



THIS WEEK IN NEW YORK

COVERING NEW YORK & CITY GOVERNMENT

MAY 24, 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



Attorney General James Secures \$2 Billion Settlement for Defrauded Victims of Crypto Firm Genesis Global Capital

New York Attorney General Letitia James secured a settlement worth \$2 billion with bankrupt cryptocurrency firms Genesis Global Capital, LLC, Genesis Asia Pacific PTE, LTD., and Genesis Global Holdco, LLC (Genesis) that will help maximize recoveries for investors who were defrauded.

The settlement will establish a victims fund to help defrauded investors, including at least 29,000 New Yorkers, who contributed more than \$1.1 billion to Genesis through the Gemini Earn investment program. Additionally, the settlement bans Genesis from operating in New York.

“When investors suffer losses because of fraud and manipulation, they deserve to be made whole,” said Attorney General James. “This historic settlement is a major step toward ensuring the victims who invested in Genesis have a semblance of justice. Once again, we see the real-world consequences and detrimental losses that can happen because of a lack of oversight and regulation within the cryptocurrency industry.

The Victims’ Fund established through this settlement between the Office of the Attorney General (OAG) and Genesis will receive distributions from the assets remaining in Genesis’ estate after initial bankruptcy distributions to creditors. If those creditors are not made whole based on today’s digital asset values, the Victims’ Fund will receive up to \$2 billion from Genesis’ remaining assets. The Victims’ Fund will then make distributions to compensate Genesis’ creditors for the full and fair amounts of their actual losses until the Victims’ Fund is depleted.



Hochul Administration Appointees Confirmed by Senate

The State Senate this week confirmed three Hochul Administration appointees. Walter T. Mosley has been confirmed as Secretary of State, Daniel F. Martuscello III has been confirmed as the Commissioner of the New York State Department of Corrections and Community Supervision (DOCCS) and Robert J. Rodriguez has been confirmed as President and Chief Executive Officer of the Dormitory Authority of the State of New York.

Walter Mosley served in the New York State Assembly from 2013 to 2020, representing communities in central Brooklyn. His public service also includes positions as a Legislative Analyst and Oversight Investigator for the New York City Council, a Senior Consultant to the New York State Assembly, and a Senior Advisor to the Deputy Speaker of the New York State Assembly prior to becoming a member of the New York Legislature in 2013. Mr. Mosley received a bachelor’s degree from Pennsylvania State University and received a law degree from Howard University.

Daniel F. Martuscello III began his career with the Department in 1997. He served as a Correction Officer prior to transitioning to administrative services, where he held a variety of titles within the Bureau of Personnel, including Director of Human Resources. He was promoted to Deputy Commissioner for Administrative Services, and then Executive Deputy Commissioner. Commissioner Martuscello holds a Bachelor of Arts Degree in Sociology, with a concentration in Criminology from SUNY Cortland.

Robert J. Rodriguez served as Secretary of State since 2022. Prior to joining the administration, Mr. Rodriguez served as a member of the New York State Assembly for 11 years, representing Assembly District 68. Mr. Rodriguez also held private sector roles as a Director at Public Financial Management, Vice-President at A.C. Advisory, Inc. and various management and operations roles at Bloomberg LP.

He is a graduate of Yale University, where he received a bachelor’s degree in history and political science, and New York University Stern Business School where he received an MBA in Finance.



Bills Passed by Both Houses



A4667B Sponsored by AM Dinowitz/Senator Persaud -- Amends requirements for health club contracts by adding email as a method by which a contract for a health club service may be cancelled by a buyer; shortening the period in which a refund is issued to the buyer from fifteen to ten business days; lowering the period in which an individual may cancel their membership because they are significantly physically disabled from six months to three months; requiring every health club to accept cancellation of membership within three business days; and requiring health clubs is to accept the cancellation within fifteen days after an annual renewal takes effect.

A4853 Sponsored by AM Ramos/Senator Martinez -- Prohibits the mandated use of credit cards at state parks, recreational facilities or historic sites.

A4938D Sponsored by AM Dinowitz/Senator Krueger -- Prohibit the manufacturing, distribution, assembly, reconditioning, sale or offering for sale a lithium-ion battery or second-use lithium-ion battery intended for use in a bicycle with electric assist, a moped, or other micro-mobility device unless the lithium-ion battery is certified by an accredited testing laboratory.

A6811 Sponsored by AM Tapia/Senator Cleare -- Establishes a safety program to provide new lithium-ion batteries at reduced cost or no cost to eligible individuals.

A9337 Sponsored by AM Taylor/Senator Cleare -- Incorporates training regarding lithium-ion battery emergency response into the Office of Fire Prevention and Control specialized hazardous materials emergency response training program.

A9338 Sponsored by AM De Los Santos/Senator Cleare -- Requires the Department of State, Division of Homeland Security and Emergency Services, and the New York State Energy Research and Development Authority to develop safety resources and protocols designed to educate the public on how to respond and deal with emergencies involving lithium-ion batteries.

S126 Sponsored by Senator Ryan/AM Burgos -- Expands the eligibility for appointment to the State Board of Parole to include at least ten years of experience in one or more of the fields of criminology, administration of criminal justice, law enforcement, sociology, law, social work, corrections, psychology, psychiatry, or medicine.

S485B Sponsored by Senator Comrie/AM Burgos -- Requires New York State Thruway Authority to submit biannual reports to the governor, the comptroller, the director of the budget, and legislature the statement of its financial condition, a statement of all receipts and expenditures, and a list of any contracts entered into by the authority during the period.

S3340 Sponsored by Senator Mayer/AM Lavine -- Requires that temporary and final extreme risk protection orders be included in the existing statewide computerized registry of orders of protection and warrants of arrest.

S5815A Sponsored by Senator Mannion/AM Reyes -- Creates a public education campaign to inform the public about the dangers of fatal and non-fatal drowning.

S6288 Sponsored by Senator Hinchey/AM Cunningham -- Allows courts to issue orders of protection for immediate family members or household members of the named victims, regardless of age.

S8373A Sponsored by Senator Rivera/AM Paulin -- Clarifies that medical debt does not include debt charged to a credit card unless the credit card is issued under an open-ended or closed-ended plan offered specifically for the payment of health care services.

In the News-New York City



Comptroller DiNapoli: NYC Tourism Nearing Pre-Pandemic Levels

Tourist Numbers Come in 7% Below 2019

Visitor Spending, Tax Revenues Surpass Pre-Pandemic Levels

New York's tourism sector continues its recovery trend as visitor numbers continue to increase and visitor spending and related tax revenue have surpassed pre-pandemic levels, [according to a new report](#) from New York State Comptroller Thomas DiNapoli. The city estimates it will exceed pre-pandemic levels and welcome a record 68 million visitors by 2025.

"The number of tourists is nearly back to pre-pandemic numbers in New York City," Comptroller DiNapoli said. "Visitor spending and the tax revenue this industry generates already exceed pre-pandemic levels, but the industry's recovery won't be complete until we see a full return of international and business travelers, and a full recovery of local jobs. Our city and state leaders need to focus on keeping New York a desirable and safe destination for individuals and families from around the world."

In 2023, 62.2 million people visited New York City, about 7% fewer than the 66.6 million who visited in 2019. Though fewer, these visitors spent over \$48 billion in 2023, up 1.3% over 2019, as prices have risen over that time, including average daily hotel room rates, which exceeded \$300, the Comptroller explained. Estimates project the City to generate a record \$4.9 billion in sales and other tourism-related tax revenue for the fiscal year (FY) 2024.

Domestic travelers have led the city's tourism sector recovery, according to the Comptroller. The 50.6 million U.S. visitors to the Big Apple in 2023 were 7% more than in 2022.

International travelers make up about 20% of the city's visitors, but their return has been slower, Comptroller DiNapoli explained. Their numbers grew to 11.6 million in 2023, an increase of 23.4% over the previous year, but down 14.1% from 2019. Overall international tourism-related spending was down 20.4 percent in 2023 from pre-pandemic levels.

In both domestic and international tourism, business travel has recovered more slowly than leisure travel due in part to the impact of remote work. International business travel to the city declined from 3.4 million visitors in 2019 to about 400,000 in 2021, but has since risen to about 2.3 million in 2023.

New York city led other major U.S. tourist destinations with over 33 million overnight visitors in 2023. Las Vegas and Los Angeles followed with over 26 million and 21 million overnight visitors respectively. Overnight domestic visitors to the city are expected to increase by 12.9 percent from 2023 to 2025.

Comptroller DiNapoli explained that despite the tourism industry’s ongoing recovery, there are still nearly 30,000 fewer workers in the sector compared to pre-pandemic levels, and the return of jobs has been uneven. Comparing 2023 to 2019, jobs in restaurants, bars, hotels and entertainment venues are still down by over 16,500 (10%) with tourism-related retail jobs down by 9,172 (16.8%). From 2019 to 2022, wages among tourism-related jobs grew more slowly than other private sector wages.



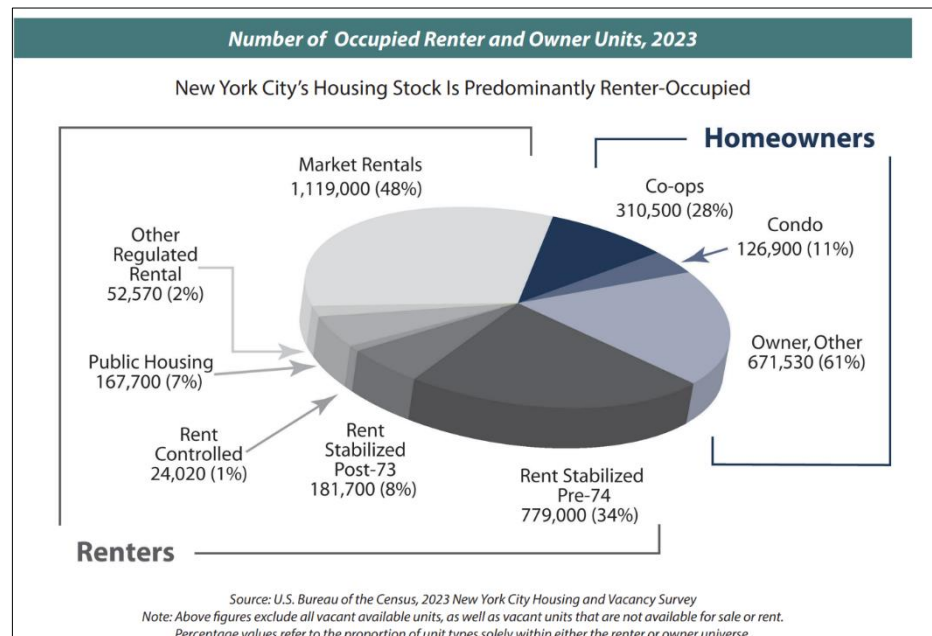
Snapshot of NYC’s Housing Stock

To assist the Rent Guidelines Board in its charge to set rates for the City’s over 1 million rentals, the Board research team this week released the [2024 Housing Supply Report](#), providing a snapshot of the City’s housing stock.

The Board will cast its final vote for this year’s rent increases at its June 17 meeting at Hunter College. The Rent Guidelines Board cast a preliminary vote in April, calling for rent increases of between 2 and 4.5 percent on one-year leases.

The Housing Supply report information was derived from NYC Housing and Vacancy Surveys (HVS), conducted triennially by the U.S. Census Bureau and sponsored by the NYC Department of Housing Preservation and Development, with the most recently available data from 2023.

According to the 2023 HVS, rental units comprise 68.1% of NYC’s available housing stock. In 2023, NYC had a total of 3,705,000 housing units. The majority of rental units are rent regulated. Of the 2,323,990 occupied rental units reported in the most recent HVS, 48.1% were unregulated, or “market rentals.”



The remaining units were rent regulated, including rent stabilized (41.3%); public housing (7.2%); or rent control or various other types of regulation programs (3.3%). There were also a total of 33,210 vacant rental units available for rent.

The 2023 HVS also indicated that NYC's housing market remains tight, with a Citywide net rental vacancy rate of 1.41% in 2023, down from 4.54% in 2021, and below the maximum 5% threshold required for rent regulation to continue under State law. This translates into the availability of 33,000 vacant units out of almost 2.4 million rental units Citywide. The net rental vacancy rate ranged from a low of 0.82% in the Bronx to a high of 2.33% in Manhattan. The net rental vacancy rate in Brooklyn was 1.27%, and the rate in Queens was 0.88%. There were too few vacant units in Staten Island to calculate an accurate vacancy rate, according to the report.

Per the 2023 HVS, the rent stabilized vacancy rate was 0.98% in 2023, while market rentals were vacant at a 1.84% rate. The 2023 HVS also found that 9.2% of all rental housing in NYC was overcrowded (defined as more than two persons per bedroom). For rent stabilized housing, the 2023 HVS found that 13.1% was overcrowded. By comparison, in market rentals, 6.7% were overcrowded.



Bills Approved by the City Council

Introduction 97-C, Sponsored by Council Member Sandra Ung – Establishes a civil penalty against commercial, manufacturing, or industrial building owners for repeated sidewalk littering and obstruction of \$50 for the first violation, \$300 for the second violation committed on a different day within any 12-month period, and \$500 for the third and each subsequent violation committed on a different day within any 12 month period.

Introduction 134-A, Sponsored by Majority Whip Selvena N. Brooks-Powers -- Requires the New York City Economic Development Corporation (EDC) to submit an annual report to certain elected officials – including the Council Speaker, Queens Borough President and the local Council Member representing JFK – on the progress of the JFK redevelopment plan and its related community benefits package including property acquisitions, contracts awarded to M/WBEs, permit applications, the establishment of advisory boards.

Introduction 135-A, sponsored by Majority Whip Selvena N. Brooks-Powers -- Requires the Department of Buildings (DOB) to conduct a loadbearing capacity study for parking garages. DOB would be required to assess factors of building integrity, such as the size, age, materials, and structural design of the parking structure.

Introduction 170-A, Sponsored by Majority Leader Amanda Farías -- Doubles the standard civil penalties for certain DOB-enforced violations when issued to the owner of a parking structure to promote improved compliance that better maintains the safety of parking garages.

Introduction 231-A, Sponsored by Council Member Crystal Hudson -- Increases the frequency of parking structure inspections from a six-year inspection cycle, as mandated by Local Law 126 of 2021, to a four-year inspection cycle. It would also require that follow-up assessments be conducted within two years after a parking structure is deemed safe with repair or monitoring.

Introduction 584-A, Sponsored by Council Member Eric Dinowitz -- Requires the 311 call center to implement a virtual queue system that provides an estimated wait time for callers.

Briefs

Attorney General James Sues Live Nation and Ticketmaster for Monopolizing Live Events and Overcharging Consumers

New York Attorney General Letitia James, the U.S. Department of Justice (DOJ), and a bipartisan coalition of 30 attorneys general this week [sued](#) Live Nation Entertainment, Inc. (Live Nation) and its subsidiary Ticketmaster for monopolizing the live events industry and harming consumers, artists, venues, and competitors.

The lawsuit, filed in the Southern District of New York, alleges that Live Nation controls almost every aspect of live events from promotions to venues and ticket sales, and abuses its market dominance to overcharge consumers, limit artists' ability to perform at different venues, and restrict venues not owned by Live Nation from working with other ticketing vendors. Attorney General James, DOJ, and the bipartisan multistate coalition seek to end Live Nation's abusive and anticompetitive conduct to protect fans, artists, and venues and to require the companies to pay for their wrongdoing.

Live Nation is a live entertainment company that owns, operates, or has exclusive booking rights for hundreds of venues nationwide, including New York's Madison Square Garden, Radio City Hall, Barclays Center, and other venues across the state. Live Nation controls many aspects of sports events and live performances, from producing and promoting events to renting venues they own and selling tickets through its subsidiary, Ticketmaster, which accounts for nearly 80 percent of the ticketing industry.

Ahead of Memorial Day Weekend, Governor Hochul Details the NY SWIMS Initiative

Governor Kathy Hochul this week announced investments to keep New Yorkers safe in the water through the New York State Wide Investment in Municipal Swimming initiative (NY SWIMS).

Recognizing that drowning is the leading cause of death for children ages 1-4, Governor Hochul secured measures in the FY 2025 Enacted Budget and launched other initiatives for NY SWIMS to [build out municipal pools in high-need areas](#), connect New Yorkers to the State's rivers and lakes, address the lifeguard shortage, and invest in State parks and pools.

To address the shortage of lifeguards, Governor Hochul announced the availability of \$5 million in funds through the Department of State to help incentivize lifeguard recruitment and retention across New York. Eligible applicants for the funding include New York City, all New York State counties outside of New York City, and the cities of Albany, Buffalo, Rochester, Syracuse, and Yonkers.

The application period for eligible municipalities is now open and the deadline to apply is July 26, 2024. SWIMS Lifeguard Grant funding may be used to cover project costs related to safe swimming opportunities including: advertising for lifeguard positions, lifeguard retention and referral bonuses, supplementing hourly lifeguard wages and salary increases.

Legal Battle over NYC's Building Emissions Law Revived

A panel of appellate judges from the New York State Supreme Court's First Department has issued an [order](#) reinstating a lawsuit contesting New York City's building emissions law (Local Law 97). Local Law 97 requires buildings over 25,000 square feet to cut 40% of their emissions by 2030 and reach an 80% reduction target by 2040.

The lawsuit, filed by Glen Oaks Village Owners Inc. and others, asserted that Local Law 97 is preempted by New York State's more comprehensive climate law, the Climate Leadership and Community Protection Act. The judges found the defendants, including New York City, failed to show that the State's current climate law does not preempt Local Law 97.

The new order modifies a November 2023 order from Supreme Court Justice J. Mabelle Sweeting which had granted the defendants' motion to dismiss the four causes of action in the lawsuit.

Mayor Adams Announces New Charter Revision Commission

New York City Mayor Eric Adams this week announced the appointment of a Charter Revision Commission (CRC), under chair Carlo Scissura, president and CEO of the New York Building Congress. The Commission is tasked with determining how to make New York City's municipal government more responsive and transparent to the city's residents.

Mayor Adams has asked the CRC to focus on how the charter can contribute to public safety and provide opportunities for greater community input and transparency when legislation is proposed that would impact public safety.

Additionally, Mayor Adams has asked the CRC to focus on how the charter can better promote fiscal responsibility. The CRC will have the ability to evaluate processes for determining the financial impact of proposed legislation on current and future fiscal years and whether the financial impact is funded.

[Appointees to the CRC](#) include former elected officials, civic and faith leaders and community members.

Coming Up

New York State

Tuesday, May 28th

New York State Senate Session, 3 p.m.

New York State Assembly Session, 11:30 a.m. (Wednesday and Thursday are TBA)

Senate and Assembly Committee Schedules were not announced at time of Publication

Wednesday, May 29th

New York State Senate Session, 3 p.m.

Thursday, May 30th

New York State Senate Session, 11 a.m.

New York City

Wednesday, May 29th

*Committee on Governmental Operations, State & Federal Legislation,
Council Chambers – City Hall, 10 a.m.*

Committee on General Welfare, Committee Room – City Hall, 10 a.m.

Thursday, May 30th

Committee on Transportation and Infrastructure, Committee Room – City Hall, 10 a.m.

Committee on Housing and Buildings, Council Chambers – City Hall, 10 a.m.

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