

Note: New York City businesses must comply with all relevant federal, state, and City laws and rules. All laws and rules of the City of New York, including the Consumer Protection Law and Rules, are available through the Public Access Portal, which businesses can access by visiting www.nyc.gov/consumers. For convenience, sections of the New York City Licensing Law (and Rules, if enacted) are included as a handout in this packet. The Law (and Rules) are current as of January 2009.

Please note that businesses are responsible for knowing and complying with the most current laws, including any City Council amendments. The Department of Consumer Affairs (DCA) is not responsible for errors or omissions in the handout provided in this packet. The information is not legal advice. You can only obtain legal advice from a lawyer.

NEW YORK CITY ADMINISTRATIVE CODE
TITLE 20: CONSUMER AFFAIRS
CHAPTER 2: LICENSES
SUBCHAPTER 28: STORAGE WAREHOUSES

§ 20-475 Definitions. For purposes of this subchapter: a. "Storage warehouse" means a building or structure, or any part thereof, in which a consumer's household goods are received for storage for compensation, except warehouses in which such goods are stored by or on behalf of a merchant for resale or other use in the course of the merchant's business.

b. "Storage warehouse operator" means any person operating any storage warehouse as defined herein.

c. "Household goods" shall mean property commonly used in a household, including but not limited to furniture, clothing and appliances but not including goods stored by, or on behalf of, a merchant for resale or other use in the merchant's business.

§ 20-476 License required. No person shall operate a storage warehouse without a license. The annual fee for a license or a renewal shall be two hundred ninety-five dollars for the first warehouse and one hundred fifty dollars for each additional warehouse. The license shall be posted in a conspicuous place in the office of each warehouse.

§ 20-477 Duties of warehouse operator. Every storage warehouse operator shall comply with the provisions of this subchapter and regulations promulgated by the commissioner setting forth requirements for estimates and any other rules and regulations promulgated to implement and enforce this subchapter.

§ 20-478 Schedule of rates. Every storage warehouse operator shall,

upon obtaining a license, file with the department schedules showing the rates and charges for the storage and handling of property in the warehouse, and such schedules shall be kept in convenient form and be open at all times during business hours to public inspection at the warehouse or warehouses and the office of the commissioner. Prior to accepting any goods for storage, the schedule of all rates and charges must be presented to the individual requesting the goods to be stored. One copy of this schedule shall be retained by the individual requesting storage and another shall be signed by such individual and retained by the warehouse operator. Any rate or charge not included on such document may not be collected at a later date.

§ 20-479 Bond. Each storage warehouse operator shall file before receipt of a warehouse license and maintain with the department a surety bond in the sum of ten thousand dollars executed by the storage warehouse operator as principal, and a surety company authorized to do business in this city as surety, payable to the city of New York and conditioned upon the storage warehouse operator's compliance with the provisions of this subchapter and any regulations duly promulgated and upon the further conditions that the licensee will pay to the city any fine, penalty or other obligation within thirty days of its imposition and faithfully account in the manner required by law to the owners of all goods, wares, or other property that the storage warehouse operator receives, handles, stores or otherwise deals in as a storage warehouse operator. The commissioner may increase the amount of the bond required of storage warehouse operators.

§ 20-480 Insurance. Every warehouse operator shall offer insurance to each customer in accordance with terms and conditions to be determined by the commissioner but in no event shall any goods be insured for less than the amount established by the commissioner. All customers shall be informed of the minimum insurance rate and the availability of greater insurance and the charges made for such additional insurance.

§ 20-481 Form contract. The commissioner may establish a form contract for use by all warehouse operators.

§ 20-482 Deposit of household goods by city representatives. No representative of the city, including but not limited to sheriffs and marshals, shall deposit any household goods in a warehouse that is not licensed pursuant to this subchapter.

§ 20-483 Penalties. a. The commissioner may suspend or revoke the license of any warehouse operator who is found to have committed five or more violations of this subchapter within a two year period.

b. In addition to any penalties or remedies provided for in chapter one of this title, a storage warehouse operator who shall violate or fail to comply with any provisions of this subchapter or who fails, omits or neglects to obey, observe or comply with any order, rule, direction, demand or requirement of the department or who shall fail to maintain and comply with the schedule of rates and charges filed shall be subject to a penalty not to exceed the sum of one thousand dollars for each and every offense. Every violation of any such order, rule, direction, demand or requirement of the department, or of any provision of this subchapter, shall be a separate and distinct offense and in case of a continuing violation, every day's continuance thereof shall be deemed to be a separate and distinct offense.

c. Any person who is not a licensed warehouse operator under the provisions of this subchapter who shall operate a warehouse shall be subject to a penalty of one thousand dollars for each day of operation without a license.

d. Any person who is not a licensed warehouse operator who shall advertise, represent in any manner, or claim to operate a storage warehouse shall be subject to a penalty of one thousand dollars.

e. Any person who shall willfully make any false entry in the accounts or in any record or memorandum kept by a storage warehouse operator, who shall willfully destroy or falsify a record of any such account, record, or memorandum, or who shall willfully neglect or fail to make full, true or correct entries in such accounts, records, or memoranda of all facts and transactions pertaining to the business of the warehouse operator or shall keep any accounts or records with the intent to evade the provisions of this subchapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than one thousand dollars or imprisonment of not more than thirty days, or by both such fine and imprisonment.

Note: New York City businesses must comply with all relevant federal, state, and City laws and rules. All laws and rules of the City of New York, including the Consumer Protection Law and Rules, are available through the Public Access Portal, which businesses can access by visiting www.nyc.gov/consumers. For convenience, sections of the New York City Licensing Law (and Rules, if enacted) are included as a handout in this packet. The Law (and Rules) are current as of January 2009.

Please note that businesses are responsible for knowing and complying with the most current laws, including any City Council amendments. The Department of Consumer Affairs (DCA) is not responsible for errors or omissions in the handout provided in this packet. The information is not legal advice. You can only obtain legal advice from a lawyer.

RULES OF THE CITY OF NEW YORK
TITLE 6: DEPARTMENT OF CONSUMER AFFAIRS
CHAPTER 2: LICENSES
SUBCHAPTER BB: STORAGE WAREHOUSES

§2-321 Definitions.

For purposes of this subchapter:

Bill for services. "Bill for services" means a writing signed by the storage warehouse operator or his authorized agent stating the total costs for the following:

- (1) the monthly charge for storage of the goods;
- (2) if applicable, the charge for a minimum number of months' storage;
- (3) the charge for packing, containers, warehouse labor in, transportation to the warehouse, padding or sanitizing;
- (4) any charges imposed by the storage warehouse operator, including the charges for warehouse labor out and transportation from the warehouse, if applicable.

Inventory. "Inventory" means an itemized list, signed by the storage warehouse operator or his authorized agent, indicating the condition of each item which is being stored.

Written estimate. "Written estimate" means a writing signed by the storage warehouse operator or his authorized agent setting forth:

- (1) the charge, if applicable, but not exceeding \$10 for the written estimate based upon an actual physical inspection;
- (2) a tally of the household goods included in the estimate, which shall not be construed to be an inventory as defined by §2-321 "Inventory";
- (3) the estimated monthly charge for storage of the goods;
- (4) if applicable, the estimated charge for packing, containers, warehouse labor in transportation to the warehouse, padding or sanitizing;
- (5) if applicable, the minimum monthly charge or the minimum number of months' storage charge;
- (6) any other charges imposed by the storage warehouse operator, including a statement that there will be a charge for "warehouse labor out" and "transportation from the warehouse" and a description of how these charges will be calculated;
- (7) any limitation on liability for loss or damage to household goods;

(8) the name, principal place of business and telephone number of the storage warehouse operator, and the street address, borough and telephone number where the goods will be stored.

§2-322 **Oral Disclosures.**

(a) It is a deceptive practice for a storage warehouse operator to fail to disclose to a consumer in response to a telephone inquiry about storage:

(1) that the consumer has a right to a written estimate based on a physical inspection of the consumer's goods before any goods are removed by the warehouse operator;

(2) the charge, if applicable, but not exceeding \$10, for the written estimate based upon a physical inspection;

(3) the street address and borough where the goods will be stored;

(4) whether there is a minimum monthly storage charge or charge for a minimum number of months' storage and, if so, the amount of the charges;

(5) the warehouse operator's storage rate per unit;

(6) the total charge customarily imposed by the warehouse operator for three months' storage of the following bedroom furniture:

1 double bed or 2 single beds

1 bureau or dresser

1 chair

1 night table

(7) whether the warehouse operator imposes charges for warehouse labor in, padding, papering, storage preparation, or sanitizing and, if so, the amount of the charges;

(8) the warehouse operator's transportation charges to the warehouse;

(9) the warehouse operator's charge for containers;

(10) the warehouse operator's charge for packing;

(11) any other charges that will be imposed by the warehouse operator.

(b) It is a deceptive practice for a storage warehouse operator to fail to:

(1) give a consumer a printed copy of the oral disclosures prior to picking up the goods for storage;

(2) retain a copy of the disclosures signed by the consumer acknowledging receipt thereof.

(c) It is a deceptive practice for a storage warehouse operator to represent any service as legally mandatory when it is optional (e.g. sanitizing).

§2-323 **Written Estimate.**

(a) It is a deceptive practice for a storage warehouse operator to accept, or offer to accept, household goods for storage without issuing the consumer a written estimate, based upon an actual physical inspection, before any goods are removed to storage, except that if a customer requests that the warehouse operator accept household goods for storage without receiving a written estimate the warehouse operator, before receiving any goods:

- (1) shall have the consumer sign a statement waiving his/her right to a written estimate and giving the reasons therefor;
 - (2) shall orally communicate to the consumer the information required by §2-322;
 - (3) shall, within 5 business days after arrival of the consumer's goods at the warehouse, send the consumer a statement based upon an examination of the goods being stored, containing the following information:
 - (i) the monthly charge for storage of the goods (including any minimum number of months' storage charge);
 - (ii) if applicable, the charge for packing, padding, papering, containers, warehouse labor in, transportation to the warehouse, storage preparation or sanitizing;
 - (iii) any other charges that will be imposed by the storage warehouse operator;
 - (iv) any limitation on legal liability for the negligent loss or damage to the goods.
- (b) It is an unconscionable practice for a storage warehouse operator to directly or indirectly discourage a consumer from receiving a written estimate based upon an actual physical inspection.

§2-324 Inventory.

It is a deceptive practice for a storage warehouse operator to accept household goods for storage without providing the consumer, at the time the household goods are picked up, with an inventory of the goods being stored.

§2-325 Cancellation.

It is a deceptive practice for a warehouse operator to impose any charge upon a consumer who cancels a storage agreement before 3 p.m. on the day preceding the scheduled storage of the goods.

§2-326 Bill for Services.

It is a deceptive practice for a storage warehouse operator to:

- (a) fail to deliver a written bill within 5 business days after arrival of the consumer's goods at the warehouse and at least bi-monthly thereafter for any goods and services for which the storage warehouse operator imposes a charge;
- (b) collect or attempt to collect, without written consent from the consumer, any charge(s) not listed on the written estimate or the statement provided pursuant to §2-323 where a written estimate has not been provided, except in accordance with §2-326(d) infra;
- (c) consistently underestimate the total charges listed in §2-321 "Written estimate";
- (d) increase the rate charged a consumer for monthly storage unless the consumer has been notified at least 45 days prior to the effective date of the rate increase.

§2-327 Relocation of Household Goods.

(a) It is a deceptive practice for a storage warehouse operator or his authorized agent to move a consumer's goods from one location to another without informing the

consumer of the reason for the move and the street address and borough of the new location. Such notice must be given at least 30 days prior to the move unless there is an emergency necessitating immediate removal of the goods to another location. In that event, notice shall be made as soon as practicable.

(b) It is a deceptive practice for the storage warehouse operator to charge or attempt to charge the consumer any additional amount for transportation of the consumer's goods which has not been requested by the consumer, unless the storage warehouse shall have first given the consumer 45 days written notice of the amount of such charge prior to the date of such transportation.

(c) In the event that a storage warehouse operator has transported a consumer's goods after being placed in storage from one location to another, where such transportation has not been requested by the consumer, any transportation charges for redelivery of the property from storage shall be determined as if the goods were being delivered out of the first location in which they were placed in storage.

§2-328 Advertisements.

(a) It is a deceptive practice for a storage warehouse operator to:

(1) solicit storage of household goods in a name other than the name in which it is licensed by the Department of Consumer Affairs;

(2) fail to include its Department of Consumer Affairs license number in its advertisements soliciting storage of household goods;

(3) fail to include in display advertisements soliciting storage of household goods the name and address of each storage warehouse it operates in New York City where household goods are stored.

(b) It is a deceptive practice for any person who is not a licensed warehouse operator to advertise, represent in any manner, or claim to operate a storage warehouse.

§2-329 Insurance.

It is a deceptive practice for the storage warehouse operator to:

(a) fail to provide without cost to the consumer legal liability coverage for loss or damage to the consumer's property caused by negligence, as defined in the UCC §7-204. This coverage is to be provided at the minimum value of \$0.30 per pound per item up to \$2,000;

(b) fail to inform a consumer that (s)he may purchase through the storage warehouse operator additional coverage to cover specific items or all of the household goods at additional cost.

§2-330 Storage Contract.

It is an unconscionable practice for a storage warehouse operator to accept a consumer's household goods for storage without entering into a written storage contract with the consumer.

§2-331 Access to Goods.

It is an unconscionable practice for a storage warehouse operator to refuse a consumer access to his/her stored household goods to retrieve needed medication or documents which are necessary to enable the consumer to apply for social welfare benefits or employment; or to charge a consumer more than the scheduled rate for access, which shall be based upon the hourly warehouse labor charge or rate.

§2-332 General Release.

It is an unconscionable practice for a storage warehouse operator to relinquish possession of a consumer's stored goods upon the condition that the consumer sign a general release or any other document of similar import, in which the consumer releases the warehouse operator from legal liability for negligent loss or damage to the household goods stored as a condition for regular delivery by the warehouse operator of the goods in the ordinary course of business. Nothing in this section shall prohibit a warehouse operator from securing a general release or other document of similar import where a consumer's personal property in storage has been removed from storage for the purposes of conducting a public sale of such personal property pursuant to the provisions of §7-210 of the New York Uniform Commercial Code.

§2-333 Sale of Consumer's Goods.

It is an unconscionable practice for a storage warehouse operator or his authorized agent to sell a consumer's stored goods in satisfaction of alleged charges owed by the consumer unless the consumer shall first be afforded notice and the opportunity for arbitration before the New York Better Business Bureau on the issues of:

- (a) nonpayment of the alleged charges owing; and
- (b) the amount of such alleged charges.

This provision does not affect any other legal right that a consumer may have prior to sale of his/her stored goods.

§2-334 Agents.

(a) It is a deceptive practice for any person, firm or corporation to act as an agent for a licensed storage warehouse operator unless:

(1) his/her principal is a licensed storage warehouse operator who has complied with all the requirements of Local Law 1 of the Laws of 1979 and these regulations; and

(2) the consumer is informed that an agent* in his/her capacity as agent prior to rendering any service in connection with a household goods storage transaction; and

(3) all documents furnished to consumers by such agent shall bear the name of the principal for which the agent is functioning, indicating that the agent is in fact an agent of said principal; and

(4) there is on file with the Commissioner an agency agreement, executed by both the licensed warehouse operator, as principal, and a Department of Transportation (D.O.T.) certificated mover, as agent, which shall contain the following information:

- (i) the name in which the principal is licensed, and his license number;

(ii) the name of the agent and his D.O.T. license number;

(iii) an undertaking by the principal that he will guarantee full compliance by the agent with Local Law 1 of the Laws of 1979 and any and all regulations promulgated thereunder;

(iv) the principal place of business and home addresses and telephone numbers of the principal and agent;

(v) an undertaking by the principal that he will be responsible for the filing of an amended agency agreement in the event that any of the information required to be contained in the original agreement should become inaccurate.

(b) A licensed warehouse operator who permits an agent to act on his behalf in providing any storage service shall be fully liable for any and all of the actions of such agent.

(c) It is a deceptive trade practice for any licensed warehouse operator to enter into an agency arrangement with a person, firm or corporation where there is any common ownership between the agent and the licensed warehouse operator.