Testimony of Deputy Commissioner Carlos A. Ortiz New York City Department of Consumer and Worker Protection

Before the Committee on Consumer and Worker Protection Hearing on Introductions 495, 1016, 1231, 1290, 1308, 1311

June 17, 2025

Introduction

Good morning, Chair Menin, and members of the Committee on Consumer and Worker Protection. My name is Carlos Ortiz, I am the Deputy Commissioner for External Affairs at the Department of Consumer and Worker Protection (DCWP). Today, I am joined by our Associate General Counsel, Andrew Schwenk. Thank you for the opportunity to testify before the committee today on these bills regarding our consumer protection work.

Protecting New Yorkers

DCWP is a key resource for all New Yorkers, providing fundamental consumer and worker protections, and financial empowerment programming across the five boroughs. We are dedicated to ensuring that consumers who have been exploited or deceived have a recourse, that workers have a passionate defender of their rights, and that all New Yorkers have the support they need to improve their financial health. These protections and resources are available to all New Yorkers regardless of immigration status. In the past three years under Commissioner Mayuga's tenure, we have delivered more than \$1.3 billion back to New Yorkers through our protections, policies, and programming.

Since our landmark Consumer Protection Law was enacted in 1969, we have been the nation's leading municipal consumer protection agency. For nearly sixty years, we have consistently leveraged our authority to protect New Yorkers from deceptive business practices, securing financial restitution for consumers whose rights have been violated by bad actors in the marketplace. In the last few years, our efforts have played a role in the recovery of about \$28 million in financial restitution and debt relief for consumers.

A key component of protecting New Yorkers is supporting and facilitating compliance amongst businesses with the laws that we enforce through education and other key services. DCWP's licensure plays a critical role in safeguarding our consumers and maintaining industry standards across more than 45,000 businesses in 40 license categories. Businesses across the five boroughs have access to our educational materials, as well as direct outreach from our team. In the last several years, we have hosted nearly 400 business engagement and outreach events, reaching more than 30,000 business owners. Our Visiting Inspector Program provides new brick and mortar businesses that we regulate the opportunity to receive an educational visit from one of our inspectors. We look forward to working with the Council to streamline compliance, reduce costs, and highlight our balanced approach to support small businesses while still providing robust consumer protections for all New Yorkers.

Introduction 1290

Turning to today's legislation, Introduction 1290 would require licensing of self-storage warehouses. We strongly support the council's efforts to expand our licensing to a key sector of the storage industry, from which we frequently receive consumer complaints.

Introduction 495

Introduction 495 would limit increases of occupancy fees for self-storage facilities by no more than an increase of 2 percent per year. In addition, self-storage facilities would not be permitted to terminate occupancies for any reason other than non-payment of fees. As drafted, this legislation may unintentionally discourage self-storage companies from renewing occupancy agreements with existing customers. We recommend a required rate disclosure to be provided to consumers ahead of time in the event of an increase, similar to what exists in our parking lot and garage category, where rate increases must be communicated to consumers and to DCWP at least 60 days in advance of implementation. Strong pricing disclosures would work well with the expanded licensing requirements proposed in Introduction 1290.

Introduction 1231

Introduction 1231 would require tax preparers to provide customers with an itemized statement of charges, which would have to be provided in both a physical and electronic format. We support this legislation, which will increase transparency in the paid tax preparer industry and help protect consumers—particularly lower-income New Yorkers—as we look ahead to the next tax season.

Introduction 1311

Introduction 1311 would prohibit food establishments from using a dynamic pricing model that increases the price of any menu item based on real-time demand. We support the intent of the bill. Dynamic pricing is a relatively new consumer protection issue, particularly for brick-and-mortar businesses like restaurants. We welcome the opportunity to work with the Council and stakeholders to better understand the scope and impact of this practice on New Yorkers and to refine the legislation accordingly.

Introduction 1308

Introduction 1308 would reform many of the city's business licensing laws. We strongly support this bill as a commonsense reform that will benefit many business categories and deliver meaningful savings for small businesses. The legislation would streamline onerous requirements and is another step to provide a more efficient system for all New Yorkers.

We would like to recommend for the legislative record and redlining process that additional measures be added within the framework of the legislation to reduce operational hurdles for businesses. For example, this bill eliminates onerous fingerprinting requirements for many of our license categories. We believe that requirement should also be removed for the merged electronics store category. Ultimately, we believe that the fingerprinting requirement is not only burdensome, but it also hinders prospective small businesses from being able to participate in the market and it does not create greater protection for the consumers. We think the bond requirement should be removed for all secondhand dealers, especially where it is duplicative of state requirements. We agree with the Council that licenses in good standing, compliant with local laws and rules, should be able to move locations within a community district. Currently, the bill permits this for electronic cigarette retailers, but we believe this should also be allowed for tobacco retailers. We also recommend an online sales exemption for secondhand dealer licensees, and eliminating outdated manufacturer and qualifications provisions in our locksmiths category. Lastly, while the current requirement to audit process servers is overly burdensome on these businesses, we believe we should retain discretion to be able to conduct an audit when necessary.

Introduction 1016

Finally, Introduction 1016 would require dealers in firearms, rifles, and shotguns to display a warning sign where the firearms, rifles, or shotguns are displayed or where they are transferred to the purchaser. The Administration has submitted written testimony for this bill. We defer to our colleagues at DOHMH and NYPD on this legislation.

Conclusion

Thank you for the opportunity to testify before your committee on our essential work uplifting New Yorkers and today's legislation. We look forward to working with you all to further our efforts to protect New Yorkers in the marketplace. I welcome any questions you may have for further discussion.