

THIS WEEK IN NEW YORK

COVERING NEW YORK & CITY GOVERNMENT

MARCH 22, 2024 EDITION

"Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail." Governor Kathy Hochul

In the News-New York State



Comptroller DiNapoli: 2023 Wall Street \$34 Billion Bonus Pool Relatively Flat Over 2022

Average Bonus for Employees in NYC's Securities Industry was \$176,500

The average annual Wall Street bonus dipped to \$176,500 last year, a 2% decline from the previous year's average of \$180,000, according to New York State Comptroller Thomas DiNapoli's annual estimate. Wall Street's profits were up 1.8% in 2023, but, according to the Comptroller, firms have taken a more cautious approach to compensation and more employees have joined the securities industry, which accounts for the slight decline in the average bonus.

"Wall Street's average cash bonuses dipped slightly from last year, with continued market volatility and more people joining the securities workforce," Comptroller DiNapoli explained. "While these bonuses affect income tax revenues for the state and city, both budgeted for larger declines so the impact on projected revenues should be limited. The securities industry's continued strength should not overshadow the broader economic picture in New York, where we need all sectors to enjoy full recovery from the pandemic."

The \$33.8 billion bonus pool for 2023, was well below the 25% growth seen in 2020 (\$37.1 billion) and the 15% jump seen in 2021 (\$42.7 billion), but slightly over the pre-pandemic high of \$32.1 billion.

Comptroller DiNapoli estimates that the securities industry accounted for approximately \$28.8 billion in state tax revenue, or 27.4% of the state's tax collections, for State Fiscal Year (SFY) 2022-23, and \$5.4 billion in city tax revenue, 7% of total tax collections for City Fiscal Year (CFY) 2023.

In 2022, bonuses generated \$447 million less in state income tax revenue and \$204 million less for the city compared to the prior year. Comptroller DiNapoli projects the 2023 bonuses in New York City's securities industry will generate \$4 million less in state income tax revenue and \$2 million less for the city when compared to the previous year. The Governor's proposed budget assumed bonuses in the broader finance and insurance sector would decrease by 2.7% in SFY 2023-24, while the city's CFY 2024 financial plan assumed a decrease of 7.8% in securities industry bonuses.

In 2023, the sector employed about 198,500 people, up from 191,600 the prior year. DiNapoli estimates that 1 in 11 jobs in the city is either directly or indirectly associated with the securities industry. Financial services firms reported 65% of employees were in the office on any given day in September 2023 (post-Labor Day), compared to 58% for all firms in the city, according to the Partnership for New York City's survey.



Governor Hochul Initiates Assessment of the Office of Cannabis Management

Governor Kathy Hochul this week initiated an assessment of the Office of Cannabis Management to identify opportunities for improvement and begin implementation of a strategic plan for the long-term success of the legal cannabis rollout.

Commissioner for the Office of General Services Jeanette Moy will serve as lead and executive sponsor of the effort, supported by State government leaders.

“Today, we take the first step in revamping New York’s legal cannabis industry to ensure its long-term success,” Governor Hochul said. “I have full confidence in Commissioner Moy’s ability to identify areas that need improvement, establish standards and processes across agencies, and jumpstart the next phase of New York’s legal cannabis market.

According to the Governor, Commissioner Moy will “embed” in OCM for a minimum 30-day sprint to assess the agency’s organization. As part of the plan, several goals have been identified, including:

- Top-down review of organizational structure, processes, and systems with a focus on improving OCM license processing times and application-to-opening timeframes for new cannabis retailers and businesses.
- Develop key performance metrics and an executive-level licensing dashboard to provide the Executive Chamber with a timely, accurate, and comprehensive picture of licensing activity for legal retailers.
- Identify and implement changes to policy, procedure, and regulation (within the bounds of the MRTA) to streamline the licensing process and simplify application and review for prospective licensees.
- Develop three-month and six-month action plans with organizational change initiatives, milestones, and actions to continue improving agency functions while developing a world-class licensing and regulatory agency for New York States’ cannabis industry.

Commissioner Moy will access resources from OGS, the Office of Information Technology Services, and other State agencies to support the development of systems and dashboards. Additionally, OCM leadership and staff will work with Commissioner Moy to help streamline the assessment process.

According to the Governor, following the initial 30-day period, the potential for external consulting may be considered to support a second, longer-duration phase of the effort.

In the News-New York



NYS Department of State & Mayor's Office of Special Enforcement Enter Settlement to End Illegal Short-Term Rental Operation Run by Licensed Real Estate Broker



New York Secretary of State Robert Rodriguez and New York City Mayor's Office of Special Enforcement (OSE) Executive Director Christian J. Klossner announced a resolution of an \$845,000 settlement that shuts down an illegal short-term rental operation at two Manhattan buildings. The settlement satisfies investigations by both the State and City involving real estate brokers Mega Home and Katherine Cartagena.

According to the OSE lawsuit, the defendants converted multiple permanent residential dwelling units at 311 East 51st Street and 207 West 75th Street in Manhattan to advertise and operate illegal short-term rentals.

Between 2019 and 2022, records show that Airbnb disbursed more than \$2 million to the defendants for more than 550 short-term rentals involving over 2,000 guests at the two buildings. In response to OSE's enforcement, the defendants removed all illegal listings and will now settle for a citywide permanent injunction and \$845,000 in restitution. Ms. Cartagena also agreed separately with DOS that she advertised illegal transient rentals in violation of the law and that should she do so again, her real estate license would be revoked.

"New York is in the middle of a housing shortage crisis which makes returning a long-term rental unit to the housing market crucial," said Secretary of State Robert Rodriguez. "The Department of State's Division of Licensing Services will continue to collaborate with our city partners to ensure the laws are being followed and that violators are held accountable."

The investigation leading to the lawsuit brought by OSE was based on data obtained through the city's [Booking Service Data Reporting law](#) before the city's short-term rental registration law went into effect in 2023. New York City's booking service data reporting law requires online short-term rental platforms to periodically provide OSE with information about transactions for certain listings. These reports include the physical address of the short-term rental as reported to the booking service by the host, the URL of the short-term rental listing, details pertaining to the scope of the short-term rental transaction, and information relating to the identity of the host, including contact information and associated bank accounts to which payouts were made.

New York City's short-term rental registration law, which went into effect in January 2023, requires rental hosts in New York City to register with the city and prevents platforms like Airbnb from processing transactions unless the registration information matches a city database.

“Safe, stable, and affordable housing is fundamental to a prosperous city, and with our short-term rental reporting and registration laws we are stopping illegal operators from impeding our housing goals,” said New York City Mayor Eric Adams. “Today’s settlement sends a clear message that we will not allow anyone to use our valuable housing stock for unlawful personal gain.”



NYC Comptroller: Providing Legal Services to Immigrants and New Arrivals in NY “Could Yield Billions in Economic Benefits”

Providing universal legal representation in immigration proceedings in New York could generate billions of dollars for the economy and enable tens of thousands of individuals to stay in their communities, according to New York City Comptroller Brad Lander’s new report, [Economic Benefits of Immigration Legal Services](#). The report also finds that asylum seekers currently living in City shelters could earn a collective total of over \$470 million.

“Immigration is a boon for New York City’s economy – immigrants are more likely to work, start a business, and contribute billions of dollars into our New York economy in spending power and tax revenue,” said Comptroller Brad Lander. “Investing in immigration legal services will bolster New York City’s bottom line by keeping workers in the workforce, getting new arrivals work authorization, keeping families together and providing pathways to upward mobility.”

Specifically, the Comptroller’s report finds:

- Providing access to attorneys for all immigrants in New York State facing deportation proceedings could result in an additional 53,000 New Yorkers being able to remain in communities across the state.
- Preventing deportation of these 53,000 New Yorkers could result in an estimated net benefit of \$8.4 billion for the federal, state, and local governments, calculated as the net present value over 30 years of new tax revenues less services received.
- The approximate earning potential of asylum seekers in City shelters is over \$382 million and, if the federal government granted all working-age asylum seekers work authorizations, that earning potential could rise to over \$470 million.

The Comptroller’s report analyzes the potential economic benefits of enacting the Access to Representation Act (S999A/A170A - sponsored by Senator Brad Hoylman-Sigal and Assemblymember Catalina Cruz) which guarantees that any New Yorker facing deportation has a right to an attorney; the economic detriments of deportation; and the potential earning power of the approximately 64,800 new arrivals in New York City shelters upon receiving work authorization.

“Immigration is a central part of New York’s story, yet our immigration courts are in a state of disarray. There are currently around 330,000 cases pending in immigration courts in New York State and less than half of those people have lawyers to represent them,” said Senator Brad Hoylman-Sigal. “According to the New York City Comptroller’s office, this law would likely result in an additional 53,000 New Yorkers remaining in our community. The Comptroller’s report also shows that the net benefit of preventing these 53,000 deportations for our State, Federal, and Local budgets would be a staggering \$8.4 billion.”

According to the Comptroller, the current wait time for the first immigration court hearing for asylum seekers or others seeking legal status is estimated to be four years, due to the backlog of cases.



Bills Approved by the City Council

Introduction 45-A, sponsored by Council Member Rita Joseph--Requires the Department of Education (DOE) to report the actual class size of all classes in DOE schools and programs. This bill would also require the DOE to report, on a district, borough, and citywide level, the number and percentage of students in special programs, disaggregated by program type, grade, race or ethnicity, gender, special education status, and English language learner status.

Introduction 228-A, sponsored by Council Member Crystal Hudson--Requires the NYC Department for the Aging (DFTA) to make information available to older adults about NYC Care, the NYC Health + Hospitals initiative to provide low- or no-cost primary health care to income-eligible NYC residents. DFTA would be required to provide eligibility guidelines for the initiative, clarify it is not based on immigration status, and ensure information is available in paper form and at all locations where DFTA services are provided.

Introduction 349, sponsored by Council Member Sandy Nurse--Clarifies that required reports on the removal of individuals experiencing homelessness from public spaces, and the services offered and outcomes, are to be submitted on a quarterly basis.

Introduction 653-A, sponsored by Council Member Pierina Sanchez--Extends the Rent Stabilization Law from expiring on April 1, 2024, to April 1, 2027, based on the declaration of an ongoing housing emergency from findings of the 2023 Housing and Vacancy Survey.

Briefs

NY's Expanded *Move Over Law* to Include All Stopped Vehicles on Highways Beginning March 27th

Starting March 27th, drivers will be required to take precautions, including slowing down and moving over, to avoid a crash with all vehicles stopped along the roadway.

New York's *Move Over Law* first became effective in 2010 to prevent collisions with emergency vehicles that were stopped on the roadway. It has been expanded several times to also cover hazard vehicles, highway worker vehicles, and tow trucks.

In 2023, Governor Hochul signed legislation to further strengthen the law by including this protection for all vehicles stopped on the roadway. Under the law, when a driver is approaching a vehicle stopped along either shoulder of the road, they should:

- change into a lane not immediately adjacent to the vehicle.
- slow down to a reasonable speed if unable to safely make a lane change.

According to the National Highway Traffic Safety Administration, all 50 states have *Move Over* laws to protect law enforcement officers and other first responders, yet one-third of Americans are not aware of these laws.

Governor Launches Effort to Protect New Yorkers Ahead of Total Solar Eclipse on April 8th

The Eclipse effort includes statewide distribution of limited-edition I LOVE NY eclipse glasses at 30 locations throughout the state – including New York State Welcome Centers and select service areas along the NYS Thruway. In addition, the Governor expanded an I LOVE NY campaign to urge New Yorkers to take proper safety precautions during the eclipse.

The eclipse will begin in western New York shortly after 2 p.m. Eastern Daylight Time on Monday April 8th. Full totality will begin in Chautauqua County at 3:17 p.m., moving through the state to Plattsburgh at 3:25 p.m.



New York Pharmacists Can Now Provide Hormonal Contraception Without a Prescription

Governor Kathy Hochul this week joined New York State Health Commissioner Dr. James McDonald at College Parkside Pharmacy in Albany to sign a standing order authorizing pharmacists to dispense three types of hormonal contraception medication without a prescription.

The standing order signed by the State Health Commissioner pertains to three types of self-administered hormonal contraceptives that are approved by the federal Food and Drug Administration to prevent pregnancy, which include: oral hormonal pill, hormonal vaginal ring, and the hormonal contraceptive patch.

Pharmacists who choose to participate can dispense up to 12 months of a self-administered hormonal contraception of the individual's preference and covered under their insurance.

The New York State Board of Regents voted on March 12, 2024 to approve an emergency amendment that was necessary before the State Health Commissioner could issue the standing order.

NY Launches the North Country's \$10 Million *Next Move NY* Workforce Development Initiative for Transitioning Soldiers

Governor Kathy Hochul this week announced that the application is now open for the \$10 million *Next Move NY* initiative – the North Country Regional Economic Development Council's award-winning strategy to strengthen workforce opportunities for transitioning soldiers and their families.

Next Move NY will consider projects that will create a workforce development program to retain local soldiers and their spouses by providing opportunities that support, educate, and train the more than 3,600 soldiers that transition out of service at Fort Drum each year. [Intent to propose applications](#) may be submitted through Friday, May 3rd.

Mayor Adams Demands Water Bill Dodgers to pay Debt or Risk Losing Water Access

New York City Mayor Eric Adams and New York City Department of Environmental Protection (DEP) Commissioner Rohit T. Aggarwala this week announced that the City has initiated the next phase of its collection enforcement actions against approximately 2,400 chronically-delinquent water service accounts that owe the City a total of \$102 million.

As part of the effort, DEP will send out 'Water Shutoff Notices' to these customers, informing them that water service to their property could be shut off unless the entire owed amount is paid or they enter into a payment agreement within the next 15 days. This enforcement action is targeted towards commercial properties, including hotels, office buildings, and retail spaces, as well as one-to-three family homes that have not responded to any of DEP's extensive outreach efforts over the past year.

Earlier this year, DEP sent out ‘Water Shutoff Warning’ letters, which resulted in the agency recouping more than \$3 million dollars from more than 400 overdue accounts. During the pandemic, DEP saw a significant increase in the number and balance of delinquent accounts. The total of delinquent payments nearly doubled to \$1.2 billion.

Shutting off water service can have serious consequences and may subject property owners to code violations by the New York City Department of Buildings, the New York City Department of Health and Mental Hygiene, and the Fire Department of the City of New York, as well as the potential for an Order to Vacate the Premises.

Coming Up

New York State

Monday, March 25^h

New York State Assembly, Assembly Chamber, 2 p.m. (Tuesday through Thursday are TBA)

New York State Senate, Senate Chamber, 3 p.m.

Tuesday, March 26th

New York State Senate, Senate Chamber, 3 p.m.

Wednesday, March 27th

New York State Senate, Senate Chamber, 3 p.m.

Thursday, March 28th

New York State Senate, Senate Chamber, 11 a.m.

New York City

Monday, March 25th

Committee on Veterans, Committee Room – City Hall, 10 a.m.

Tuesday, March 26th

Subcommittee on Zoning and Franchises, Council Chambers – City Hall, 11 a.m.

Thursday, March 28th

Committee on Cultural Affairs, Libraries, and International Intergroup Relations, Committee Room – City Hall, 10 a.m.

Committee on Rules, Privileges, and Elections, Council Chambers – City Hall, 10 a.m.

Subcommittee on Landmarks, Public Siting's, and Dispositions, 250 Broadway – Committee Room, 16th floor, 11 a.m.

Committee on Land Use, Committee Room – City Hall, 1 p.m.

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