New York City Council

Memorandum in Support of Legislation

This memorandum is authored by the sponsor and explains the need for the legislation referenced below, in accordance with Rule 6.00(d) of the Rules of the Council.

Legislative Service Number:

- Int.

Prime Sponsor:

- Council Member Shahana Hanif

Bill Title:

- A Local Law in relation to mandating that the department of consumer and worker protection conduct a comprehensive one-time study and publish its findings on the economic effects of private equity firms on small businesses in New York city.

Submitted by:

- Council Member Shahana Hanif

Justification

Private equity firms are playing an increasingly significant role in New York City's economy, yet we lack a clear understanding of how their growing presence is affecting our small businesses, workers, and communities. As these firms expand into industries that New Yorkers rely on every day, it is critical that the City better understand their economic impact.

This bill requires the Department of Consumer and Worker Protection to conduct a comprehensive one-time study and publish its findings, including policy recommendations, on the economic effects of private equity firms on small businesses. The study would examine business closures, worker displacement and job losses, revenue impacts, loss of tax revenue, and other relevant metrics across key sectors, while also evaluating whether and how private equity firms interact with or benefit from contracting with the City.

By collecting reliable data on the impact of private equity, this bill will help inform future policy decisions to better protect New York City's small businesses and workers. For these reasons, I urge my colleagues to support this legislation.