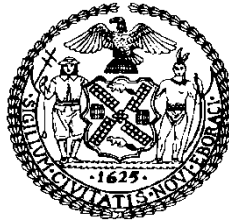


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THE COUNCIL
COMMITTEE REPORT OF THE GOVERNMENT AFFAIRS AND HUMAN
SERVICES DIVISIONS
Robert Newman, Legislative Director

COMMITTEES ON GOVERNMENT OPERATIONS AND SMALL BUSINESS
Hon. Gale Brewer and Hon. Diana Reyna, Chairs

February 28, 2013

PRECONSIDERED INT. NO.:

By Council Members Reyna and Chin (in conjunction with the Mayor).

TITLE:

A Local Law in relation to waiver of fees for businesses recovering from damage caused by Hurricane Sandy.

Introduction

Today, the Committees on Governmental Operations and Small Business, chaired by Council Members Gale Brewer and Diana Reyna, respectively, will hold a hearing on a preconsidered bill in relation to the waiver of fees for businesses recovering from damage caused by Hurricane Sandy. We expect to hear testimony from Tokumbo Shobowale, the Administration's Chief Business Operations Officer, as well as advocates and other stakeholders.

BACKGROUND AND ANALYSIS:

On October 29, 2012, the storm known as Hurricane Sandy hit New York City, causing massive flooding, power outages, fires, infrastructure impairments, and property damage.¹ The storm disrupted the operations of over 13,000 small businesses, damaging some and completely destroying others.² These businesses provide services that are essential to the economic vitality of the City. Many of these small businesses are now in need of repair and rebuilding. The provisions of the bill would encourage the resumption of business in the areas hardest hit by the storm by waiving certain fees that business owners would otherwise have to pay for inspections, licenses, permits, and certifications in order to clean-up and reopen.

¹ See James Barron, *Storm Barrels Through Region, Leaving Destructive Path*, N.Y. TIMES, Oct. 30, 2012, at A1, available at <http://www.nytimes.com/2012/10/30/us/hurricane-sandy-churns-up-east-coast.html?pagewanted=all>.

² According to data provided by the Mayor's Office of Economic Development and the New York City Department of Small Business Services on January 31, 2013, 13,290 business are located in the zones impacted Hurricane.

Legislative Summary

Section one of the bill would provide that the Mayor, or his or her designee, may waive certain fees that businesses would otherwise incur for permits, licenses, and inspections in connection with recovery from Hurricane Sandy. The waivers would apply to fees payable to the City in connection with the repair and reconstruction of space occupied or to be occupied by eligible businesses. The waivers would also apply to fees payable to the City in connection with the alteration and repair of systems owned by eligible businesses and which serve only the space occupied by eligible businesses.

Section 2 of the bill would establish business eligibility requirements for the waivers. To be an eligible business for the purpose of this bill, the business, as of October 26, 2012, must have been located in a Disaster Recovery Area, defined herein (see bill section 3), or in a building to which the Department of Buildings assigned a red, yellow, or green placard after Hurricane Sandy. For the purposes of this bill, a building shall not be considered an eligible business.

Bill section 2 would also specify certain application requirements for the waivers. Businesses located in qualifying areas may apply for refunds of certain fees they have paid prior to the effective date of this legislation, would have a deadline of May 31, 2013 to apply. Further, businesses located in qualifying areas would have until September 30, 2013 to apply for waivers on covered fees they have not yet paid. To obtain a waiver, the business owner must apply to the applicable agency on forms and in a manner prescribed by the Mayor. The owner shall provide certification or other documentation specified by the Mayor confirming that as a result of Hurricane Sandy the space occupied by the business has suffered significant damage that has interfered significantly and

continues to interfere with the business's operation. The owner must also confirm that the business currently occupies or intends to occupy space in the same building it occupied before Sandy, or in a new building on the same site.

Section 3 of the bill would define the term "Discovery Recovery Area." "Disaster Recovery Area" would mean the area within Hurricane Evacuation Zones A and B, as designated by the New York City Office of Emergency Management maps on October 29, 2012, or the area within any Business Recovery Zone created by the Department of Small Business Services (SBS) and delineated on maps published on the SBS website.

Bill section 4 would specify the fees which may be waived under the bill. They are listed below by applicable agency.

a. Department of Consumer Affairs:

- i. Fees required in connection with the licensing of a pedicab business;
- ii. Fees in connection with the licensing of an advertised liquidation, reorganization, renovation, damaged goods, or insurance salvage sale;
- iii. Fees in connection with the inspection and licensing of tow trucks; and
- iv. Fees required for licenses to engage in the business of towing.

b. Department of Environmental Protection:

- i. Fees for the permitting of fuel burning refuse burning, and gas emitting equipment;
- ii. Fees for certifications to operate such equipment;
- iii. Fees for certificates of instruction in the operation of such equipment; and
- iv. The cost of a copy of the agency's publication.

- c. Department of Buildings
 - i. Application, permit, and inspection fees required for certain plumbing, scaffolds, sidewalk sheds, fences, signs, boilers, demolition, elevators, construction, limited alternations and after hours variances; and
 - ii. Fees in connection with application, permit, and fees required for certain electrical work.

- d. Fire Department
 - i. Fees for permitting and inspection of automotive gas stations;
 - ii. Fees for permitting and inspection of marine fuel stations;
 - iii. Fees for inspection of fire extinguishing, carbon monoxide, and commercial cooking equipment and systems; and
 - iv. Fees for plan examinations applicable to the review of design and installation documents for automotive gas stations and fire protection systems.

- e. Department of Small Business Services: Fees charged in connection with the issuance of work notices and work permits with respect to waterfront construction, equipment use permits, mooring permits, fill work permits, and certificates of completion.

- f. Department of Transportation:
 - i. Fees for permits for street openings, sidewalk construction, building operations, and construction activity; and
 - ii. Fees for vault and canopy permits.

- g. Landmarks Preservation: Fees required for certificates of appropriateness and certificates of no effect.

Section 5 of the bill specifies that this legislation shall take effect immediately.

Preconsidered Int. No.

By Council Members Reyna and Chin (in conjunction with the Mayor)

A LOCAL LAW

In relation to waiver of fees for businesses recovering from damage caused by Hurricane Sandy.

Be it enacted by the Council as follows:

Section 1. Statement of intent. A severe storm, known as Hurricane Sandy, recently hit New York City causing heavy flooding, power outages, and widespread damage and disrupting the operation of businesses offering services that are essential to the economic vitality of the city and to the health and well-being of its residents. The expeditious resumption of business in storm damaged areas will be encouraged and incentivized by waiving certain fees that would otherwise be payable to agencies of the city for permits, licenses and inspections required by law in order for such businesses to rebuild and to operate. Payment of the fees as listed in this local law in connection with the recovery from the effects of Hurricane Sandy by businesses that were in operation as of October 26, 2012, and that meet certain eligibility criteria as determined by the Mayor or his or her designee may be waived as set forth in this local law. The waiver of fees shall apply to fees payable in connection with the repair or reconstruction of space occupied or to be occupied by eligible businesses or the alteration or repair of systems owned by eligible businesses and serving only space occupied by such eligible businesses.

§ 2. Until May 31, 2013, eligible businesses may apply for the refund of any of such fees paid prior to the effective date of this local law, provided, however, for the

purposes of this section a building shall not be considered an eligible business. Businesses eligible for suspension of fees pursuant to this local law must meet the following criteria:

a. As of October 26, 2012, the business must have been located in space that is either: (i) in a building within the boundaries of a Disaster Recovery Area, as defined in section 3 of this local law; or (ii) in a building that, after Hurricane Sandy, was assigned a red, yellow or green placard by the Department of Buildings; and

b. The owner of the business must apply for a waiver of applicable fees pursuant to this local law on or prior to September 30, 2013 on forms and in a manner to be prescribed by the mayor or his order designee. The owner must submit written certification signed by such owner or such other documentation as may be required by the mayor or his or her designee, confirming that: (i) the space occupied by such business suffered substantial damage as a result of Hurricane Sandy that has interfered significantly with and that continues to interfere significantly with the operation of such business in the manner in which it operated prior to Hurricane Sandy; and (ii) the business currently occupies or intends to re-occupy space in the same building or in a new building at the same site.

The owner shall present the approved application to the applicable agency to obtain the fee waiver.

§ 3. For the purposes of this local law the term Disaster Recovery Area means:

a. The area within Hurricane Evacuation Zones A and B, as designated by the New York City Office of Emergency Management on the New York City Hurricane Zone Maps in effect as of October 29, 2012; or

b. The area within any Business Recovery Zone created by the Department of Small Business Services and delineated on maps published on such department's web site.

§4. The following fees are subject to waiver pursuant to this local law:

a. Department of Consumer Affairs. Fees required by Administrative Code § 20-250(c), Administrative Code § 20-314, and Administrative Code § 20-501(b) and 6 RCNY § 2-362(m)(1).

b. Department of Environmental Protection. Fees required by Administrative Code §§ 24-136, 24-137, 24-138, 24-139 and 24-140.

c. Department of Buildings. Application, permit and inspection fees required by Administrative Code § 28-112 for the following work: plumbing, scaffolds, sidewalk sheds, fences, signs, boilers, demolition, elevators, construction, limited alterations and after hours variances as well as fees required by Administrative Code § 27-3018 with respect to electrical work.

d. Fire Department.

(1) Fees required by New York City Fire Code Sections A03.1(3) and A03.1(37) with respect to the inspection and testing of liquid motor fuel dispensing system installations.

(2) Fees required by New York City Fire Code Section A03.1(20) with respect to acceptance testing of fire protection systems, including fire alarm systems, fire extinguishing systems and fire pumps.

(3) Fees required by New York City Fire Code Section A03.1(45) and fire department rule 3 RCNY § 4601-01(e) with respect to plan examinations applicable to

review of design and installation documents for liquid motor fuel dispensing systems and fire protection systems.

e. Department of Small Business Services.

Fees required by 66 RCNY §4-01 with respect to waterfront construction work, equipment use permits, mooring permits, fill work permits and certificates of completion.

f. Department of Transportation.

Fees required by 34 RCNY § 2-03 with respect to street opening permits, building operations and construction activity permits, debris containers, sidewalk construction permits, vault permits and canopy permits.

g. Landmarks Preservation Commission.

Fees required by 63 RCNY § 13-04 with respect to certificates of appropriateness and certificates of no effect.

§5. This local law shall take effect immediately.