

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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August 26, 2021
Start: 10:27 a.m.
Recess: 10:34 a.m.

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 SERGEANT-AT-ARMS: Check. Check. This is
3 a prerecorded sound test for the Committee on
4 Consumer Affairs and Business Licensing. Today is
5 August 26th, 2021. Being recorded by Michael
6 Leonardo.

7 [Gavel]

8 CHAIRPERSON AYALA: Good morning,
9 everyone. This hearing is-- Good morning. My name
10 is Diana Ayala and I am the Chair of the Committee on
11 Consumer Affairs and Business Licensing. I am joined
12 today by my colleagues on the committee: Council
13 members Chin, Kallos, Koo, Lander, Brannan, and
14 Yeger. Today we will hold a vote on a proposed
15 Introduction Bill number 1622 A which updates the
16 cities Consumer Protection Law and makes technical
17 amendments to Local Law 80 of 2021 to fully achieve
18 our goal of relief from crippling fines for minimal
19 violations for small businesses was first codified as
20 an agency by legislation passed by the city Council
21 in 1969. Since that time, the department has acted
22 as a vital advocate for New York City's consumers.
23 As Chair of the Committee responsible for overseeing
24 the department, I am pleased with the initiative of
25 the Council and the department have implemented to

2 gather to strengthen protections for New Yorkers over
3 decades. I am also encouraged by the work that the
4 DCWP has done throughout the pandemic, especially
5 related to consumer protections from price gouging in
6 the close Friday keep on business interactions with
7 consumers. The penalty provisions for the cities
8 Consumer Protection Law which guards New Yorkers from
9 deceptive trade practices have not been updated since
10 1969, so it is vital that we bring DCWP's enforcement
11 powers into the 21st century. If enacted, Intro 1622
12 A would increase fines between 50 and 350 dollars to
13 between 350 and 2500 dollars. This would help
14 prevent businesses from simply absorbing fines for
15 violations into their cost of doing business. The
16 bill also addresses changes in modern day trading by
17 defining what constitutes a violation of the Consumer
18 Protection Law so it reflects are connected digital
19 world and it penalizes a business if it fails to
20 provide commercial documents in languages other than
21 English if the transaction was predominately
22 negotiated in that language. Given the linguistic
23 diversity of New York City, this is a vital component
24 of the bill. Imagine negotiating an entire contract
25 verbally in one language and signing the dotted line

2 in English. That is not fair. The final tool, Intro
3 1622 A, provides DCWP relates to subpoena powers and
4 relief. If enacted Intro 1622 A would empower
5 corporation counsel to issue subpoenas to enforce the
6 CPL and would make explicit for the first time in the
7 forms of relief the agency can seek under the CPL at
8 all including civil penalties and restitution. I am
9 confident that with the use important updates to the
10 consumer protection law, DCWP will continue to
11 successfully protect New Yorkers from shady deals and
12 deceptive practices which is why I am encouraging my
13 colleagues to vote aye on the bill. I would now like
14 to turn it over to Council member Chin, prime sponsor
15 of Intro 1622 A to say a few words about her bill.

16 Council member Chin?

17 COUNCIL MEMBER CHIN: Thank you, Chair.

18 Thank you for bringing this bill to a vote and I
19 really wanted to thank all my colleagues who are
20 cosponsors of the bill. We finally get here after so
21 many years. Then thank you to Jeff Baker, Kelly
22 Taylor, Stephanie Jones, committee staff are working
23 on this and the partnership with DCWP. This is a
24 really great. We are finally updating the Consumer

2 Protection Law. And, as our chairs stated, it will
3 be a new day for the consumer. Thank you very much.

4 CHAIRPERSON AYALA: Okay. Are we ready
5 for roll call? Before we go to roll call, we want to
6 recognize Council member Yeger.

7 COUNCIL MEMBER YEGER: Thank you very
8 much, Madam Chair. I appreciate it. I will be
9 taking a contrary position to the Chair, as you can
10 probably expect. I will be voting no and I want to
11 explain why, if I may. We frequently in this body
12 reassign the purposes of our laws and give them fancy
13 descriptions to hide what they are actually doing.
14 This is, perhaps, couched as a Consumer Protection
15 Law, but what it really is is a go after small
16 business law. And what we have seen in the last
17 couple of years is that an alphabet soup of city
18 agencies marches around our city weapon arising our
19 statutes, terrorizing our small businesses with
20 quotas that they must enforce for not having
21 something in the right place or having the wrong
22 thing in the wrong place or the right thing in the
23 wrong place just because they can. Just because it's
24 good for the city's budget. And by way of example,
25 we are required before we enact a bill and make no

2 mistake this will pass, so, you know, because we are,
3 if nothing, New Yorkers rubberstamp-- we are
4 required before we enact a bill to review the fiscal
5 impact statement which I have. In those of you who
6 know me by now three and a half years and know that I
7 read the things that we vote on. And we have a
8 fiscal impact statement that anticipates, even though
9 we are raising fines in some instances from 50 to 350
10 and in some instances from 350 to 2500, not one
11 dollar-- not one dollar and anticipated revenue
12 reflected on the fiscal impact statement. How is
13 that possible? Well, there is only one explanation.
14 This is a lie. The alternate explanation is, as it
15 is stated here, impact on revenues. While the
16 enactment of this legislation would generate revenue
17 in the form of biannual fees from registered
18 industrial laundries, such revenue is already
19 anticipated in the financial plan. In other words,
20 this bill does more than one thing. It raises fines.
21 The fiscal impact statement ignores the fines that
22 are being raised. It recognizes the fees that are
23 going to be charged for a different piece of the
24 bill. This is what Albany would call the big ugly
25 when we throw in related things into one bill to

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2 ensure its passage. But at the end of the day, we
3 are passing a bill that is going to raise fines on
4 small businesses of New York. We are doing and I
5 urge you all, please, if you care about those small
6 businesses of New York-- and I'm making this speech
7 on the floor later-- please don't vote for this
8 bill. There are better ways. This bill can be
9 separated out to enact the part about the laundries
10 without enacting the part that allows the use
11 alphabet soup of city agencies to weaponize our laws,
12 to monetize our laws, and to terrorize the small
13 businesses of New York. Thank you very much, Madam
14 Chair.

15 CHAIRPERSON AYALA: Thank you. I now
16 call on the clerk to call the roll.

17 COMMITTEE CLERK: William Martin,
18 Committee clerk. Roll call vote Committee and
19 Consumer Affairs and Business Licensing proposed
20 Introduction 1622 A. Chair Ayala?

21 CHAIRPERSON AYALA: Aye.

22 COMMITTEE CLERK: Chin?

23 COUNCIL MEMBER CHIN: I vote aye.

24 COMMITTEE CLERK: Kallos?

25 COUNCIL MEMBER KALLOS: I vote aye.

2 COMMITTEE CLERK: Koo?

3 COUNCIL MEMBER KOO: Aye.

4 COMMITTEE CLERK: Lander?

5 COUNCIL MEMBER LANDER: Aye.

6 COMMITTEE CLERK: Brannan?

7 COUNCIL MEMBER BRANNAN: Aye.

8 COMMITTEE CLERK: Yeger?

9 COUNCIL MEMBER YEGER: No.

10 COMMITTEE CLERK: By a vote of six in the
11 affirmative, one in the-- Welcome, Council member
12 Menchaca. Just be a--

13 COUNCIL MEMBER MENCHACA: I vote aye.

14 COMMITTEE CLERK: Thank you. Council
15 member Menchaca votes aye. I have out of seven in
16 the affirmative, zero-- Excuse me. By a vote of
17 seven in the affirmative, one in the negative, and no
18 abstentions, the item has been adopted by the
19 committee.

20 CHAIRPERSON AYALA: Thank you,
21 everyone. This hearing is now closed.

22 [Gavel]

23 UNIDENTIFIED: Thank you.

24 CHAIRPERSON AYALA: Thank you, guys.

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 August 31, 2021