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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

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Indexes:

Attachments: 1. Legislative History Report, 2. Summary of Int. No. 697-A, 3. Summary of Int. No. 697, 4. Int. No. 697 - 2/26/16, 5. February 26, 2015 - Stated Meeting Agenda with Links to Files, 6. Committee Report 6/18/15, 7. Hearing Testimony 6/18/15, 8. Hearing Transcript 6/18/15, 9. Proposed Int. No. 697-A - 7/12/16, 10. Committee Report 7/12/16, 11. Hearing Testimony 7/12/16, 12. Hearing Transcript 7/12/16, 13. July 14, 2016 - Stated Meeting Agenda with Links to Files, 14. Hearing Transcript - Stated Meeting 7-14-16, 15. Fiscal Impact Statement, 16. Int. No. 697-A (FINAL), 17. Mayor's Letter, 18. Minutes of the Stated Meeting - July 14, 2016, 19. Local Law 87

Date	Ver.	Action By	Action	Result
2/26/2015	*	City Council	Introduced by Council	
2/26/2015	*	City Council	Referred to Comm by Council	
6/18/2015	*	Committee on Consumer Affairs	Hearing Held by Committee	
6/18/2015	*	Committee on Consumer Affairs	Laid Over by Committee	
7/12/2016	*	Committee on Consumer Affairs	Hearing Held by Committee	
7/12/2016	*	Committee on Consumer Affairs	Amendment Proposed by Comm	
7/12/2016	*	Committee on Consumer Affairs	Amended by Committee	
7/12/2016	A	Committee on Consumer Affairs	Approved by Committee	Pass
7/14/2016	A	City Council	Approved by Council	Pass
7/14/2016	A	City Council	Sent to Mayor by Council	
8/3/2016	A	Mayor	Hearing Held by Mayor	
8/3/2016	A	Mayor	Signed Into Law by Mayor	
8/4/2016	A	City Council	Recved from Mayor by Council	

Int. No. 697-A

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, Rose and Levin

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

Be it enacted by the Council as follows:Section 1. Subchapter 14 of chapter 2 of title 20 of the administrative code of the city of New York is REPEALED.

§ 2. Chapter 2 of title 20 of the administrative code of the city of New York is amended to add a new subchapter 14.1 to read as follows:

SUBCHAPTER 14.1

LAUNDRIES

§ 20-297.1 Definitions.
§ 20-297.2 License required.
§ 20-297.3 Application.
§ 20-297.4 Fee; bond.
§ 20-297.5 General provisions.
§ 20-297.6 Additional provisions for industrial laundries and industrial laundry delivery.
§ 20-297.7 Advisory task force.

§ 20-297.1 Definitions. For the purposes of this subchapter, the following terms have the following meanings:

Industrial laundry. The term "industrial laundry" means (i) a facility used to provide laundry services to commercial clients, including but not limited to hotels, hospitals, restaurants, gyms and retail laundries, or (ii) a facility used to provide laundry services maintained or operated in connection with any commercial institution, including but not limited to any hotel, restaurant or gym. The term "industrial laundry" does not include the laundry facilities of any hospital or the laundry facilities of any residential dwelling intended for use exclusively by the owners, tenants or occupants of such dwelling.

Industrial laundry delivery. The term "industrial laundry delivery" means:

1. To transport laundry from a commercial client within the city to an industrial laundry within or outside the city for laundry services;

2. To transport laundry from a commercial client outside the city to an industrial laundry within the city for laundry services;

3. To transport laundry from an industrial laundry within the city to a commercial client within or outside the city after laundry services have been performed; or

4. To transport laundry from an industrial laundry outside the city to a commercial client within the city after laundry services have been performed.

Laundry. The term "laundry" means clothing, apparel, sheets, towels, linens and other fabrics that are intended for laundry services.

Laundry service. The term "laundry service" means washing, drying, starching or ironing laundry for a fee, and includes such services when they are provided along with or as an incident to the rental of clothing, apparel or other fabrics. The term "laundry service" does not include dry cleaning.

Retail laundry. The term "retail laundry" means (i) a business that provides laundry services to the general public; (ii) a business that stores or collects laundry for laundry services or delivery for the general public; or (iii) a business that offers self-service laundry machinery for direct use by the general public. The term "retail laundry" does not include the laundry facilities of any hospital or the laundry facilities of any residential dwelling intended for use exclusively by the owners, tenants or occupants of such dwelling.

Successor. The term "successor" means any applicant for a license to operate an industrial laundry that satisfies two or more of the following criteria:

1. The applicant uses the same facility or workforce to offer substantially the same services as the predecessor industrial laundry.

2. The applicant shared in the ownership or otherwise exercised control over the management of the predecessor industrial laundry.

3. The industrial laundry employs in a managerial capacity any person who controlled the wages, hours or working conditions of the employees of the predecessor industrial laundry.

4. At least one of the principals of the applicant is a spouse, domestic partner, parent, stepparent, foster parent, adoptive parent, sibling, stepsibling, foster sibling, adoptive sibling, child, stepchild, foster child or adopted child of any owner, partner, officer or director of the predecessor industrial laundry, or of any person who had a financial interest in the predecessor industrial laundry.

§ 20-297.2 License required. a. No person may establish, maintain, or operate a retail laundry without obtaining a retail laundry license pursuant to this subchapter.

b. No person may establish, maintain or operate an industrial laundry without obtaining an industrial laundry license pursuant to this subchapter.

c. No person may establish, maintain or operate a business that engages in industrial laundry delivery without obtaining an industrial laundry delivery license pursuant to this subchapter, except that any person who has obtained an industrial laundry license pursuant to this subchapter shall not be required to obtain an industrial laundry delivery license.

d. A license issued pursuant to subdivision a, b or c of this section is valid only for the licensee and location specified on the license.

§ 20-297.3 Application. a. An application for a license, or for any renewal thereof, to establish, maintain or operate a retail laundry, an industrial laundry or a business that engages in industrial laundry delivery shall be made in writing in such form and manner as the commissioner shall prescribe and shall state each of the following:

1. The name and business address of the applicant;

2. The addresses of all locations at which laundry services will be performed;

3. Whether the application is made for a retail laundry, an industrial laundry or industrial laundry delivery; and

4. The number of persons employed by the applicant at the time of the application.

b. In addition to the requirements of subdivision a of this section, an application for a license to

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establish, maintain or operate an industrial laundry shall include the following:

1. A description of the ownership and business structure of the applicant;

2. A written statement listing the categories of commercial clients for which the applicant will perform laundry services, including but not limited to hotels, hospitals, restaurants, gyms and retail laundries;

3. A written statement signed by the applicant certifying compliance with all applicable laws, regulations and rules, including section 20-297.6;

4. A written statement signed by the applicant certifying that there are no outstanding final judgments or warrants against the applicant in any action arising out of a violation of this subchapter or any rules promulgated thereunder;

5. A written statement signed by the applicant certifying that there are no outstanding final judgments against the applicant in any civil, criminal or administrative action involving nonpayment or underpayment of wages;

6. Certificates of insurance evidencing workers' compensation insurance and disability benefits insurance coverage in a form acceptable to the commissioner;

7. A certificate of insurance evidencing commercial general liability insurance, listing the city of New York as an additional insured, that provides coverage for property damage and bodily injury and death in an amount of at least $1,000,000 per occurrence and $2,000,000 in the aggregate;

8. A written statement detailing the applicant's procedures for complying with the minimum standards of cleanliness and hygiene set forth in subdivision a of section 20-297.6;

9. A written statement detailing the applicant's procedures for maintaining functional separation of laundered and unlaundered laundry, as required by subdivision b of section 20-297.6;

10. If the applicant is a nonresident of the city, the name and address of a registered agent within the city upon whom legal process or other notification of a judicial or administrative proceeding may be served or a designation of the commissioner for such purpose; and

11. If the applicant engages in or intends to engage in industrial laundry delivery, such applicant shall submit any information required to be submitted pursuant to subdivision c of this section that has not already been submitted to the department pursuant to this subdivision. If an industrial laundry licensee intends to engage in industrial laundry delivery during the term of a license, such licensee shall submit any information required to be submitted pursuant to subdivision c of this section before engaging in industrial laundry delivery if such licensee did not submit such information when applying for the industrial laundry license.

c. In addition to the requirements of subdivision a of this section, an application for a license to establish, maintain or operate a business that engages in industrial laundry delivery shall include the following:

1. A description of the ownership and business structure of the applicant;

2. The name, business address and business telephone number of all industrial laundries to which the applicant delivers laundry for laundry services;

3. A written statement listing the categories of commercial clients to which the applicant delivers laundry, including but not limited to hotels, hospitals, restaurants, gyms and retail laundries;

4. The make, model and license plate number of each vehicle used by the applicant for delivering laundry;

5. A written statement signed by the applicant certifying compliance with all applicable laws, regulations and rules, including section 20-297.6;

6. A written statement detailing the applicant’s procedures for maintaining functional separation of laundered and unlaundered laundry, as required by subdivision b of section 20-297.6; and

7. If the applicant is a nonresident of the city, the name and address of a registered agent within the city upon whom legal process or other notification of a judicial or administrative proceeding may be served or a designation of the commissioner for such purpose.

d. In addition to any of the powers that may be exercised by the commissioner pursuant to this subchapter or chapter 1 of this title, the commissioner may deny an application for a license or renewal under

this subchapter after finding that:

1. The applicant has failed to pay in full any civil penalty imposed in a judicial or administrative proceeding arising out of a violation of this subchapter or any rule promulgated thereunder;

2. An entity to which the applicant is a successor has failed to pay in full any civil penalty imposed in a judicial or administrative proceeding arising out of a violation of this subchapter or any rule promulgated thereunder; or

3. The applicant lacks good moral character. In making a finding that an applicant lacks good moral character, the commissioner may consider, but is not limited to, any of the following factors:

(a) Any failure by such applicant to provide truthful and complete information or documentation in connection with the application or other request for information;

(b) Any final determination of liability in a civil, criminal or administrative action involving egregious or repeated nonpayment or underpayment of wages or any other illegal act or omission bearing a direct relationship to the fitness of the applicant to conduct the business for which the license or renewal is sought; except that the commissioner shall consider mitigating factors, including (i) the passage of time since such determination of liability or the underlying illegal act or omission, (ii) the severity of the illegal act or omission underlying such final determination of liability, (iii) whether any such determination of liability or other illegal act or omission has been appealed and whether the appeal is pending and (iv) any change in circumstance that might reduce the likelihood of the illegal act or omission underlying any such determination recurring during the period of licensure;

(c) Any prior refusal by the commissioner to issue or renew any license held or applied for pursuant to this subchapter or subchapter 14 of this chapter, as repealed by the local law that added this subchapter; or

(d) Any finding that, within the 10 years prior to the submission of the application, a person to which the applicant is a successor has been denied the issuance or renewal of any license pursuant to this subchapter or has had any such license revoked.

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§ 20-297.4 Fee; bond. a. Before the commissioner may issue a license to establish, maintain or operate a retail laundry or an industrial laundry, an applicant shall pay a biennial fee and furnish a bond to the commissioner in the amount indicated in the following schedule, depending on the number of persons employed by such applicant:

Number of employees	Biennial License fee	Amount of bond
Five or fewer	$340	$500
Between six and 10	$490	$500
Between 11 and 25	$740	$500
Between 26 and 50	$1,240	$1,500
Between 51 and 75	$1,740	$2,500
Between 76 and 100	$1,990	$3,000
Between 101 and 125	$2,240	$3,000
126 or more	$2,740	$5,000

b. Before the commissioner may issue a license to establish, maintain or operate a business that engages in industrial laundry delivery, an applicant shall pay a biennial fee of $340 and furnish a bond of $500.

c. An applicant furnishing a bond under this section shall execute such bond with two or more sureties or a duly authorized surety company approved by the commissioner and shall make such bond payable to the people of the city. Such bond shall be conditioned on the following:

1. That such applicant will comply with the provisions of this subchapter; and

2. That such applicant will pay to the city any fine, penalty or other obligation within 30 days of its imposition, or any final judgment recovered by any person dealing or trading with such licensee for the loss or conversion of laundry within 30 days from the entry and filing of such judgment.

§ 20-297.5 General provisions. a. Each licensee shall attach to all handcarts and pushcarts a label or tag that displays, in letters not less than two inches in height, such licensee’s name, address and license number.

b. Bills, tickets, cards, advertising or stationery issued or distributed by any licensee shall contain such licensee’s name, address and license number.

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c. Charges to laundry consumers shall state accurately and clearly the name and address of the consumer and computation of the laundry charge.

d. Each retail laundry licensee, industrial laundry licensee and industrial laundry delivery licensee shall notify the commissioner within 30 days of any sale, assignment or change in ownership of such retail laundry, industrial laundry or business that engages in industrial laundry delivery.

e. Each retail laundry where the general public may use self-service laundry machinery shall have on premises an attendant from 8:00 P.M. until closing or 6:00 A.M. the following day, whichever is earlier.

f. Each vehicle used for retail or industrial laundry delivery shall display, in letters no less than two inches in height, the licensee's name, business address and business telephone number and the license number assigned by the commissioner.

§ 20-297.6 Additional provisions for industrial laundries and industrial laundry delivery.

a. Minimum standards of cleanliness and hygiene.

1. In addition to complying with section 20-297.5, each industrial laundry licensee shall:

(a) Launder all laundry using a detergent that is appropriate for each type of fabric;

(b) Handle, store and process laundered and unlaundered laundry in a manner that minimizes the spread of contaminants and keeps laundered articles clean; and

(c) Clean all work surfaces at regular intervals. Work surfaces include all surfaces in rooms where laundry is exposed to open air, including but not limited to laundry equipment, work stations, and floors, whether or not it is expected that laundry will come into direct contact with such surfaces.

2. No industrial laundry licensee may represent that laundry services have been provided when such laundry services in fact have not been provided.

3. Each industrial laundry licensee shall develop procedures for complying with the minimum standards of cleanliness and hygiene set forth in paragraph 1 of this subdivision and shall post such procedures in a conspicuous manner in all places where laundry services are processed.

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b. Functional separation of laundered and unlaundered laundry. 1. In addition to complying with section 20-297.5, each industrial laundry licensee and industrial laundry delivery licensee shall maintain functional separation of laundered and unlaundered laundry in accordance with the following requirements:

(a) Each industrial laundry licensee and industrial laundry delivery licensee shall enclose laundry in suitable containers before and after laundering and shall not allow containers that hold unlaundered laundry to be subsequently used for laundered laundry without first having been thoroughly cleaned and sanitized; and

(b) Each industrial laundry licensee shall store laundered laundry and unlaundered laundry in separate, clearly marked areas of the facility when such laundry is not actively being processed.

2. Each industrial laundry licensee and industrial laundry delivery licensee shall develop procedures for maintaining functional separation of laundered and unlaundered laundry as required by this subdivision and shall post such procedures in a conspicuous manner in all places where laundry services and industrial laundry delivery are provided.

§ 20-297.7 Advisory task force. a. There shall be a task force to advise the council and the mayor on minimum standards of cleanliness and hygiene, procedures to maintain functional separation between laundered and unlaundered laundry and strategies for the enforcement of this subchapter.

b. The task force shall be composed of:

1. The commissioner or a designee;

2. The commissioner of health and mental hygiene or a designee;

3. One representative of the retail laundry industry, one representative of the industrial laundry industry and one representative of the industrial laundry delivery industry, to be appointed by the commissioner upon consultation with the council; and

4. One representative of employees of the retail laundry industry, one representative of employees of the industrial laundry industry and one representative of employees of the industrial laundry delivery industry, to be appointed by the commissioner upon consultation with the council.

c. The commissioner or the commissioner's designee shall serve as chair of the task force and shall invite representatives of relevant state and federal agencies and industry experts to participate in the meetings of the task force and to provide information and expertise about regulatory and industry matters.

d. The task force shall convene on or before June 15, 2018 for a one-year term. The task force shall issue its report and recommendations to the council and the mayor on or before June 15, 2019. The task force shall reconvene on or before June 15 of every fifth year after 2018 to consider and propose updates to minimum standards of cleanliness and hygiene, functional separation of laundered and unlaundered laundry and enforcement of this subchapter. The task force shall issue its recommendations for any changes to the standards and enforcement guidance then existing to the council and the mayor on or before June 15 of every fifth year after 2019.

e. The commissioner shall collect the written statements submitted by applicants in accordance with paragraphs 8 and 9 of subdivision b and paragraph 6 of subdivision c of section 20-297.3 solely for the purpose of providing such statements to the task force. Such statements, in addition to information about the number and type of complaints regarding alleged violations of this subchapter received by the commissioner, shall be submitted to the task force by the commissioner on or before June 15, 2018 and on or before June 15 of every fifth year after 2018.

§ 3. Notwithstanding any provision of this local law to the contrary, any person who has a valid license pursuant to subchapter 14 of chapter 2 of title 20 of the administrative code of the city of New York that was issued before the effective date of section two of this local law, shall not be subject to subchapter 14.1 of chapter 2 of title 20 of the administrative code of the city of New York, as added by section two of this local law, until January 1, 2018 or the date of any revocation or cancellation of such previously issued license, whichever is earlier; provided that any such person shall continue to be subject to the requirements of subchapter 14 of chapter 2 of title 20 of the administrative code of the city of New York until such date; and provided further, however, that any person who engages in "industrial laundry delivery" as defined by section

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20-297.1 of the administrative code of the city of New York, as added by section two of this local law, shall submit the information required by subdivision c of section 20-297.3 of the administrative code of the city of New York, as added by section two of this local law, to the department and shall comply with section 20-297.5 and subdivision b of section 20-297.6 of the administrative code of the city of New York, as added by section two of this local law, upon the effective date of section two of this local law.

§ 4. This local law takes effect 180 days after becoming law, provided that the department of consumer affairs may take such measures as are necessary for the implementation of this local law, including the promulgation of rules and processing of applications for licenses, prior to such date, and provided further that section one of this local law takes effect December 31, 2017.

WCJ/LUR
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