

COMMITTEE ON SMALL BUSINESS

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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November 2, 2023
Start: 10:46 a.m.
Recess: 11:03 a.m.

HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Julie Menin, Chairperson

COUNCIL MEMBERS:

Selvena N. Brooks-Powers
Tiffany Cabán
Shekar Krishnan
Darlene Mealy
Sandra Ung
Marjorie Velázquez

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2 SERGEANT-AT-ARMS: Check one, two. This is
3 a prerecorded sound test for the Committee on Small
4 Business. Today's date is November 2, 2023. It's
5 being recorded by Michael Leonardo in the Council
6 Chambers.

7 SERGEANT-AT-ARMS: Good morning and
8 welcome to today's New York City Council hearing for
9 the Committee on Small Business.

10 At this time, we ask that you silence
11 cell phones and electronic devices to minimize
12 disruptions throughout the hearing.

13 We thank you for your cooperation.

14 Chair, we are ready to begin.

15 CHAIRPERSON MENIN: [GAVEL] Good morning.

16 I'm Council Member Julie Menin, Chair of the
17 Committee of Small Business, and I thank you for
18 joining today's Small Business hearing vote on three
19 bills, which are my bills, Proposed Introduction 845-
20 A and 1083-A and Proposed Resolution 243-A.

21 I really want to thank my Council
22 Colleagues for joining us here today. We've been
23 joined by Majority Whip Selvena Brooks-Powers,
24 Council Member Sandra Ung, Council Member Marjorie
25 Velázquez, Council Member Darlene Mealy who is

2 joining us virtually, and we've got other Colleagues
3 who will be here shortly.

4 New York City small businesses are
5 integral to the landscape of our city. Our small
6 businesses contribute to the vibrancy and uniqueness
7 that make New York City so special. Over the last
8 three years, we've seen that these small businesses
9 struggle in response to the COVID pandemic. Reports
10 show that since the beginning of the pandemic almost
11 26,000 small businesses were forced to shut down
12 permanently. In response to the financial hardships
13 from the pandemic, businesses had to draw on a range
14 of resources, including government programs as well
15 as private loans and cash advances. However, in some
16 of these cases, predatory lenders embedded a
17 confession of judgement in their contracts, which
18 when attached to a business loan deprives borrowers
19 of their right to due process. This allows lenders to
20 obtain judgements without court approval. New York
21 State has proposed legislation to ban the use of
22 confessions of judgement in business loans in New
23 York, and my bill, Proposed Resolution 243-A, calls
24 for the State Legislature to pass these measures.

2 In addition, my bill, Proposed Intro.
3 845-A, would build on previous efforts to reform
4 burdensome penalties. In 2021, Local Law 80
5 effectively reduced regulatory burdens and compliance
6 costs by eliminating penalties for certain first-time
7 violations and creating an opportunity to fix or cure
8 these violations before being charged a fine, also
9 known as the cure period. Subsequently, Mayor Adams
10 issued Executive Order 2 to further review compliance
11 costs and burdens to small businesses. The resulting
12 recommendations for reform extend across multiple
13 City agencies including Department of Consumer and
14 Worker Protection, the Department of Health and
15 Mental Hygiene, Department of Environmental
16 Protection, and Sanitation. These recommendations
17 which include penalty reductions for certain
18 violations and new opportunities to cure violations
19 have been brought together in my bill, Proposed
20 Intro. 845-A. Small businesses are vital to New York
21 City's world-renown nightlife. However, the nightlife
22 industry faces a uniquely complex regulatory
23 environment. As a result, in 2017, the Office of
24 Nightlife was established in the Mayor's Office of
25 Media and Entertainment, otherwise known as MOME, to

2 support these businesses' ability to comply with
3 government requirements and foster positive
4 relationships with residents. Under my tenure as
5 Commissioner of MOME, I was proud to create the
6 Office of Nightlife and hire the City's first Night
7 Mayor, which took inspiration from visits to other
8 cities like Amsterdam that have their own night
9 mayor. As the Office of Nightlife continues to
10 support the nightlife industry, it has increased its
11 collaboration with the Department of Small Business
12 Services, which has helped it to deliver increased
13 services to their constituents. SBS has been a vital
14 resource for the small businesses in our city,
15 especially post-pandemic, and nightlife
16 establishments deserve the same access and support as
17 other small businesses. SBS is therefore particularly
18 well-suited to support the needs and growth of the
19 Office of Nightlife. My bill, Proposed Intro. 1083-A
20 recognizes the resources provided by SBS for small
21 businesses and would move the Office of Nightlife
22 from MOME to SBS.

23 I want to thank Jessica Boulet, Rebecca
24 Barilla from the Central Staff for their work putting
25 together this hearing as well as my own Chief-of-

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2 Staff, Jonathan Szott; Legislative Director, Brandon
3 Jordan; and Legislative Aide, John Mendez, for their
4 assistance.

5 I will now turn it over to the Clerk for
6 the roll call.

7 COMMITTEE CLERK WILLIAM MARTIN: Good
8 morning. William Martin, Committee Clerk. Roll call
9 vote Committee on Small Business, items are coupled.
10 Chair Menin.

11 CHAIRPERSON MENIN: I vote aye on all.

12 COMMITTEE CLERK WILLIAM MARTIN: Brooks-
13 Powers.

14 COUNCIL MEMBER BROOKS-POWERS: Aye on all
15 and congratulations, Chair.

16 COMMITTEE CLERK WILLIAM MARTIN: Cabán.

17 COUNCIL MEMBER CABÁN: I vote aye.

18 COMMITTEE CLERK WILLIAM MARTIN: Thank
19 you. Krishnan. Mealy.

20 COUNCIL MEMBER MEALY: I vote aye on all
21 and congratulations.

22 COMMITTEE CLERK WILLIAM MARTIN: Thank
23 you. Ung.

24 COUNCIL MEMBER UNG: Aye on all.

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2 COMMITTEE CLERK WILLIAM MARTIN:

3 Velázquez.

4 COUNCIL MEMBER VELÁZQUEZ: Aye on all.

5 COMMITTEE CLERK WILLIAM MARTIN: With a
6 vote of six in the affirmative, zero in the negative,
7 and no abstentions, all items have been adopted by
8 the Committee.

9 The roll will be held open at request of
10 the Chair.

11 Continuation roll call, Committee on
12 Small Business, Proposed Introductions 845-A, 1083-A,
13 and 243-A. Council Member Krishnan.

14 COUNCIL MEMBER KRISHNAN: Aye.

15 COMMITTEE CLERK WILLIAM MARTIN: Final
16 vote is now seven in the affirmative, zero in the
17 negative, and no abstentions.

18 Madam Chair, that is a full Committee.

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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 7, 2023