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# DEPARTMENT OF CONSUMER AFFAIRS COMMISSIONER JULIE MENIN ANNOUNCES SWEEPING SMALL BUSINESS RELIEF PACKAGE TO OVERHAUL SMALL BUSINESS REGULATION AND RAMP UP BUSINESS OUTREACH

Reforms Will Reduce the Number and Cost of Violations, Cut Red Tape, and Empower Businesses with Education, Fulfilling a Longstanding Commitment by Mayor Bill de Blasio to Break From the Past and Support New York City's Small Business Community

## Agency's Commitment to Consumer Protection Remains Absolute

Department of Consumer Affairs (DCA) Commissioner Julie Menin announced that as of July 1, a wide-ranging package of nearly two-dozen reforms have been implemented to bring much-needed relief to thousands of New York City's small businesses. The reforms fulfill Mayor Bill de Blasio's campaign promise to reduce onerous fines on small businesses. The business relief package will reduce the number and cost of fines, increase transparency and fairness, and greatly expand the education of and outreach to businesses. While these reforms will aid the majority of law-abiding businesses, DCA will ensure a rigorous structure of oversight and fines for the types of businesses and practices that raise health concerns and for businesses that flout rules, engage in predatory behavior, or negatively affect the public's well-being.

"Small businesses are the heart and the economic engine to this City, and following the Mayor's lead, DCA is committed to making our operations fairer, simpler and less onerous on law-abiding businesses," said DCA Commissioner Menin. "The reforms will create an easier environment for businesses to operate in our City while at the same time ensuring that we remain vigilant in our work protecting consumers and keeping the marketplace fair."

"The Department of Consumer Affairs is taking action to end the game of "gotcha" that has characterized past relationships with many small businesses. These new steps will not only reduce fines, but educate business owners as to how they can meet inspection standards," said Kathryn Wylde, President & CEO of the Partnership for New York City. "The best way to strengthen our neighborhoods is to give our small businesses the tools they need to thrive," said Brooklyn Chamber of Commerce President and CEO Carlo A. Scissura. "Commissioner Menin understands that issuing warnings instead of fines, and giving businesses a chance to correct violations is the best way to ensure the quality New Yorkers deserve without creating additional burdens on business owners. I applaud Mayor de Blasio for working with businesses and supporting our job creators."

"We welcome and embrace this show of support by Mayor de Blasio, Commissioner Menin and DCA," said Fernando Mateo, President of Hispanics Across America, which represents thousands of small, minority-owned businesses in the City. "This is a godsend to small business. It's like oxygen to a patient who is suffering."

"The de Blasio administration is putting its money where its mouth is," said Tim Tompkins, President of the Times Square Alliance. "This will literally put \$5 million into the pockets of small businesses in the City. It is also a dramatic commitment to transparency and communication. Small businesses will really appreciate this."

From these specific reforms, DCA is expected to meet the Mayor's fine reduction goal of 21 percent, or approximately \$5 million, while at the same time making it easier for small businesses to learn about their regulatory responsibilities and to interact with DCA. Owners will be able to direct their hard-earned money that previously went to onerous fines, towards reinvestment into their businesses, which will strengthen and promote economic growth within their communities.

"From my experience as a small business owner, to my years as a consumer protection lawyer, and as head of a community board who listened to all sides of an issue, I understand how important it is to balancing the needs of small business owners and protecting consumers throughout New York City. This package does just that," said DCA Commissioner Menin.

# Key reforms that have been enacted include:

#### Reforms designed to reduce the number and cost of fines:

#### • Reduced Number of Violations:

- DCA will only issue one violation for any piece of information missing from a required sign or a receipt, instead of one violation for each missing piece as it had in the past. A second violation will be issued if the sign is missing completely or a receipt isn't provided. For example, a sign that has six different components used to receive six separate violations. Under the new policy, there will be just one violation for any missing pieces of information.
- DCA has also changed policy regarding individual price posting, which will benefit bodegas, small groceries and general retail stores.
- **Reduced Settlement Amounts:** DCA will reduce the amount that a business can settle a violation for in numerous industries.

- **Curable Violations:** The "Cure Law," which went into effect June 30, gives DCA an unprecedented opportunity to allow businesses to correct first-time violations for many signage violations, which represent more than 100 different violations issued by DCA. Beginning July 1, first time violator businesses have 30 days to correct these violations and avoid having to pay a fine. For example, a nail salon that does not have its refund policy posted when the business is inspected would have previously faced a \$250 fine but, if they submit proof that they have posted one within 30 days, will not have to pay anything. This opportunity will affect about 20 percent of all violations issued by DCA.
- **Issuing Warnings:** DCA will also be going beyond the Cure Law and will issue warnings instead of violations for additional violations not covered by the law such as not having the DCA license number on all printed materials and not stating the reason for the range of price variations on a price list.

## Reforms designed to increase transparency and fairness:

- Inspection Checklists: Previously, businesses would complain that they did not know what DCA was looking for in its inspections. For the first time ever, 41 easy-to-read checklists that inspectors use to conduct patrol inspections are posted online at <u>nyc.gov/BusinessToolbox</u> so that businesses can learn what inspectors require. The 10 most common checklists are being translated into Spanish, Chinese, French, Creole, Korean, Russian, Bengali and Arabic. All others will be translated into Spanish.
- **Inspections in Preferred Language:** Businesses can now request that that their DCA inspection be conducted in the language of their choice. Inspectors carry a card with them that allows business owners to point to a language using a translation service on the phone. The point-to card has 10 languages but inspections can be inspected in any language provided by the City's translation service. DCA has Spanish and other language-speaking inspectors.
- **New Online Routing Tool:** Previously, some neighborhoods were overburdened by inspectors, while others were under-inspected. DCA will now be using internal mapping technology to ensure equitable distribution of inspections across the city.

# Reforms designed to increase business education:

- **Open Houses and Community Outreach:** DCA will increase the number and frequency of Open Houses when small businesses can come in for training and expand its presence at community events. DCA will strengthen its partnership with Business Improvement Districts to disseminate information to their members about DCA activity and policies.
- **"Ask an Inspector":** Starting July 21, a DCA inspector will be in the Licensing Center daily to answer questions from businesses about rules and regulations. DCA will also be expanding this program to its borough offices.
- Laws and Rules Alerts: DCA will proactively engage business when new rules or laws are enacted that will directly impact them.

- **Legal Ombudsman:** A newly created role in our Legal Division will be dedicated to answering questions for businesses and helping navigate complicated rules.
- **Businesses Education Days:** Our DCA inspectors will increase the amount of "Business Education Days." On these days inspectors will be going door-to-door to businesses to hand out information and answer any questions business owners might have.
- Financial Counseling: DCA will offer convenient financial counseling services to small businesses.
- Other Improvements: DCA offers the City's first and only online live chat option, which enables New York businesses to easily ask questions during business hours without having to visit DCA's Licensing Center or take time away from their customers to call in a question.

# Firm and Resolute on Consumer Protection Where it Matters:

• Whether expired medicines or stores selling tobacco to minors, DCA will remain as vigilant as ever in protecting consumers. The Agency is currently involved in several aggressive initiatives to crack down on scams, abuses, fraud and unlicensed activity through investigation and other tactics. DCA urges New York City consumers with consumer protection issues to call 311.

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DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Empowering consumers and businesses to ensure a fair and vibrant marketplace, DCA licenses about 80,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. New York City businesses can visit the Business Toolbox at <u>nyc.gov/BusinessToolbox</u> and are encouraged to share suggestions about other business services they would find useful by on DCA's social media sites, <u>Twitter</u>, <u>Facebook</u> and <u>Instagram</u>.

For more information, call 311 or visit DCA online at nyc.gov/consumers.