

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS AND
BUSINESS LICENSING

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October 21, 2021
Start: 12:11 p.m.
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HELD AT: Council Chambers - City Hall

B E F O R E: Diana Ayala
CHAIRPERSON

COUNCIL MEMBERS:
Margaret S. Chin
Ben Kallos
Peter Koo
Karen Koslowitz
Carlos Menchaca
Brad Lander
Justin Brannan
Kalman Yeger

A P P E A R A N C E S (CONTINUED)

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2 [gavel]

3 CHAIRPERSON AYALA: Good morning. Good
4 morning, everyone. My name is Diana Ayala and I am
5 the Chair on the Committee on Consumer Affairs and
6 Business Licensing. I would like to welcome you to
7 our vote today on two bills that will improve the
8 regulatory landscape for businesses in New York City.
9 We will be voting on proposed Introduction 499-A by
10 Council member Koslowitz. News stands-- Quiet,
11 please. Thank you. We will be voting on proposed
12 Introduction 499-A by Council member Koslowitz. News
13 stands on some of the smallest businesses that we
14 have in New York City with some of the hardest
15 working owners. Within the industry, newsstand
16 operators typically operated there newsstand for up
17 to 12 hours a day for often modest revenues. Most
18 newsstands are owned by immigrants and, as consumers
19 have increasingly preferred digital over print media,
20 the job of a newsstand operator has become less
21 lucrative. The pandemic and resulting stay-at-home
22 orders have made it even more challenging for
23 newsstand operators to turn a profit over the past 18
24 months. In response to the difficulties facing this
25 industry, this committee will take action today to

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3 pass a bill to improve the conditions of those
4 operating newsstands. Currently, newsstand operators
5 are unable to operate their news stands as a
6 corporate entity such as a corporation or LLC which
7 means that newsstand operators must run their
8 business as sole proprietors. This set up exposes
9 their assets such as their homes or college savings
10 accounts to personal liability if they are sued, for
11 example, and the Annabella data form partnerships
12 also prohibits them from bringing a family member or
13 an employee into the business or sharing the cost of
14 the stand itself. An employee who has worked at a
15 newsstand for decades is unable to, under the current
16 law, to become a partner at the newsstand and
17 takeover for the existing operator after they retire.
18 Existing newsstand operators have, therefore,
19 advocated for the right to incorporate as business
20 entities, which is an essential component of Intro
21 499-A.

22 We're also voting on a proposed
23 Introduction number 1145-A by Council member Koo.
24 Retail stores that sell things like food and
25 nonprescription health and beauty aids are required
to comply with the city's rigorous item pricing law.

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3 The law requires these items with few exceptions to
4 be individually labeled with a price sticker. The
5 item pricing requirement is a massive burden for
6 retail stores. In supermarket, for example, one of
7 the thousands of items in the store must have their
8 prices correctly labeled. Of course, labeling tens
9 of thousands of items and a store perfectly is nearly
10 impossible. Human error can lead to a few items
11 being labeled incorrectly. These mistakes, however,
12 leaves stores vulnerable to findings from DCWP.

13 According to one aggregate, creating an exception for
14 the item pricing requirement was eliminated at one of
15 the biggest finds this industry sees. Intro 1145-A
16 modernize this the item pricing requirement without
17 sacrificing consumer protection. Under the proposed
18 introduction, stores can only make use of the bills
19 exception if they provide product scanners that
20 consumers can use to check the price of the item.

21 The number of the scanners needed in each store would
22 be based on the size of the store as determined by
23 the Commissioner of DCWP. Each shelf in the retail
24 store will also me to list the prize of the
25 corresponding item. In recent years, jurisdictions
across New York State have taken action to enable

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3 retailers to use technology to prevent stores from
4 needing to label individual items. Similar
5 legislation has passed in Westchester, Nassau,
6 [inaudible 00:04:17] Rocklin, Erie, Ressler, and St.
7 Lawrence County. I am glad that New York City would
8 join these other jurisdictions in taking commonsense
9 steps to amend outdated laws will, at the same time,
10 not sacrificing consumer transparency. I urge my
11 colleagues to vote yes on the use of important
12 introductions. Before I asked the clerk to call the
13 roll, I would like to turn it over to Council member
14 Koo to deliver an opening statement on his bill.
15 Council member Koo?

16 COUNCIL MEMBER KOO: Thank you, Chair
17 Ayala. Today we are voting on my bill, Intro 1145.
18 This is a small business relief bill that will expand
19 the number of items that retailers that are exempt
20 from item pricing requirements for individual pieces
21 of merchandise as long as the store makes prize
22 scanners available for the consumer. For years,
23 retail stores have been forced to waste time and
24 money on the labor-intensive task of using sticker
25 guns on every single individual piece of merchandise
on the shelf. I should know. As a pharmacist, I

3 have had do it for more than 20 years. The city
4 mandates, despite a redundant state law that requires
5 item pricing to also be displayed on the shelf. My
6 bill will eliminate the sticker gun mandates and give
7 retail stores the option to use prize scanners such
8 as those already found at large stores like Target.
9 This is one of the DCWP's most common violations and
10 right now, those bigger change stores are already
11 ignoring this law and just paid the fine. They see
12 it as a cost of doing business, but hours smaller,
13 often minority owned businesses are not as lucky and
14 by using barcodes and scanners, stores can more
15 efficiently implement sales and discounts over their
16 own goods. There is also zero evidence that this
17 bill would result in any sort of [inaudible
18 00:06:40]. We have asked for data, but there is
19 none. Nassau, Suffolk, and Manchester counties have
20 all been utilizing this technology for decades with
21 low reportage of job loss. If anything, retailers
22 are struggling to hire and keep a system of employees
23 this time. This bill will allow small businesses to
24 innovate and improve their business instead of having
25 to scramble to comply with cumbersome and outdated
overregulation. At the end of the day, we are in a

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3 retail crisis and this is a common sense step to
4 clean up the law. The pandemic has caused a retail
5 crisis that we have never seen before. Supermarkets
6 and small business retailers continues to shut their
7 doors and this is one tangible action we can take to
8 support them. We have all thought about wanting to
9 help small businesses. This is how to do it. For
10 supermarkets in particular, this bill would save them
11 from unnecessary burdens finds that big-box stores
12 are able to absorb as a cost of doing business. DCWP
13 has voiced their support of this bill and I urge my
14 colleagues to do the same. Thank you, Chair.

14 CHAIRPERSON AYALA: Thank you, Council
15 Koo. I will now turn it over to Council member
16 Koslowitz to make a statement. Council member
17 Koslowitz? We will get you a mic.

18 COUNCIL MEMBER KOSLOWITZ: Thank you. On
19 December 11th, 2001, the city Council passed Intro
20 096A/2001. It was a bill that I introduced on
21 December 26th, 2001. Mayor Giuliani vetoed the
22 legislation. Because this veto occurred five days
23 from the end of the 1998 2001 legislative session,
24 the Council did not the ability to consider an
25

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2 override. Today, almost 20 years later-- and I'm
3 still here--

4 [background comments]

5 [applause]

6 COUNCIL MEMBER KOSLOWITZ: The Council,
7 in considering Intro 499, is essentially considering
8 the same bill as Intro 0968. Intro 0968 contains
9 language authorizing raising the limit on the dollar
10 amount a news stand operator could charge for an
11 item. This increased dollar limit was achieved
12 during the Bloomberg administration and, therefore,
13 does not appear in Intro 499. Except for the raising
14 of the dollar amount, Intro 0968 and Intro 0499
15 basically identical. Currently, only an individual
16 can obtain a newsstand license. This bill would
17 permit partnerships, companies, and corporations to
18 obtain a newsstand license, as well. Why is this
19 important? Because it would enhance the ability of
20 immigrants to obtain a news stand license and thus
21 become entrepreneurs. There are approximately 300
22 news stands in operation in our city. These news
23 stands are overwhelmingly operated by immigrants.
24 That is, operated, but not owned by immigrants. By
25 expanding ownerships to partnerships, companies, and

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3 corporations, the current personal license holder
4 would be given the ability to bring in the operator
5 of the partner and when the current license holder
6 retires or passes on because the definition of
7 ownership is to be expanded, the immigrant operator,
8 as a partner, would have the ability to become the
9 sole owner where the immigrant operator would have
10 the ability to buy the license from the licensee.

11 Under current rules, this is not possible. Thank you
12 very much for this legislation. It means a lot to
13 me. We're ending the year and my term in a very good
14 way having this bill passed. And also, Peter Koo's
15 bill, item pricing, was also my the and their toying
16 with me to change the rules of the pricing heavy to
17 individual item. So, am very happy today to have
18 these two bills in front of us to vote on.

19 CHAIRPERSON AYALA: Thank you, Council
20 member Koslowitz. I will now ask the clerk to call
21 the roll.

22 COMMITTEE CLERK: Good morning. This is
23 the Committee on Consumer Affairs and Business
24 Licensing roll call vote on proposed Intros 499-A and
25 1145-A. We will start with Chair Ayala.

CHAIRPERSON AYALA: I vote aye.

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2 COMMITTEE CLERK: And Council members
3 Chin?

4 COUNCIL MEMBER CHIN: I vote aye.

5 COMMITTEE CLERK: Kallos?

6 COUNCIL MEMBER KALLOS: Aye.

7 COMMITTEE CLERK: Koo?

8 COUNCIL MEMBER KOO: Aye on all.

9 COMMITTEE CLERK: Koslowitz?

10 COUNCIL MEMBER KOSLOWITZ: Happily aye.

11 COMMITTEE CLERK: Lander? Menchaca?

12 Brannan?

13 COUNCIL MEMBER BRANNAN: Aye on all.

14 COMMITTEE CLERK: Yeger?

15 COUNCIL MEMBER YEGER: [inaudible

16 00:13:05]

17 CHAIRPERSON AYALA: You may.

18 COUNCIL MEMBER YEGER: Thank you, Madam

19 Chair. I vote aye on all and I want to just briefly

20 explain very quickly on Introduction 499. As I said

21 at the hearing on this matter a few weeks ago or

22 thereabouts, a bill that passed under the Vallone

23 counsel is good enough for me and Council member

24 Koslowitz's sponsorship of this bill is good enough

25 for me and no further explanation is needed. So, it

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3 may be 20 years too long, but we're doing the right
4 thing now and I support that bill and I vote aye. On
5 1145, I've spoken frequently on the floor of this
6 Council over the last four years about how the
7 Department of Consumer Affairs monetizes and
8 weaponizes our statutes for the purposes of punishing
9 small businesses in this city. And this is a
10 righteous means to somehow take away their punishing
11 tyrant behavior on the small businesses in New York.
12 I would actually do this a little differently in the
13 portion that we are adding to the statute. The
14 language that said, as determined by role of the
15 Commissioner, I would delete that and put in our own
16 rules being because when we pass these blank check
17 statutes and give them over to the department to pass
18 the rules that they thereupon weaponize for purposes
19 of tormenting small businesses, that leads to the
20 place where we are today and trying to fix what they
21 have done. So, I commend very much my colleague,
22 Councilman Koo and all the sponsors of this bill and
23 I support them and I vote aye. Thank you very much,
24 Madam Chair.

25 CHAIRPERSON AYALA: Thank you.

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3 COMMITTEE CLERK: Chair Ayala, by a vote
4 of seven in the affirmative, zero in the negative,
5 and zero abstentions, all items are adopted.

6 CHAIRPERSON AYALA: Thank you.

7 [Applause]

8 CHAIRPERSON AYALA: Thank you,
9 everyone. This meeting is now adjourned.
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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date November 20, 2021