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|  | **The Council of the City of New York**  **Finance Division**  **Latonia Mckinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No.: 697-A**  **Committee: Consumer Affairs** |
| **Title:**  A Local Law to amend the administrative code of the city of New York, in relation to the regulation of laundries and to repeal subchapter 14 of chapter 2 of title 20 of such code, relating to the regulation of laundries | **Sponsor:** By Council Members Torres, Garodnick, Reynoso, Menchaca, Miller, Palma, Gibson, Levine, Rodriguez, Constantinides, Richards, Johnson, Kallos, Espinal, Lander, Cabrera, Dromm, Eugene, King, Treyger, Williams, Wills, Barron, Crowley, Cohen, Lancman, Koslowitz, Gentile, Cumbo, Ferreras-Copeland and Rose |
| **Summary of Legislation:** Proposed Intro. 697-A would update and clarify the City’s regulation of the laundry industry. This bill would create a tiered licensing scheme to capture three distinct activities of the laundry industry as it operates in the City today:   1. a retail laundry license for all laundries that serve the general public, including drop-off service, self-service laundromats, and app-based laundry pick-up services; 2. an industrial laundry license for all laundries operating within the City that serve commercial clients, such as hotels, restaurants and hospitals; and 3. an industrial laundry delivery license for all businesses that transport laundry between a commercial client and an industrial laundry if either or both entities are located in the City.   This bill would create additional requirements related to cleanliness and hygiene for licensees that engage in industrial laundry and industrial laundry delivery. These new requirements would require that industrial laundries implement procedures to ensure that all laundry is hygienically cleaned and that businesses that engage in industrial laundry delivery implement procedures to ensure functional separation of clean and dirty laundry to maintain cleanliness.  The bill would create a task force that will review plans and procedures submitted to the Department of Consumer Affairs (DCA) as well as any complaints received by the department to make recommendations to the Council and the Mayor on any updates to these standards. | |
| **Effective Date:** This local law would take effect 180 days after enactment, except that laundries currently licensed by DCA will remain subject to the existing licensing scheme until their current licenses expire on December 31, 2017. Any new licensees before that date would be subject the new licensing scheme. Starting January 1, 2018, all licensees will be subject to this law. | |
| **Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2020 | |
| **Fiscal Impact Statement:**   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Effective FY17** | **FY Succeeding Effective FY18** | **FY19** | **Full Fiscal Impact FY20** | | **Revenues (+)** | **$33,115** | **$22,885** | **$0** | **$56,000** | | **Expenditures (-)** | **$33,115** | **$22,885** | **$15,000** | **$41,000** | | **Net** | **$0** | **$0** | **($15,000)** | **$15,000** | | |
| **Impact on Revenues:** It is estimated that there would be a $56,000 increase in revenue resulting from the enactment of this legislation. This legislation will result in more than 100 licensees in the newly created industrial laundry and industrial laundry delivery license categories, as well as new licensees due to the addition of a delivery component to the updated retail laundry license. The revenue will be generated in a biennial manner except the initial first two launch years when the bill goes into effect at different periods for the different licenses. | |
| **Impact on Expenditures:** It is estimated that there would be an impact of $56,000 in expenditures resulting from the enactment of this legislation. Expenditures include the legal overtime necessary to support robust legal investigations into consumer and worker complaints against licensees as part of complaint driven enforcement. This expenditure amounts to $15,000 and will be incurred annually. There are also expenditure linked to licensing overtime which will support the intake and processing of applications of more than 100 expected licensees in the newly created industrial laundry and industrial laundry delivery license categories, as well as new licensees resulting from the addition of a delivery component to the updated retail laundry license. There is also a small cost for printing and mailing of physical licenses for the newly created industrial laundry and industrial laundry delivery license categories.  The Full Fiscal Impact can be seen in Fiscal 2020 when the revenues collected from the licenses (which are only collected every other year) will balance out the total expenditures incurred in Fiscals 2019 and 2020. Subsequent two year cycles will function in a similar fashion, where revenues collected in every even fiscal year are expected to equal the expenses occurred in that year and the year prior. | |
| **Source of Funds To Cover Estimated Costs:** N/A | |
| **Source of information:**  New York City Council Finance Division  Department of Consumer Affairs | |
| **Estimate Prepared By**: Aliya Ali, Senior Legislative Financial Analyst, New York City Council Finance Division    **Estimate Reviewed By:**  Nathan Toth, Deputy Director, New York City Council Finance Division  Emre Edev, Assistant Director, New York City Council Finance Division    **Legislative History:** This legislation was introduced as Intro. No. 697 by the Council on February 26, 2015 and referred to the Committee on Consumer Affairs. A hearing was held by the Committee on June 18, 2015 and the legislation was laid over. Intro. 697 was subsequently amended, and the amended version, Proposed Intro. No. 697-A will be considered by the Committee on Consumer Affairs on July 12, 2016. Upon a successful vote by the Committee, Proposed Intro. 697-A will be submitted to the full Council for a vote on July 14, 2016. | |

**Date Prepared:** July 11, 2016