons designated by the corporation counsel.

4. Nothing in this section prohibits (i) the office from exercising its authority under section 20-1207 through 20-1209, or (ii) a person alleging a violation of this chapter from filing a complaint pursuant to section 20-1207 or a civil action pursuant to section 20-1211 based on the same facts pertaining to such a pattern or practice, provided that a civil action pursuant to this section shall not have previously been commenced.

b. Investigation. The corporation counsel may initiate any investigation to ascertain such facts as may be necessary for the commencement of a civil action pursuant to subdivision a of this section, and in connection therewith shall have the power to issue subpoenas to compel the attendance of witnesses and the production of documents, to administer oaths and to examine such persons as are deemed necessary.

c. Civil penalty. In any civil action commenced pursuant to subdivision a of this section, the trier of fact may impose a civil penalty of not more than \$15,000 for a finding that an employer has engaged in a pattern or practice of violations of this chapter. Any civil penalty so recovered shall be paid into the general fund of the city.

Subchapter 2  
Advance Scheduling and Schedule Change Premiums

§ 20-1221 Advance scheduling. a. No later than when a new fast food employee receives such employee's first work schedule, a fast food employer shall provide such employee with a good faith estimate in writing setting forth the number of hours a fast food employee can expect to work per week for the duration of the employee's employment and the expected dates, times and locations of those hours. If a long-term or indefinite change is made to the good faith estimate, the fast food employer shall provide an updated good faith estimate to the affected employee as soon as possible and before such employee receives the first work schedule following the change.

b. A fast food employer shall provide a fast food employee with written notice of a work schedule containing regular shifts and on-call shifts on or before the employee's first day of work. For all subsequent work schedules, the fast food employer shall provide such notice no later than 14 days before the first day of any new schedule. Such work schedule shall span a period of no less than seven days and contain all anticipated regular shifts and on-call shifts that the employee will work or will be required to be available to work during the work schedule.

c. A fast food employer shall:

1. Provide fast food employees with written notice of the work schedule as required by subdivision b of this section by (i) posting the schedule in a conspicuous place at the workplace that is readily accessible and visible to all employees and (ii) transmitting the work schedule to each fast food employee, including by electronic means, if such means are regularly used to communicate scheduling information. The office may by rule establish requirements or exceptions necessary to ensure the privacy and safety of employees in connection with such posting and transmittal;

2. Update such schedule within 24 hours of the employer's knowledge of a change or as soon as practicable if the change is effective within 24 hours, provide the revised written schedule to the affected employees and re-post the schedule in accordance with paragraph one of this subdivision; and

3. Upon request by any fast food employee, and in accordance with the rules of the office, provide such employee with (i) such employee's work schedule in writing for any previous week worked for the past three years and (ii) the most current version of work schedules of all fast food employees who work at the same fast food establishment as the requesting employee, whether or not changes to the work schedule have been posted.

d. A fast food employee may decline to work or be available to work additional hours not included in the initial written work schedule provided pursuant to subdivision b of this section. When a fast food employee consents to work or be available to work such hours, the employee's written consent must be obtained, which consent may be transmitted electronically or otherwise at or before the start of the shift.

§ 20-1222 Schedule change premium. a. A fast food employer shall provide a fast food employee with the following schedule change premium amount, in addition to the employee's regular pay for shifts actually worked by the employee:

1. With less than 14 days' notice but at least 7 days' notice to the employee, \$10 for each change to the work schedule in which:

(a) Additional hours or shifts are added pursuant to subdivision d of section 20-1221; or

(b) The date or start or end time of a regular shift or on-call shift is changed with no loss of hours;

2. With less than 14 days' notice but at least 7 days' notice to the employee, \$20 for each change to the work schedule in which:

(a) Hours are subtracted from a regular or on-call shift; or

(b) A regular or on-call shift is cancelled;

3. With less than 7 days' notice to the employee, \$15 for each change to the work schedule in which:

(a) Additional hours or shifts are added pursuant to subdivision d of section 20-1221; or

(b) The date or start or end time of a regular or on-call shift is changed with no loss of hours;

4. With less than 7 days' but at least 24 hours' notice to the employee, \$45 for each change to the work schedule in which:

(a) Hours are subtracted from a regular or on-call shift; or

(b) A regular or on-call shift is cancelled; and

5. With less than 24 hours' notice to the employee, \$75 for each change to the work schedule in which:

(a) Hours are subtracted from a regular or on-call shift; or

(b) A regular or on-call shift is cancelled.

b. A fast food employer shall pay the schedule change premiums required under this subchapter at such time as the employer pays an employee wages owed for work performed during that work week. Schedule change premium pay shall be separately noted on a wage stub or other form of written documentation and provided to the employee for that pay period.

c. Notwithstanding subdivisions a and b of this section, a fast food employer is not required to provide a fast food employee with the amounts set forth in such subdivisions in the event that:

1. The employer's operations cannot begin or continue due to:

(a) Threats to the employees or the employer's property;

(b) The failure of a public utility or the shutdown of public transportation;

(c) A fire, flood or other natural disaster;

(d) A state of emergency declared by the president of the United States, governor of the state of New York, or mayor of the city; or

(e) Severe weather conditions that pose a threat to employee safety, although where a fast food employer adds shifts to an employee's schedule to cover for or replace another employee who cannot safely travel to work, such employer shall provide the replacing or covering employee with the amounts set forth in subdivision a of this section;

2. The employee requested in writing a change in schedule;

3. Two employees voluntarily traded shifts with one another, subject to any existing employer policy regarding required conditions for employees to exchange shifts; or

4. The employer is required to pay the employee overtime pay for a changed shift.

§ 2. Sections 20-950 to 20-966 of the administrative code of the city of New York, as added by local law number 57 for the year 1997, subdivision l of section 20-950 as amended by local law 27 for the year 1998, are amended to read as follows:

§ [20-950] 20-9001 Definitions. For the purposes of this chapter, the following terms shall have the following meanings:

a. "Affiliate" shall mean (i) a business entity in which twenty-five percent or more is owned, or is subject to a power or right of control or a power to vote, or is managed by, a shipboard gambling business, or (ii) a business entity that owns twenty-five percent or more of a shipboard gambling business, or that exercises a power or right of control or a power to vote over twenty-five percent or more of a shipboard gambling business, or that manages a shipboard gambling business.

b. "Applicant" shall mean, if a business entity submitting an application for a license pursuant to this chapter, the entity and each principal thereof; if an individual submitting an application for a license, certificate of approval or registration pursuant to this chapter, such individual.

c. "Business entity" shall mean a corporation, partnership, limited liability company, individual or sole

proprietorship.

d. "Certificate of approval" shall mean a certificate issued by the commission pursuant to the provisions of this chapter approving the employment in a shipboard gambling business of a gambling employee or agent.

e. "Commission" shall mean the New York city gambling control commission established pursuant to section [20-951] 20-9002 of this chapter.

f. "Gambling" shall mean any contest, game, gaming scheme or other activity in which a person stakes or risks something of value upon the outcome of a contest involving an element of chance or a future contingent event not under his or her control or influence, upon the understanding that he or she will receive something of value in the event of a certain outcome.

g. "Gambling device" shall mean a slot machine or any other machine or mechanical device which when operated may deliver or entitle a person to receive, as the result of the application of an element of chance, any money or property.

h. "Gambling employee or agent" shall mean a person employed in a shipboard gambling business who is not a key employee or agent and whose duties include (i) the conduct, operation or facilitation of gambling, whether or not involving the use of a gambling device; or (ii) the repair or maintenance of a gambling device. "Gambling employee or agent" shall include, but not be limited to, boxmen, dealers or croupiers, floormen, gambling machine mechanics, casino security personnel, count room personnel, cage personnel, slot machine and slot booth personnel, collection personnel, casino surveillance personnel and data processing personnel. "Gambling employee or agent" may also include any other category of persons identified by rule of the commission whose duties require regular presence in the area or areas of a vessel in which gambling takes place or for whom the commission determines a certificate of approval is appropriate and necessary to effectuate the purposes of this chapter. The job categories specified in such rule shall not include categories of employees, without limitation, such as kitchen personnel, food and beverage servers or vessel's crew, that are not involved in gambling operations.



i. "Key employee or agents" shall mean a person employed in a shipboard gambling business in a supervisory or managerial capacity or empowered to make discretionary decisions regarding such business, including, but not limited to, pit bosses, shift bosses, credit executives, casino cashier supervisors, casino facility managers and assistant managers and managers or supervisors of gambling employees or agents. Key employees shall also include any other category of persons identified by rule of the commission for which the commission determines licensure as a key employee is appropriate and necessary to effectuate the purposes of this chapter.

j. "License" shall mean a shipboard gambling license, a key employee license or a key vendor license issued by the commission pursuant to the provisions of this chapter.

k. "Parent business" or "parent business entity" shall mean a business entity that owns fifty percent or more of another business entity, or that has a power or right of control or power to vote over fifty percent or more of such business entity, or that manages such other business entity.

i. "Principal" shall mean, of a sole proprietorship, the proprietor; of a corporation, every officer and director and every stockholder holding ten percent or more of the outstanding shares of the corporation; of a partnership, all the partners; if another type of business entity, the chief operating officer or chief executive officer, irrespective of organizational title, and all persons or entities having an ownership interest of ten percent or more. Where a partner or stockholder holding ten percent or more of the outstanding shares of a corporation is itself a partnership or a corporation, the term "principal" shall also include the partners of such partnership or the officers, directors and stockholders holding the equivalent of ten percent or more ownership interest of the applicant business. For the purposes of this chapter: (1) an individual shall be considered to hold stock in a corporation where such individual participates in the operation of or has a beneficial interest in such corporation and such stock is owned directly or indirectly by or for (i) such individual, (ii) the spouse or domestic partner of such individual (other than a spouse who is legally separated from such individual pursuant to a judicial decree or an agreement cognizable under the laws of the state in which such individual is

domiciled), (iii) the children, grandchildren and parents of such individual or (iv) a corporation in which any of such individual, the spouse, domestic partner, children, grandchildren or parents of such individual in the aggregate own fifty percent or more in value of the stock of such corporation; (2) a partnership shall be considered to hold stock in a corporation where such stock is owned, directly or indirectly, by or for a partner in such partnership; and (3) a corporation shall be considered to hold stock in a corporation that is an applicant as defined in this section where such corporation holds fifty percent or more in value of the stock of a third corporation that holds stock in the applicant corporation. Notwithstanding any other provision of this subdivision, where there is reasonable cause to believe that any owner, officer or director of a business entity with an interest in an applicant business not otherwise within the scope of this subdivision lacks good character, honesty and integrity, the commission may designate such person as a principal for the purposes of sections [20-954, 20-955, 20-956 and 20-959 of this chapter] 20-9005, 20-9006, 20-9007 and 20-9010.

m. "Registrant" shall mean a service employee or agent or an auxiliary vendor who has registered with the commission pursuant to the provisions of this chapter.

n. "Service employee or agent" shall mean a person employed in a shipboard gambling business who is not a key employee or agent or a gambling employee or agent.

o. "Shipboard gambling business" shall mean a business in which passengers are transported for the purpose of participating in gambling outside the territorial waters of the United States from a location within New York city and returned to a location within such city; provided that a business shall not be deemed a shipboard gambling business for purposes of this chapter where the gambling cruises or the gambling activities aboard such cruises operated by or on behalf of such business are conducted or proposed to be conducted no more than two times a year or every cruise operated by such business during which gambling activities occur is of at least seventy-two hours duration or where the commission determines, in its discretion, that the gambling offered aboard a vessel owned or operated by such business does not constitute a primary activity conducted aboard such vessel. In reaching a determination that gambling does not constitute a primary activity, the

commission shall consider, without limitation, factors including: the passenger capacity of the vessel in relation to the number of gaming positions in the areas in which gambling will occur; the percentage of space devoted to public accommodation in which gambling will occur; the number of hours during which gambling will take place in relation to the total time of the cruise; and the nature of the advertising and other customer solicitation engaged in by the business.

p. "Subsidiary" shall mean any business that is managed by another business entity or any business in which fifty percent or more of the business is owned or in which fifty percent or more of the business is subject to a power or right of control or held with power to vote by another business entity.

q. "Vendor" shall mean any business, except for a business the primary function of which is to provide legal or accounting services or that is required to register as a lobbyist pursuant to section 3-213 of the code or pursuant to the New York state lobbying act (enacted by chapter 1040 of the laws of 1981, as amended) that provides a shipboard gambling business with goods or services used in the operation of such business. "Key vendor" shall mean a vendor, in a category identified by rule of the commission, that furnishes goods or services related to the security operations, gambling operations, gambling equipment, the hiring, supervision or training of gambling employees or agents, the provision of alcoholic beverages, and the provision of food or food services the cost of which exceeds an amount to be set forth by rule of the commission. "Auxiliary vendor" shall mean a vendor, other than a key vendor, that furnishes goods or services to a shipboard gambling business, the cost of which goods or services exceeds an amount to be established for each category of such vendor by rule of the commission, related to maintenance of a vessel or facilities or equipment aboard a vessel, food or non-alcoholic beverages, entertainment or such other activity for which the commission determines by rule that registration is necessary or appropriate to effectuate the provisions of this chapter, provided that the commission may by rule determine that registration of a specific category of auxiliary vendor is unnecessary to achieve the purposes of this chapter. The commission shall by rule list the categories of goods and services and/or the amount of sales of such goods and services that do not require obtaining a key vendor license or an

auxiliary vendor registration and may also, in its discretion, waive a requirement for a key vendor license or auxiliary vendor registration upon a determination that such license or registration is unnecessary to achieve the purposes of this chapter. In addition, the commission shall establish, by rule, a procedure whereby a shipboard gambling business may obtain temporary permission, on an expedited basis, to purchase goods or services from an unlicensed or unregistered vendor in a situation where such purchase is necessary to the operation of such business. The commission shall make provision for the issuance of licenses pursuant to sections [20-954 and 20-956 of this chapter] 20-9005 and 20-9007 to key vendors who furnish goods or services to shipboard gambling licensees and for the registration pursuant to section [29-955] 20-9006 of auxiliary vendors who furnish goods or services to shipboard gambling licensees. The commission shall maintain a list of all licensed and registered vendors and those vendors to whom a waiver has been granted and shall make such list available upon request.

§ [20-951] 20-9002 New York city gambling control commission. a. There is hereby created a New York city gambling control commission. Such commission shall consist of five members appointed by the mayor, two of whom shall be appointed after recommendation by the city council. The mayor shall appoint a chair from among the members of the commission. Each member of the commission shall be appointed for a two year term.

b. In the event of a vacancy on the commission during the term of office of a member, a successor shall be chosen in the same manner as the original appointment. A member appointed to fill a vacancy shall serve for the balance of the unexpired term.

c. The members of the commission shall be compensated on a per diem basis, provided, however, that a member who holds other city office or employment shall receive only the compensation for such office or employment. The chair shall have charge of the organization of the commission and shall have authority to employ, assign and superintend the duties of such officers and employees as may be necessary to carry out the provisions of this chapter.

§ [20-952] 20-9003 Power and duties of the commission. The commission shall be responsible for the

licensing and regulation of shipboard gambling businesses. The powers and duties of the commission shall include, but not be limited to the following:

a. To issue and establish standards for the issuance, renewal, suspension and revocation of licenses, certificates of approval and registrations and waivers therefrom pursuant to this chapter; provided that the commission may by resolution delegate to the chair the authority to make individual determinations regarding the issuance, renewal, suspension and revocation of such licenses, certificates of approval and registrations and the appointment of independent auditors in accordance with the provisions of this chapter, except that a determination to refuse to issue a license, renewal, certificate of approval or registration or to refuse to grant a waiver therefrom pursuant to this chapter shall be made only by a majority vote of the commission.

b. To investigate any matter within the jurisdiction conferred by this chapter, including, but not limited to, any matter that relates to the good character, honesty and integrity of any owner, officer or director of an applicant business entity, or affiliate or subsidiary thereof, irrespective of whether such person is a principal of such business as defined in subdivision 1 of section [20-950 of this chapter] 20-9001, and to have full power to compel the attendance, examine and take testimony under oath of such persons as it may deem necessary in relation to such investigation, and to require the production of books, accounts, papers and other documents and materials relevant to such investigation.

c. To appoint, within the appropriations available therefor, such employees as may be required for the performance of the duties prescribed herein. In addition to such employees, the commission may request that the commissioner of any other appropriate city agency provide staff and other assistance to the commission in conducting background investigations for licenses, certificates of approval and registrations pursuant to this chapter in order that such work may be performed efficiently, within existing city resources.

d. To conduct studies or investigations into matters related to gambling in the city and other jurisdictions in order to assist the city in formulating policies relating to the regulation of shipboard gambling.

e. To establish standards for the conduct of shipboard gambling businesses.

f. To set forth requirements necessary to protect the public health, safety and welfare, including but not limited to requirements for the provision of security for patrons on shipboard or on the pier or adjacent area in coordination with appropriate law enforcement authorities, and other measures to provide for the welfare of patrons on such piers and in such areas.

g. To establish standards to protect consumers from fraudulent and misleading advertising and other solicitation of customers for shipboard gambling businesses.

h. To establish fees and promulgate rules as the commission may deem necessary and appropriate to effectuate the purposes and provisions of this chapter.

§ [20-953] 20-9004 Licenses, certificates of approval, and registration required. a. Unless otherwise provided, (i) It shall be unlawful to operate a shipboard gambling business unless such business has first obtained a shipboard gambling license from the commission.

(ii) It shall be unlawful for a shipboard gambling licensee to employ a key employee or agent unless such employee or agent has first obtained a key employee license from the commission pursuant to the provisions of this chapter.

(iii) It shall be unlawful for a shipboard gambling licensee to employ a gambling employee or agent unless such employee or agent has first obtained a certificate of approval from the commission pursuant to the provisions of this chapter.

(iv) It shall be unlawful for a shipboard gambling licensee to employ a service employee or agent unless such employee or agent has first registered with the commission pursuant to the provisions of this chapter.

(v) It shall be unlawful for a shipboard gambling licensee to purchase goods or services from a key vendor or an auxiliary vendor unless such vendor has first obtained a key vendor license or has registered with the commission, whichever is appropriate.

b. A license, certificate of approval or registration issued pursuant to this chapter or any rule promulgated hereunder shall not be transferred or assigned or used by any person or entity other than the

licensee, holder of a certificate of approval or registrant to whom it was issued.

c. A license, certificate of approval or registration issued pursuant to this chapter shall be valid for a period of two years and shall, upon proper application for renewal pursuant to rule of the commission setting forth an expeditious procedure for the updating and review of the information required to be submitted by the applicant, be renewable for two year periods thereafter, except that the renewal period for a shipboard gambling license shall be for one year for each of the first two renewal periods succeeding the initial issuance of such license, and thereafter for two years.

d. The commission shall promulgate rules establishing the fees and the manner of payment of fees for any investigation, license, certificate of approval or registration required by this chapter in an amount sufficient to compensate the city for the administrative expense of conducting investigations and issuing or renewing a license, certificate of approval or registration and the expense of inspections and other activities related thereto.

§ [20-954] 20-9005 License application; application for certificate of approval. a. An applicant for a license or certificate of approval pursuant to this chapter shall submit an application in the form and containing the information prescribed by the commission. An application for a license shall be accompanied by: (i) in the case of any applicant business, a list of the names and addresses of all principals of such business, and, in the case of a shipboard gambling business, all key employees employed or proposed to be employed in the business; and (ii) in the case of a shipboard gambling business, a list of the names of all key and auxiliary vendors and prospective and anticipated key and auxiliary vendors and the names and job titles of all gambling and service employees and agents, prospective gambling and service employees and agents of the applicant business who are or who the applicant proposes to be engaged in the operation of the shipboard gambling business; (iii) such other information as the commission shall determine by rule will properly identify employees and agents and prospective employees and agents; (iv) in the case of a shipboard gambling business, a description, accompanied by diagrams where appropriate, detailing the provisions that will be made by the applicant for security and other measures prescribed for the welfare of patrons by rule of the commission; (v) in

the case of a shipboard gambling business, a description of the financial capacity and cash management system of the shipboard gambling business demonstrating the ability of such business to maintain and operate the business responsibly and to provide payment to patrons; and (vi) a form signed by each applicant authorizing the release to the city of financial and other information required by the commission and waiving any claims against the city that might arise in connection with the investigation of the applicant or the release of any information resulting from such investigation to other appropriate government officials.

b. i. An applicant for a license or a certificate of approval shall be fingerprinted by a person designated for such purpose by the commission, the department of investigation or the police department and pay a fee to be submitted to the division of criminal justice services and/or the federal bureau of investigation for the purposes of obtaining criminal history records.

ii. An applicant for a license or a certificate of approval shall provide to the commission, upon a form prescribed by the commission and subject to such minimum dollar thresholds and other reporting requirements set forth on such form, information for the purpose of enabling the commission to determine the good character, honesty and integrity of the applicant, including but not limited to: (a) a listing of the names and addresses of any person having a beneficial interest in an applicant business, and the amount and nature of such interest; (b) a listing of the amounts in which such applicant is indebted, including mortgages on real property, and the names and addresses of all persons to whom such debts are owed; (c) a listing of such applicant's real property holdings or mortgage or other interest in real property held by such applicant other than a primary residence and the names and addresses of all co-owners of such interest; (d) the name and address of any business in which such applicant holds an equity or debt interest, excluding any interest in publicly traded stocks or bonds; (e) the names and addresses of all persons or entities from whom an applicant has received gifts valued at more than one thousand dollars in any of the past three years, and the name of all persons or entities excluding any organization recognized by the Internal Revenue Service under section 501(c)(3) of the Internal Revenue Code to whom the applicant has given such gifts in any of the past three years; (f) a listing of all criminal convictions,



in any jurisdiction, of the applicant; (g) a listing of all pending civil or criminal actions to which the applicant knows or should have known that he or she is a party; (h) a listing of any determination by a federal, state or city regulatory agency of a violation by the applicant of statutes, laws, rules or regulations relating to the applicant's conduct where such violation has resulted in the suspension or revocation of a permit, license or other permission required in connection with the operation of a business or in a civil fine, penalty, settlement or injunctive relief in excess of threshold amounts or of a type established by the commission; (i) a listing of any criminal or civil investigation by a federal, state, or local prosecutorial agency, investigative agency or regulatory agency, in the five year period preceding the application, wherein such applicant: (A) knew or should have known that the applicant was the subject of such investigation, or (B) has received a subpoena requiring the production of documents or information in connection with such investigation; (j) a certification that an applicant business has paid all federal, state, and local income taxes related to the applicant's business for which the applicant is responsible for the three tax years preceding the date of the application or documentation that the applicant is contesting such taxes in a pending judicial or administrative proceeding; (k) a listing of any license, permit or other permission held by the applicant to engage in any capacity in a gambling business or activity in any jurisdiction; (l) a listing of any denials to the applicant by any jurisdiction of a license, permit or other permission to engage in any capacity in a gambling business or activity; and (m) such additional information concerning the sources and nature of funding of an applicant business and the good character, honesty and integrity of applicants that the commission may deem appropriate and reasonable. An applicant may submit any additional information that the applicant believes demonstrates the applicant's good character, honesty and integrity, including a licensing determination from another jurisdiction. Notwithstanding any provision of this subdivision, an applicant for a certificate of approval shall not be required to submit information described in subparagraphs (a) and (m) of this paragraph or any other information the commission determines is not necessary or appropriate. An applicant may also submit to the commission any material or explanation which the applicant believes demonstrates that any information submitted pursuant to this

paragraph does not reflect adversely upon the applicant's good character, honesty and integrity. The commission may require that applicants pay fees to cover the expenses of fingerprinting and background investigations provided for in this subdivision.

iii. In the case of a shipboard gambling business, the commission may also require that an applicant submit any or all of the information required by this paragraph with respect to any affiliate or subsidiary of the applicant that owns or operates a business in any jurisdiction.

iv. Notwithstanding any provision of this chapter, for purposes of this section in the case of an applicant shipboard gambling business that has a parent business entity: (A) fingerprinting and disclosure under this section shall be required of any person acting for or on behalf of the parent business who has direct management or supervisory responsibility for the operations or performance of the applicant; (B) the chief executive officer, chief operating officer and chief financial officer, or any other person exercising comparable responsibilities and functions, of any subsidiary or affiliate of such parent business entity over which any person subject to fingerprinting and disclosure under subparagraph (A) of this paragraph exercises similar responsibilities shall be fingerprinted and shall submit the information required pursuant to subparagraphs (f) and (g) of paragraph ii of this subdivision, as well as such additional information pursuant to this paragraph as the commission may find necessary; and (C) the listing specified under subparagraph (i) of paragraph ii of this subdivision shall also be provided for any subsidiary or affiliate of the parent business entity for which fingerprinting and disclosure by principals thereof is made pursuant to (B) of this paragraph.

v. The chief executive officer, chief operating officer and chief financial officer, or any other person exercising comparable responsibilities and functions, of any subsidiary or affiliate of a shipboard gambling business shall be fingerprinted and shall submit the information required pursuant to subparagraphs (f), (g) and (i) of paragraph ii of this subdivision, as well as such other information pursuant to this paragraph that the commission may find necessary.

c. A business required to be licensed pursuant to this chapter shall inform the commission, within a

reasonable time, of any changes in the ownership composition of such business, the addition or deletion of any principal at any time subsequent to the issuance of the license, the arrest or criminal conviction of any principal of the business, or any other material change in the information submitted on the application for a license. A business required to be licensed shall provide the commission with notice of at least ten business days of the proposed addition of a new principal to such business. The commission may waive or shorten such period upon a showing that there exists a bona fide business requirement therefor. Except where the commission determines within such period, based upon information available to it, that the addition of such new principal may have a result inimical to the purposes of this chapter, the licensee may add such new principal pending the completion of review by the commission. The licensee shall be afforded an opportunity to demonstrate to the commission that the addition of such new principal pending completion of such review would not have a result inimical to the purposes of this chapter. If upon the completion of such review, the commission determines that such principal has not demonstrated that he or she possesses good character, honesty and integrity, the license shall cease to be valid unless such principal divests his or her interest, or discontinues his or her involvement in the business of such licensee, as the case may be, within a reasonable time period prescribed by the commission.

d. Each applicant business shall provide the commission with a business address in New York city where notices may be delivered and legal process served and shall designate a person of suitable age and discretion at such address who shall be an agent for service of process.

§ [20-955] 20-9006 Registration application; application for renewal. a. An applicant for registration or renewal pursuant to this chapter shall submit an application on a form prescribed by the commission and containing such information as the commission determines will adequately identify and establish the background of such applicant. The commission may refuse to register or to renew the registration of an applicant who has knowingly failed to provide the information and/or documentation required by such form, or who has knowingly provided false information or documentation, required by this chapter or any rule promulgated pursuant hereto.

b. Notwithstanding any other provision of this chapter: (i) the commission may, where there is reasonable cause to believe that an applicant has not demonstrated to the commission that he or she possesses good character, honesty and integrity, require that such applicant be fingerprinted and provide to the commission the information set forth in subdivisions a and b of section [20-954 of this chapter] 20-9005 and may, after notice and the opportunity to be heard, refuse to register such applicant for the reasons set forth in subdivision a of section [20-956 of this chapter] 20-9007; and

(ii) if at any time subsequent to registration, the commission has reasonable cause to believe that the registrant lacks good character, honesty and integrity, the commission may require that such registrant be fingerprinted and provide the background information required by subdivision b of section [20-954 of this chapter] 20-9005 and may, after notice and the opportunity to be heard, revoke the registration for the reasons set forth in subdivision a of section [20-956 of this chapter] 20-9007.

§ [20-956] 20-9007 Refusal to issue or renew a license or certificate of approval. a. The commission shall refuse to issue or to renew a license to an applicant who has not demonstrated to the commission that he or she possesses good character, honesty and integrity. In determining that an applicant has not met his or her burden to demonstrate good character, honesty and integrity, the commission may consider, but is not limited to: (i) knowing failure by such applicant to provide truthful or complete information in connection with the application; (ii) a pending indictment or criminal action against such applicant for a crime which under this subdivision would provide a basis for the refusal to issue such license or certificate of approval, or a pending civil or administrative action to which such applicant is a party and which directly relates to the fitness to conduct the business or perform the work for which the license or certificate of approval is sought, in which case the commission may defer consideration of an application until a decision has been reached by the court or administrative tribunal before which such action is pending; (iii) conviction of such applicant for a crime which, considering the factors set forth in section [seven hundred fifty-three] 753 of the correction law, would provide a basis under such law for the refusal of such license or certificate of approval; (iv) a finding of liability

in a civil or administrative action that bears a direct relationship to the fitness of the applicant to conduct the business or to perform the employment for which the license or certificate of approval is sought; (v) commission of a racketeering activity or knowing association with a person who has been convicted for a racketeering activity when the applicant knew or should have known of such conviction, including but not limited to the offenses listed in subdivision one of section [nineteen hundred sixty-one] 1961 of the Racketeer Influenced and Corrupt Organizations statute (18 U.S.C. § 1961 et seq.) or of an offense listed in subdivision one of section 460.10 of the penal law, as such statutes may be amended from time to time, or the equivalent offense under the laws of any other jurisdiction; (vi) conviction of a gambling offense under 18 U.S.C. § 1081 et seq., 18 U.S.C. §§ 1953 through 1955, article 225 of the penal law or the equivalent offense under the laws of any other jurisdiction; (vii) association with any member or associate of an organized crime group as identified by a federal, state or city law enforcement or investigative agency when the applicant knew or should have known of the organized crime associations of such person; (viii) in the case of an applicant business, failure to pay any tax, fine, penalty, fee related to the applicant's business for which liability has been admitted by the person liable therefor, or for which judgment has been entered by a court or administrative tribunal of competent jurisdiction and such judgment has not been stayed; and (ix) denial of a license or other permission to operate a gambling business or activity in another jurisdiction. For purposes of determining the good character, honesty and integrity of applicants for registration or registrants pursuant to section [20-955 of this chapter] 20-9006, the term "applicant" as used herein shall be deemed to apply to such applicants for registration or registrants.

b. The commission may refuse to issue or to renew a certificate of approval to an applicant who has not demonstrated that he or she possesses good character, honesty and integrity. In reaching such a determination, the commission may consider, but is not limited to, the factors set forth in paragraphs (i) through (ix) of subdivision a of this section.

c. The commission may refuse to issue or to renew a license or certificate of approval to an applicant

who has knowingly failed to provide the information and/or documentation required in the form prescribed by the commission pursuant to section [20-954 of this chapter] 20-9005, or who has knowingly provided false information or documentation required by the commission pursuant to this chapter or any rules promulgated pursuant hereto.

d. The commission may refuse to issue or to renew a license or certificate of approval to an applicant when such applicant: (i) was previously issued a license or certificate of approval pursuant to this chapter and such license or certificate of approval was revoked pursuant to the provisions of this chapter; or (ii) has been determined to have committed any of the acts which would be a basis for the suspension or revocation of a license or certificate of approval pursuant to this chapter or any rules promulgated hereto.

e. The commission may refuse to issue or to renew a license pursuant to this chapter to an applicant business where such applicant business or any of the principals of such applicant business have been principals of a licensee whose license has been revoked pursuant to subdivision a of section [20-959 of this chapter] 20-9010.

§ [20-957] 20-9008 Independent auditing required. a. The commission may, in the event the background investigation conducted pursuant to section [20-954 of this chapter] 20-9005 produces adverse information, require as a condition of a shipboard gambling license that the licensee enter into a contract with an independent auditor, approved or selected by the commission. Such contract, the cost of which shall be paid by the licensee, shall provide that the auditor investigate the activities of the licensee with respect to the licensee's compliance with the provisions of this chapter, other applicable federal, state and local laws and such other matters as the commission shall determine by rule. The contract shall provide further that the auditor report the findings of such monitoring and investigation to the commission on a periodic basis.

b. The commission shall be authorized to prescribe, in any contract required by the commission pursuant to this section, such reasonable terms and conditions as the commission deems necessary to effectuate the purposes of this chapter.

§ [20-958] 20-9009 Investigations by the department of investigation or police department. In addition to any other investigation authorized pursuant to law, the commissioner of the department of investigation or the police commissioner shall, at the request of the commission, conduct a study or investigation of any matter arising under the provisions of this chapter, including but not limited to investigation of the information required to be submitted by applicants for licenses, certificates of approval and registration and the ongoing conduct of licensees, holders of certificates of approval and registrants.

§ [20-959] 20-9010 Revocation or suspension of license, certificate of approval or registration. a. In addition to the penalties provided in section [20-960 of this chapter] 20-9011, the commission may, after notice and opportunity to be heard, revoke or suspend a license, certificate of approval or registration issued pursuant to the provisions of this chapter when the licensee or a principal, employee or agent of a licensee, a holder of a certificate of approval or a registrant: (i) has been found to be in violation of this chapter or any rules promulgated hereunder; (ii) has repeatedly failed to obey the lawful orders of any person authorized to enforce the provisions of this chapter; (iii) has failed to pay, within the time specified by a court, the commission or an administrative tribunal of competent jurisdiction, any fines or civil penalties imposed pursuant to this chapter or the rules promulgated pursuant hereto; (iv) whenever, in relation to an investigation conducted pursuant to this chapter, the commission determines, after consideration of the factors set forth in subdivision a of section [20-956 of this chapter] 20-9007, that the licensee, holder of a certificate of approval or registrant lacks good character, honesty and integrity or lacks the financial capacity to maintain and operate the business responsibly in a manner that will ensure the immediate payment to patrons; (v) whenever there has knowingly been any false statement or any misrepresentation as to a material fact in the application or accompanying papers upon which the issuance of such license, certificate of approval or registration was based; or (vi) whenever a licensee has failed to notify the commission as required by subdivision c of section [20-954 of this chapter] 20-9005 of any change in the ownership interest of the business or any other material change in the information required on the application for such license, or of the arrest or criminal conviction of a principal of such licensee or any of

its employees or agents of which the licensee had knowledge or should have known.

b. Notwithstanding any other provision of this chapter or rules promulgated thereto, the commission may, upon a determination that the operation of a shipboard gambling business or the conduct of an employee of such business creates an imminent danger to life or property, immediately suspend the license of such business or the certificate of approval or registration of such employee without a prior hearing, provided that provision shall be made for an immediate appeal of such suspension to the chair of the commission who shall determine such appeal forthwith. In the event that the chair upholds the suspension, an opportunity for a hearing shall be provided on an expedited basis, within a period not to exceed four business days and the commission shall issue a final determination no later than four days following the conclusion of such hearing.

§ [20-960] 20-9011 Penalties. In addition to any other penalty provided by law: a. Except as otherwise provided in subdivision b of this section, any person who violates any provision of this chapter or any of the rules promulgated thereto shall be liable for a civil penalty which shall not exceed ten thousand dollars for each such violation. Such civil penalty may be recovered in a civil action or may be returnable to the department of consumer affairs or other administrative tribunal of competent jurisdiction;

b. Any person who violates subdivision a of section [20-953 of this chapter] 20-9004 shall, upon conviction thereof, be punished for each violation by a criminal fine of not more than ten thousand dollars for each day of such violation or by imprisonment not exceeding six months, or both; and any such person shall also be subject to a civil penalty of not more than five thousand dollars for each day of such violation to be recovered in a civil action or returnable to the department of consumer affairs or other administrative tribunal of competent jurisdiction; and

c. (i) In the event that a shipboard gambling business has violated subdivision f of section [20-963 of this chapter] 20-9014, the commission, in addition to any other penalty prescribed in this section, shall, after providing notice and the opportunity to be heard, be authorized to order that any gambling device or other gambling equipment used in the violation of such subdivision shall be removed, sealed or otherwise made



inoperable. An order pursuant to this paragraph shall be posted on the vessel on which such violation occurs. The commission shall take reasonable measures to provide notice to a person(s) holding a security interest(s) in a gambling device or gambling equipment with respect to which action is taken pursuant to this section.

(ii) Ten days after the posting of an order issued pursuant to paragraph (i) of this subdivision, this order may be enforced by any person so authorized by section [20-962 of this chapter] 20-9013.

(iii) Any gambling device or gambling equipment removed pursuant to the provisions of this subdivision shall be stored at a dock or in a garage, pound or other place of safety and the owner or other person lawfully entitled to the possession of such item may be charged with reasonable costs for removal and storage payable prior to the release of such item.

(iv) A gambling device or gambling equipment sealed or otherwise made inoperable or removed pursuant to this subdivision shall be unsealed, restored to operability or released upon payment of all outstanding fines and all reasonable costs for removal and storage and upon demonstration satisfactory to the commission that the provisions of subdivision f of section [20-963] 20-9014 will be complied with in all respects.

(v) It shall be a misdemeanor for any person to remove the seal from or make operable any gambling device or gambling equipment sealed or otherwise made inoperable in accordance with an order of the commission.

(vi) A gambling device or gambling equipment removed pursuant to this subdivision that is not reclaimed within ninety days of such removal by the owner or other person lawfully entitled to reclaim such item shall be subject to forfeiture upon notice and judicial determination in accordance with provisions of law. Upon forfeiture, the commission shall, upon a public notice of at least ten business days, sell such item at public sale. The net proceeds of such sale, after deduction of the lawful expenses incurred, shall be paid into the general fund of the city.

d. The corporation counsel is authorized to commence a civil action on behalf of the city for injunctive

relief to restrain or enjoin any activity in violation of this chapter and for civil penalties.

§ [20-961] 20-9012 Liability for violations. A shipboard gambling business required by this chapter to be licensed shall be liable for violations of any of the provisions of this chapter or any rules promulgated pursuant hereto committed by any of its principals acting within the scope of such business and any of its employees and/or agents within the scope of their employment.

§ [20-962] 20-9013 Enforcement. Notices of violation for violations of any provision of this chapter or any rule promulgated hereunder may be issued by authorized employees or agents of the commission or the police department. In addition, such notices of violation may, at the request of the commission and with the consent of the appropriate commissioner, be issued by authorized employees and agents of the department of consumer affairs or the department of investigation.

§ [20-963] 20-9014 Conduct of shipboard gambling licensees. a. A shipboard gambling licensee shall be in compliance with all applicable federal, state and local statutes, laws, rules and regulations governing operation of a shipboard gambling business, including but not limited to: (i) specifications for design and construction, equipment required to be present on board such vessel, maintenance, inspection, documentation, operation and licensing of such vessels; requirements for the medical fitness, training and other qualifications, drug testing and licensing of the crew of such vessels; environmental requirements; requirements regarding safety and conditions of employment on such vessel; and requirements for accessibility under the Americans with Disabilities Act and any regulations promulgated pursuant thereto, as such regulations may from time to time be amended and analogous provisions of title eight of this code;

(ii) prohibitions of gambling activity or the use of gambling devices within the territorial waters of the United States or the state of New York;

(iii) applicable zoning and building code requirements;

(iv) requirements governing the service and provision of food and alcoholic beverages within the territorial waters of the state of New York; and

(v) health and sanitary regulations.

b. A shipboard gambling licensee shall maintain audited financial statements, records, ledgers, receipts, bills and such other records as the commission determines are necessary or useful for carrying out the purposes of this chapter. Such records shall be maintained for a period of time not to exceed five years to be determined by rule of the commission, provided, however, that such rule may provide that the commission may, in its discretion, require that records be retained for a period of time exceeding five years. Such records shall be made available for inspection and audit by the commission at its request and, at the option of the commission, at either the licensee's place of business or at the offices of the commission.

c. A shipboard gambling licensee shall maintain liability and other insurance as prescribed by rule of the commission.

d. A shipboard gambling licensee shall, in accordance with rules of the commission, institute and maintain security and safety measures and shall provide and maintain such other public services for the welfare of patrons required by such rules.

e. A shipboard gambling licensee shall, upon request by a passenger who does not wish to leave the vessel carrying cash on his or her person, provide payment of winnings by check.

f. A shipboard gambling licensee shall ensure, by means acceptable to the commission and the department of investigation, that all gambling devices and gambling equipment on board the vessel are secured or made inoperable during any period the vessel is in the territorial waters of New York and shall comply with all rules promulgated by the commission regarding the maintenance, safeguarding and storage of gambling devices.

g. A shipboard gambling licensee shall adopt measures to ensure that persons under eighteen years of age do not engage in gambling aboard a vessel operated by or on behalf of such licensee.

h. All advertising by a shipboard gambling licensee shall prominently state the age restrictions for engaging in gambling aboard the vessel, and shall comply with all rules governing advertising promulgated by

the commission.

i. A shipboard gambling licensee shall provide access to the vessel(s) operated by or on behalf of the shipboard gambling business to any person authorized by section [20-962 of this chapter] 20-9013 to enforce the provisions of this chapter including, but not limited to, regular and permanent access by any person assigned to such vessel by an agency authorized to enforce the provisions of this chapter.

j. A shipboard gambling licensee shall not purchase goods or services from a key vendor or an auxiliary vendor unless such vendor has first obtained a license from or registered with the commission, whichever is applicable, unless the shipboard gambling licensee has obtained permission from the commission as provided by rule of the commission pursuant to subdivision q of section [20-950 of this chapter] 20-9001 or the key vendor or auxiliary vendor has been granted a waiver pursuant to such subdivision.

k. (i) A shipboard gambling licensee shall not employ any person required to obtain a license, certificate of approval or to register pursuant to the provisions of this chapter unless such person has obtained such license, certificate of approval or registration; provided, however, that the commission shall, by rule, make provision for temporary permission for employment pending completion by the commission of review of an applicant for a certificate of approval or registration and may, in its discretion, permit the employment of a key employee who has not obtained the required license where the employment of such person is necessary for the operation of the shipboard gambling business.

(ii) The commission may, upon the request of a shipboard gambling business, make available the names of applicants for employment who have been approved for licenses, certificates of approval or registrations.

l. A shipboard gambling licensee shall demonstrate and ensure for each vessel operated by or on behalf of such licensee, irrespective of the size of the vessel, that (i) every crew member required by the certificate of inspection issued for each such vessel by the United States coast guard or the analogous document issued pursuant to the international convention for the safety of lives at sea meets all marine personnel requirements set forth in such certificate or document and holds the applicable documentation, (ii) at least sixty-five percent

of the required number of crew actually manning the vessel, as set forth in the certificate of inspection issued for each such vessel by the United States coast guard or the analogous document issued pursuant to the international convention for the safety of lives at sea, exclusive of those required to be licensed by the United States coast guard or the international maritime organization, have merchant mariners' documents endorsed for a rating of at least able seaman or the international maritime equivalent, and (iii) every person employed on each such vessel has received familiarization training consistent with the standards regarding emergency occupational safety, medical care and survival functions set forth in the seafarer's training, certification and watchkeeping code.

m. A shipboard gambling licensee shall comply with all additional rules governing conduct of a shipboard gambling business promulgated by the commission in order to effectuate the purposes of this chapter.

§ [20-964] 20-9015 Rules. The commission may promulgate such rules as it may deem necessary or useful to effectuate the purposes of this chapter.

§ [20-965] 20-9016 Hearings. a. A hearing pursuant to this chapter may be conducted by the commission, or, in the discretion of the commission, by an administrative law judge employed by the office of administrative trials and hearings or other administrative tribunal of competent jurisdiction. Where a hearing pursuant to a provision of this chapter is conducted by an administrative law judge, such judge shall submit recommended findings of fact and a recommended decision to the commission, which shall make the final determination.

b. Notwithstanding the provisions of subdivision a of this section, the commission may provide by rule that hearings or specified categories of hearings pursuant to this subchapter may be conducted by the department of consumer affairs. Where the department of consumer affairs conducts such hearings, the commissioner of consumer affairs shall make the final determination.

§ [20-966] 20-9017 Reporting requirements. a. No later than one week following the submission of the mayor's management report, the commission shall submit to the council a report detailing its activities pursuant

to this chapter for the period covered by the mayor's management report. The report required by this section shall at a minimum include:

i. the number of applicants for a license, certificate of approval or registration that were denied by the commission and a statement of the reasons for such denials;

ii. the number of licenses, certificates of approval and registrations issued by the commission;

iii. the number of applications for licenses, certificates of approval or registrations, respectively, presently pending;

iv. the number of licenses, certificates of approval and registrations that have been suspended or revoked by the commission pursuant to section [20-959 of this chapter] 20-9010, a statement of the reasons for such suspensions and revocations, and the average duration of such suspensions;

v. the amounts, by category, of all fees relating to implementation of this chapter to which the city is entitled, the amounts actually collected, and the reasons for any difference between the two amounts; and

vi. the amounts, by category, of all expenditures relating to enforcement of the provisions of this chapter.

b. The information required by paragraphs i, ii and iv of subdivision a of this section shall identify the shipboard gambling business to which the information relates.

§ 3. This local law takes effect 180 days after it becomes law, except that the director of the office of labor standards shall take such measures as are necessary for the implementation of section one of this local law, including the promulgation of rules, before such date, and provided further that in the case of employees covered by a valid collective bargaining agreement in effect on such date, any reference in this local law to the provisions of subchapter 5 of chapter 12 of title 20 of the code, as added by a local law amending the administrative code of the city of New York, in relation to prohibiting on-call scheduling for retail employees and providing advance notice of work schedules to retail employees, as proposed in introduction number 1387-A for the year 2016, shall take effect on the stated date of expiration of such agreement.

MC;ADW;ML

LS 1258; LS 1935; LS 2786; LS 3299; LS 4236; LS 9068

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