

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS

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January 31, 2017  
Start: 1:17 p.m.  
Recess: 1:21 p.m.

HELD AT: 250 Broadway - Committee Rm,  
16th Fl.

B E F O R E:  
RAFAEL L. ESPINAL, JR.  
Chairperson

COUNCIL MEMBERS:  
Vincent J. Gentile  
Julissa Ferreras-Copeland  
Karen Koslowitz  
Rory I. Lancman

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

[sound check]

[pause]

[gavel]

CHAIRPERSON ESPINAL: Good morning. My name is Rafael Espinal; I'm the Chair of the Consumer Affairs Committee. Thank you for being here today on this snowy edition of the Committee on Consumer Affairs. Today the Committee will hold a vote on Proposed Int. 436-A, a local law to authorize a cure period for certain item pricing violations.

According to a recent State Comptroller's report, over 98% of firms in New York City qualify as a small business. The Council and the Mayor are committed to sound regulation that protects New Yorkers on improving conditions for small businesses in our city. In 2015, the Department of Consumer Affairs surpassed its goal of reducing its annual fine collection by \$5 million. These goals have been accomplished through a reduction in fines collected and legislation promoting business education, providing additional resources and streamlining the bureaucracy where practical.

One way we have managed to accomplish these goals is by providing businesses with the

1 ability to cure violations. A curable violation  
2 allows the business to respond to the violation by  
3 taking corrective action within a prescribed  
4 timeframe to avoid a fine. This approach applied for  
5 violations that cause no immediate consumer harm,  
6 lessens the punitive nature of the regulation,  
7 improves business education and encourages  
8 compliance.  
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10 At the first hearing on Int. 436, the  
11 business community expressed support for fine  
12 reduction efforts. The retail food industry also  
13 argued that the wide use of computerized checkout  
14 technology and price scanners have overtaken the need  
15 for individual sticker prices on each item offered  
16 for sale at a grocery store. However, DCA testified  
17 that item pricing remains an important protection for  
18 consumers, particularly seniors, those with limited  
19 English proficiency and low-income communities.

20 Originally, Int. 436 would have allowed DCA to issue  
21 a warning instead of a violation if less than five  
22 stock-keeping units failed to comply with the City's  
23 item pricing laws. However, at the previous hearing  
24 on this bill DCA recommended curable violations for  
25 first-time violators. The agency noted that such

1  
2 violations will still be considered first violations  
3 and subsequent violations will be treated as  
4 recidivist, subject to penalty and incentive  
5 compliance.

6           Additionally, DCA testified that the  
7 agency keeps manually of warnings issued, inspectors  
8 use handheld devices that do not provide on-the-spot  
9 information regarding previous warnings. Based on  
10 DCA's feedback and the inability of inspectors to  
11 keep track of warnings, Int. 436-A was amended.  
12 Proposed Int. 436-A, as now amended, allows retail  
13 stores to cure a first-time violation by submitting  
14 satisfactory evidence within 30 days that corrective  
15 action has been taken to cure the violation and the  
16 cured retailer would not have to pay the fine.

17           Proposed Int. 436-A will preserve pricing  
18 transparency for consumers and treat merchants acting  
19 in good faith with fairness. I recommend a yes vote  
20 from my colleagues. Mr. Clerk, please call the roll,  
21 but before we do that, do any of my colleagues have  
22 anything to say on the bill? [background comment] I  
23 would like to give Karen Koslowitz from Queens a  
24 chance to say a few words.

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COUNCIL MEMBER KOSLOWITZ: Thank you, Mr. Chair. I am very happy that this is happening; I was the author of the original unit pricing bill years ago in the 90s and I want to thank you because this was always one of the problems that we had, so I want to thank you Mr. Chair for making this correction and giving the store owners an opportunity to not have to pay a fine. So thank you, and I vote... no **[inaudible]**.

[laughter]

CHAIRPERSON ESPINAL: Well thank you, Karen Koslowitz; I really appreciate it. So with that said, will you please call the roll?

COMMITTEE CLERK: Sure. William Martin, Committee Clerk, roll call vote Committee on Consumer Affairs. Chair Espinal.

CHAIRPERSON ESPINAL: I vote aye.

COMMITTEE CLERK: Gentile.

COUNCIL MEMBER GENTILE: Vote aye.

COMMITTEE CLERK: Koslowitz.

COUNCIL MEMBER KOSLOWITZ: I vote aye.

COMMITTEE CLERK: Lancman.

COUNCIL MEMBER LANCMAN: Aye.

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COMMITTEE CLERK: By a vote of 4 in the affirmative, 0 in the negative and no abstentions, the item has been adopted by the Committee.

[pause]

CHAIRPERSON ESPINAL: Okay. [background comment] [pause] [background comments] Okay, we can close the roll and with that said, this meeting is adjourned. Thank you.

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 February 7, 2017