

**RENALDO HYLTON  
ASSISTANT COMMISSIONER FOR OPERATIONS COMPLIANCE  
NEW YORK CITY DEPARTMENT OF BUILDINGS**

**HEARING BEFORE THE NEW YORK CITY COUNCIL  
COMMITTEE ON HOUSING & BUILDINGS  
December 13, 2016**

Good morning Chair Williams, members of the Housing & Buildings Committee and other members of the City Council. I am Renaldo Hylton, Assistant Commissioner for Operations Compliance at the New York City Department of Buildings (“Department”). I am joined by Assistant Commissioner for External Affairs Patrick Wehle. We are pleased to be here to offer testimony on Introductory Number 247, which increases penalties for performing electrical work without a license.

Electrical work can be extremely dangerous, requiring specialized skill and expertise. Therefore, the Department requires that electrical work be performed by a licensed electrician or someone under their direct supervision. To secure a license from the Department, an applicant must demonstrate several years of experience and pass a written and practical exam. Being licensed or working under a licensee helps ensure the work can be performed safely and in compliance with the Electrical Code. Before hiring an electrician, the Department encourages the public to check the Department’s web site to ensure the electrician is licensed.

Intro. 247 increases the criminal penalty for performing electrical work without a license to a maximum of \$25,000 and up to one year in prison. Additionally, Intro. 247 codifies in the Administrative Code the minimum civil penalty established through rule of \$4,800 for performing electrical work without a license.

The Department supports these increased penalties for performing electrical work without a license, as they are more in line with the severity of the offense. Although not addressed in Intro. 247, the Department also supports increasing the additional civil penalty for performing electrical work without a permit. Working without a permit is typically closely associated with unlicensed work since a licensee is required to obtain such a permit. Currently, under the Electrical Code, the maximum additional civil penalty for electrical work performed without a permit is ten times the application fee required to secure the permit. This typically results in a penalty of approximately \$1,000. The Department proposes establishing a minimum civil penalty of \$500 for 1-2 family homes and \$5,000 for all other occupancies, which is in line with the severity of the offense and in keeping with how other construction trades are treated.

Together, these increased penalties will increase the likelihood that electrical work is performed in a safe and code compliant manner throughout New York City.

Thank you for your attention and the opportunity to testify before you today. We welcome any questions you may have.

**TESTIMONY OF THE NEW YORK CITY DEPARTMENT OF  
HOUSING PRESERVATION AND DEVELOPMENT  
TO THE NEW YORK CITY COUNCIL  
COMMITTEE ON HOUSING AND BUILDINGS  
ON INTRODUCTIONS NOS. 116 and 648  
TUESDAY, DECEMBER 13, 2016 – 10AM**

Good morning, Chair Williams and members of the Housing and Buildings Committee. My name is AnnMarie Santiago, and I am the Assistant Deputy Commissioner for the Office of Enforcement and Neighborhood Services for the New York City Department of Housing Preservation and Development (“HPD”). Here with me today is Francesc Marti, Assistant Commissioner for Government Relations.

Thank you for the opportunity to testify today on Intros. 116 and 648. Intro 648 would require residential building owners to annually report to HPD the previous year’s bedbug activity in their buildings. Property owners would also be required to annually provide tenants with information on bedbug infestations, if any, and prevention, detection, and removal methods, if employed. Intro. 116 expands a rental building owner’s right of access. The bill grants owners access to enter a unit during evening and weekend hours to make necessary repairs, improvements, or inspections.

The initial appearance of bedbugs in residential buildings is not due to the poor condition of the building or to the negligence of either the owner or tenant. Generally, bedbugs are brought into a building by an unsuspecting tenant, who has inadvertently picked them up while traveling or visiting other buildings. Once the bedbugs are there, they may be difficult to remove even if both the tenant and owner are cooperative and hire appropriate professionals. Early detection is the key to properly treating bedbugs. However, due to the stigma associated with bedbugs, people often delay reporting this condition, which causes the problem to grow beyond easy remediation. Responsible property owners take swift and thorough action once they are notified by a tenant that the condition exists, which includes checking for bedbugs in adjacent units. Some owners, however, do not use appropriate and thorough eradication methods, and some tenants are not cooperative in doing their part to help stop the spread of bedbugs throughout the building. If appropriate measures are not taken, tenants may face infestations that make it completely uncomfortable to reside at their home.

Currently, tenants who believe that they have bedbugs can call 311 to file a complaint. Those complaints are referred to HPD for inspection. If the tenant allows an inspection with a bedbug sniffing dog, HPD may send an inspection team consisting of a housing inspector and a beagle. HPD beagles were trained at an accredited facility where they learn to detect live bedbugs or viable eggs and are retrained annually to ensure that the dogs and their partners continue to work effectively together. If the beagle identifies an infestation, an HPD code enforcement inspector will confirm the beagle’s finding through a visual assessment, and if the inspector also finds bedbugs, then a violation is issued. If we are unable to inspect with the beagle, a housing inspector will do a visual assessment.

HPD supports the Council's intent in Intro. 648 of making more information available regarding bedbug infestations that is helpful to tenants. We believe the reporting system that the Council has in mind is technically feasible and look forward to working with the Council on the details of such a program.

HPD agrees that building owners should provide information about bedbug infestations to tenants and prospective tenants. Current law requires notice to a prospective tenant who is signing a vacancy lease, in a manner approved by the State Division of Homes and Community Renewal, about the property's bedbug infestation history for the previous year.

Intro. 648 requires owners of a residential building to notify each tenant annually about the number and percentage of apartments that had a bedbug infestation in the prior year, and the number and percentage of apartments in which eradication measures were employed during the previous year. In addition, the landlord must provide the tenant with information on bedbug prevention, detection, and removal methods. Additionally, an individual who owns or controls an apartment located within a residential building must annually provide the residential building owner with the bedbug infestation history and eradication measures for his or her apartment. HPD understands that requiring this exchange of information about bedbug infestations and general information about remediation procedures would be helpful to ensure the early detection and removal of bedbugs. Therefore, we have no concerns regarding these requirements set forth in the bill.

The bill also requires an owner of a residential building to annually report to HPD various data regarding the occurrence and remediation of bedbugs: (1) the number of apartments with bedbug infestation during the previous year; (2) the percentage of apartments infested; (3) the number of apartments in which bedbug eradication measures were employed during the previous year; and (4) the percentage of apartments in which eradication measures were employed. HPD is required to make this information publicly available no later than 30 days after receipt. Implementing a bedbug reporting system through HPD is technically feasible but will require additional staff and technological resources. A bedbug reporting program will be considerably more costly if it accepts paper submissions than if it allows electronic filing only, since paper submissions require staff to process the forms. There will also be a programmatic and coding cost associated with the electronic reporting component, since HPDONLINE would have to expand its system to receive, process, and display information that is not a violation and does not flow from a 311 complaint.

In addition, further discussion is necessary about the consequences of public disclosure of bedbug infestation information. Once information on a property is publicly available, tenants who live in buildings reporting bedbug infestations could be stigmatized. Even within the building, tenants may seek to discover "apartment zero" and issues may arise among neighbors. For instance, HPD has witnessed that tenants who make bedbug complaints show reservations about allowing inspections. Often when asked why they do not want the beagle to inspect, tenants tell HPD inspectors that they do not want their neighbors to know they have a possible bedbug issue. HPD can only infer that tenants do not want to be stigmatized and stigmatization does occur. Further, owners of buildings with infestations may have trouble renting apartments, even if appropriate eradication measures were taken and were successful. We know from our own experience that when there are bedbugs in the workplace, as there have been in the past at

HPD and many other workplaces, there is considerable anxiety about whether the person who may be responsible for bringing them in can or should be identified. One way we can limit stigmatization in a bedbug reporting program is to limit the information available to the last annual filing.

Turning to Intro. 116, HPD supports what we believe is the Council's intent in this legislation: to allow owner access during evening and weekend hours as long as the tenant provides permission for such access. Extended access can benefit working tenants who wish to be home during repairs, and also allows owners more flexibility to make such repairs expeditiously. HPD's current rules allow landlords to access a dwelling unit or rooms during the hours between 9AM and 5PM on weekdays, and do not allow access in the evenings or on weekends and holidays unless the tenant agrees. The owner and tenant are free to make agreements to conduct work after hours or on weekends as long as this arrangement works for both parties. HPD has no objection to codifying in statute what is already allowed in our rules: that owners can, with the tenants' permission, access an apartment during evenings and weekends. However, as currently drafted Intro. 116 limits a tenant's right to refuse entry if the owner asks to enter at a reasonable time and in a reasonable manner during evening hours and weekends. The bill in effect limits tenant choice in ways that the Council might not have intended. For instance, if an owner reasonably requests entry on a weekend evening, a tenant who may observe a religious practice prohibiting certain activities at that time would not be able to lawfully refuse entry. We look forward to working with the Council on changes to the legislation that address these concerns.

We thank you again for the opportunity to discuss ways to ensure that all New Yorkers can live in safe and comfortable homes. We would be happy to answer any questions you may have.



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HENRY KITA  
Executive Director

TESTIMONY BEFORE THE NEW YORK CITY COUNCIL  
DECEMBER 13, 2016

PREPARED BY HENRY KITA

EXECUTIVE DIRECTOR/SUBCONTRACTORS TRADE  
ASSOCIATION (STA)

Good morning.

My name is Henry Kita. I am here today representing the 340 members of the Subcontractors Trade Association (STA). I serve in the position of Executive Director of the STA. Our member subcontractors help build New York, serve our community in times of crisis, provide opportunities for minority and women owned businesses, and promote the highest standards of worker safety in the New York City construction industry. The Subcontractors Trade Association, New York City's leading umbrella association of union construction subcontractors, strongly supports the enactment of Int. 247-14.

I would like to thank the members of this New York City Council committee for the opportunity to testify on Intro. 247-14, A Local Law to amend the administrative code of the City of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.

Simply stated, Int. 247-14 is important because it will protect the safety and wellbeing of all New York City residents by increasing civil and criminal penalties for the performance of unlicensed electrical work. At a time when construction safety is “front and center” as an issue both locally and nationally, Int. 247-14 would seem to be a meaningful and straightforward means of addressing one aspect of this issue. This legislation is vital to helping insure that buildings are constructed safely and to code here in New York City. In essence, Int. 247-14 is similar in intent to legislation that has been introduced before this City Council regarding safety concerns related to gas explosions that have occurred during the past two years. By increasing civil and criminal fines, this bill will create a strong disincentive for individuals who engage in unlicensed electrical work, which is a growing menace in New York City especially on smaller electrical jobs in the outer boroughs.

Allowing unlicensed electricians to practice here in New York City, puts the general public in great peril. Performing unlicensed electrical work can cause fires and other calamities. Since there is no way to determine the competence, training, safety procedures of or insurance held by an unlicensed electrician, individuals or businesses are taking a huge risk. This huge risk includes not only severe injury, but also the loss of life.

Unlicensed electricians might also negatively impact the local economy as well. In many cases, unlicensed electrical contractors may use undocumented workers and not pay legally required payroll and income taxes. Also, these unlicensed electricians may look to avoid applicable permit fees and workers' compensation insurance. By working below the radar, these individuals may seek to disregard applicable energy codes, Equal Employment Opportunity laws and other federal, state and city requirements that licensed electricians comply with in conformance with the law. Intro 247-14 addresses and seeks to eradicate these potential examples of legal non-compliance by unlicensed electricians.

Int. 247-14 updates the outdated penalty provisions of the New York City Electrical Code by allowing for the imposition of stiffer civil and criminal fines for

unlicensed electrical work, perhaps most important by allowing for the levying of much more substantial fines for a first offense. By approving this legislation, the City Council will also send a strong signal to the construction contractor community that unsafe, unlicensed work will not be tolerated in New York City.

In summary, Int. 247-14 is far too important to the public health and welfare of the citizens of New York City to be minimized or ignored. I strongly urge you to act expeditiously in enacting this legislation!



**Local Union No. 3**  
**International Brotherhood of Electrical Workers**  
**OF GREATER NEW YORK AND VICINITY**

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CENTRAL BODIES

Testimony of Benjamin Arana

Business Representative of Local 3 IBEW

Intro. 247-2014

Meeting of the Committee on Housing & Buildings

December 13, 2016

MEMORANDUM IN SUPPORT

Thank you Committee Chair Jumaane D. Williams and committee members for holding this hearing and giving me the opportunity to testify on behalf of Local Union #3 International Brotherhood of Electrical Workers. My name is Benjamin Arana and I am a Business Representative for Local Union #3.

Local Union #3, I.B.E.W. strongly supports Int. 247-2014. This legislation will protect the safety and wellbeing of all New York City residents, by increasing both civil and criminal penalties for the performance of unlicensed electrical work.

Int. 247-2014 is vital to helping ensure that buildings are constructed safely in New York City and is similar in intent to legislation that has been introduced before the Council regarding safety concerns related to gas explosions that have occurred in the past two years. By increasing civil and criminal fines, Int. 247-2014 will create a strong disincentive for individuals who engage in unlicensed electrical work, which is a growing problem in New York City, especially on smaller jobs in the outer boroughs.

Simply put, performing unlicensed electrical work can cause fires. Since there is no way to determine the competence, training, safety procedures of or insurance held by unlicensed electricians, consumers engaging such individuals or businesses are taking a big risk. Of additional concern, unlicensed electrical contractors may use undocumented workers and not pay proper payroll and income taxes, as well as applicable permit fees and workers compensation insurance. Unlicensed electricians may not comply with applicable local energy codes. Equal employment opportunity laws, and other Federal, State and City requirements that licensed electricians comply with as a matter of course. This legislation addresses that problem.

Int. 247-2014 updates the outdated penalty provisions of the Electrical Code by allowing for the imposition of stiffer civil and criminal fines for unlicensed electrical work, perhaps most important by allowing for the imposition of much heavier fines for the first offense. By passing Int. 247-2014, the Council will send a strong message to the contracting community that unsafe, unlicensed work will not be tolerated in New York City, Int. 247-2014 can help save lives.

Local Union #3 helps build New York, serves our communities in times of crisis, provides opportunities for minority and woman owned businesses, and promotes the highest standards of worker safety in the industry.

For these reasons, Local Union #3 strongly support Int. 247-2014, and urges its passage into law. The residents of New York City deserve nothing less.

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## TESTIMONY BY THE ASSOCIATION OF ELECTRICAL CONTRACTORS BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING & BUILDINGS IN SUPPORT OF ENACTING INT. 247, A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK IN RELATION TO CRIMINAL & CIVIL PENALTIES FOR THE PERFORMANCE OF UNAUTHORIZED ELECTRICAL WORK.

DECEMBER 13, 2016

My name is Carol Kleinberg and I am the Owner and CEO of Kleinberg Electric, a certified WBE firm that I started in 1979. My company specializes in complex transportation and infrastructure projects performed mostly for City and State agencies. I am speaking today as President of the Association of Electrical Contractors, an organization of about 100 electrical contractors and suppliers. The AEC is active in the five boroughs and affiliated with IBEW Local #3 and the New York City chapter of the National Association of Electrical Contractors. I was also recently elected to be the President of the New York State Association of Electrical Contractors. As well, I am an active Board member on many other industry organizations. But I am most proud to be the Chairperson of the Joint Apprenticeship and Training Committee of Local #3, which oversees our union's "best-in-class" apprentice education program. I am the first woman to break through the glass ceiling to chair this most important labor-management committee and to lead two major trade associations in our industry.

I'm here in support of Intro. 247, a bill developed by Council Member Elizabeth Crowley that would more effectively protect New York City residents and electricians from the dangers of unsafe electrical work by increasing both civil and criminal penalties for the performance of unlicensed electrical work. Intro. 247 is a critically needed bill. It is similar to legislation the Council enacted to safeguard the City from the consequences of unlicensed plumbers tapping gas lines without authorization, leading to explosions as has happened in the past two years. When electrical work is performed by unlicensed contractors, there are increased risks of explosions and fires just like with unauthorized gas piping. If passed into law, Intro. 247 will act as a deterrent against this dangerous practice. By updating the penalty provisions of the Electrical Code, the Council will be sending a strong message that unsafe, unlicensed electrical work will not be tolerated in New York City.

My company is certified by the City and State as a Woman-Business-Enterprise. WBE firms and for that matter, MBE and DBE firms have plenty of difficulties competing in this marketplace against companies in a male dominated industry. There are many barriers in the path to successful business ownership that are challenging to overcome. I have spent my entire life as a woman and have worked hard to promote the idea that legitimate woman-owned small businesses should have a fair opportunity to compete against the big guys for electrical construction contract opportunities. Fortunately my union is committed to inclusiveness. Local #3 does not tolerate any form of discrimination, sexism or racism.



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Now we are facing the specter of also competing for these jobs against unlicensed electrical shops whose employees may have little training, skills or knowledge of safety protocols that we unionized contractors pay for. If an electrical contractor has no license, there is no way to know whether the company has a record of performing safe, competent and reliable work. The firm may have no insurance. They may not be paying for workers compensation. The electricians may not be familiar with the electrical code or could even knowingly cut corners to skirt code compliance, increasing dangers to themselves and the public.

The unionized electrical industry spends a great deal of money on safety, through our State-certified apprenticeship school that I help oversee and our continuing education and training programs. All our member contractors are licensed and our electricians are trained and skilled at their jobs thanks to our labor-management partnership with Local #3. On the other hand, untrained electrical workers employed by unscrupulous open-shop unlicensed contractors frequently become part of the underground economy. They may end up hurt and treated in emergency rooms at taxpayer expense because their employers do not take appropriate safety measures. They often put the general public at great risk because they do not know how to work safely.

It is critical that we modernize the outdated penalty provisions of the Electrical Code by providing for stiffer fines for unlicensed electrical work. This will more effectively deter unsafe contractors from performing such dangerous work. Therefore, I urge you to support enactment of Intro. 247.



# NEW YORK CITY CENTRAL LABOR COUNCIL AFL-CIO

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## Testimony of Alex Gleason, Policy Associate New York City Central Labor Council, AFL-CIO

### New York City Council Committee on Housing and Building

December 13, 2016

Good morning, my name is Alex Gleason, and I am the Policy Associate at the New York City Central Labor Council, AFL-CIO. Comprised of 1.3 million workers across 300 affiliated unions, the New York City Central Labor Council, AFL-CIO strongly supports Int. No. 247-2014, imposing civil penalties for unauthorized electrical work. Int. No. 247-2014 safeguards the City from adverse consequences of improperly installed and maintained electrical systems, protecting workers, tenants, owners, and communities from dangerous practices. Int. No. 247-2014 sets a commonsense floor on safety standards, and ensures electrical work is of the highest caliber and quality.

It is rational and intelligent for New York City to codify the necessity of a license to complete electrical work. As the National Electrical Manufacturing Association states in a recent issue of their publication, *Electroindustry Magazine*, unlicensed electricians may, "Avoid pulling permits or obtaining inspections prior to energizing electrical equipment...Further, unlicensed individuals are not likely to have required insurance coverage...The potential risks and hazards associated with work performed by unlicensed individuals are great."<sup>1</sup> Guidance offered by business experts in the industry's field compliments the advice *ABC News* gives average homeowners, stating, "If an unlicensed contractor nails you, you have next to no recourse. There's no license that the state can yank to threaten his livelihood. If you complain about him, he'll just change the name he does business under."<sup>2</sup> Regardless of perspective or interest, there is consensus hiring an unlicensed contractor can cause financial havoc.

The trusted, comprehensive training programs of IBEW Local 3 have ensured New York City is equipped with well-educated, screened, licensed electrical workers. Successful Labor-Management training funds between Local 3, the Association of Electrical Contractors (AEC), and the New York Electrical Contractors Association (NECA) ensures both the workers and employers take appropriate steps and protocol to ensure safe job sites and completed projects, while creating well-paying middle class jobs. Licensed electrical workers are taught best practices for ensuring a safe jobsite and final product.

Int. No. 247-2014 is an opportunity to protect workers and the general public. The codification of licensing for electrical work will incentivize high-road construction and contracting practices, while protecting the public from both the practical impact (electrical safety,) as well as the implicit costs (possibly taxpayer-funded emergency healthcare) associated with off-the-book, low-road construction. The New York City Central Labor Council, AFL-CIO, urges the passage of Int. No. 247-2014, creating criminal and civil penalties for unauthorized electrical work.

<sup>1</sup> Holland, Bryan. "The Importance of Licensing, Permitting, and Inspection to NEMA Member Companies." *Electroindustry Magazine*, December 2014. Accessed October 2016. [https://www.nema.org/Communications/Awards/Documents/Holland\\_Importance-of-Licensing-Permitting-Inspection.pdf](https://www.nema.org/Communications/Awards/Documents/Holland_Importance-of-Licensing-Permitting-Inspection.pdf).

<sup>2</sup> Leamy, Elisabeth. "Unlicensed Contractors Will Rip You Off." *ABC News*. 2006. Accessed October 19, 2016. <http://abcnews.go.com/Business/CreativeConsumer/story?id=2624448>

**TESTIMONY OF THE NEW YORK ELECTRICAL CONTRACTORS ASSOCIATION  
BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON HOUSING AND BUILDINGS  
REGARDING INT. 247-2014**

**AN ACT TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK  
IN RELATION TO INCREASING CIVIL AND CRIMINAL PENALTIES FOR THE PERFORMANCE OF  
UNLICENSED ELECTRICAL WORK  
DECEMBER 13, 2016  
CITY HALL, NEW YORK CITY**

Chairman Williams and members of the New York City Council Committee on Housing and Buildings, good morning. I am Stephen Gianotti, President of both Arcadia Electrical Company and the New York Electrical Contractors Association (NYECA). Thank you for the opportunity to testify this morning on Int. 247-2014, which increases criminal and civil penalties for performing unlicensed electrical work in New York City.

My firm, Arcadia Electrical, was founded in 1989 and has grown to be one of New York's leading electrical contractors, presently employing 40 hard-working professionals on my management team, and over a team of 100 men and women electricians working on signature New York City projects in the field. My association, the New York Electrical Contractors Association, celebrating its 125<sup>th</sup> anniversary this year, is New York's largest and leading trade association of electrical contractors. We help build New York, serve our communities in times of crisis, provide opportunities for minority and women-owned business, and promote the highest standards of worker safety in the industry. Our contractors employ more than 20,000 men and women of Local Union # 3 IBEW and have clocked more than 25 million work hours in 2015.

Our specialties span a wide spectrum – from high rise construction and infrastructure installations to public schools and retail stores. In addition to servicing every sector of the industry, we have a long tradition of answering when New York City calls. From the bombing of the World Trade Center in 1993 to the earth changing events of September 11, 2001, when we were called upon to rebuild downtown and the stock exchange – we were the first to respond. We brought Wall Street back online. When Hurricane Sandy hit our shores in 2012 and devastated so many lives and properties, we played an integral role in disaster recovery efforts. Our contractors continue working on disaster relief to this day and continue to get the job done.

*The New York Electrical Contractors Association always comes through when New Yorkers call.*

I would also like to recognize the many other trade associations and organizations testifying here today in support of Int. 247, an important and timely bill that will increase civil and criminal penalties for performing unlicensed electrical work in New York City, which is a growing problem. On behalf of NYECA and the other organizations here today, we

enthusiastically support Int. 247, which will improve the safety and competency of the electrical industry in New York City.

### The Problem – An Increase in Unlicensed Electrical Work in New York City

As you know, New York City is experiencing a construction boom. That is the good news. The bad news is we are seeing a dramatic increase in unlicensed construction work going on, including unlicensed electrical work. That is the bad news because not only does it clearly violate the law, it jeopardizes the health and safety of New Yorkers.

This problem can take one of two forms: first, an unlicensed and often completely unqualified person performs simple or complex electrical work; or second, a licensed electrical contractor, perhaps retired or now living outside New York State, “farms” his license out to an unlicensed individual in New York. Either scenario results in the same problem: an unlicensed person performs electrical work. Simply put, this can cause fires and cost lives.

Unlicensed electrical work puts all of us in jeopardy and raises the possibility of fires and electrocutions as a result of such shoddy work. For example, the infamous 1942 “Cocoanut Grove Fire” killed 490 people and injured 166 others in a popular Boston nightclub, and is presumed to have been initially caused by faulty wiring sparking and igniting an accelerant. More recently, an unlicensed, faulty wiring job to power an outdoor hot tub was identified as the cause of California’s 2015 “Valley Fire,” which killed four people, burned through 76,000 acres of land, and destroyed nearly 2000 buildings.<sup>1</sup>

In 2005, A Florida jury awarded \$65 million to the father of a boy who was electrocuted at a bus shelter, finding that the shelter owner was negligent for hiring the unlicensed electrician who performed the substandard work resulting in the boy’s death.<sup>2</sup> Walmart has been sanctioned and taken to court in multiple states in recent years for deaths and injuries resulting from its use of unlicensed electricians, and in at least one case, hiring a licensed Massachusetts electrician solely to obtain a permit (“farming”), and then relying on unlicensed workers which led to an electrocution death.<sup>3</sup> These tragic examples illustrate what can occur when unlicensed workers perform electrical work, even on “simple” jobs.

In addition, there have been many instances of fires and deaths in New York City caused or thought to have been caused by faulty electrical wiring or installation.<sup>4</sup> Addressing the risks

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<sup>1</sup> <http://www.sacbee.com/news/state/california/fires/article94888152.html>

<sup>2</sup> [http://articles.sun-sentinel.com/2005-06-25/news/0506240653\\_1\\_bus-shelter-boy-electrocuted-unlicensed-electricians](http://articles.sun-sentinel.com/2005-06-25/news/0506240653_1_bus-shelter-boy-electrocuted-unlicensed-electricians)

<sup>3</sup> <http://www.bostonglobe.com/business/2012/02/05/lawsuit-seeks-hold-walmart-responsible-for-safety-its-store-constructions-sites/g2yZt39X9bw1gaLvjlMARK/story.html?camp=pm#.TzAKDMkTkKk.twitter>

<sup>4</sup> ‘A Miracle On 93rd Street,’ Elderly Man Rescued In Blaze Reunites With Heroic Firefighters; CBS New York, 11/25/16

of taking these kind of shortcuts in construction and renovation earlier this year after a deadly gas explosion, Manhattan District Attorney Cyrus Vance said:

Development, construction, and renovation is happening all across New York City... We know it's happening at breakneck speed. *Financial incentives for property owners to take shortcuts have never been stronger.*

District Attorney Vance continued,

Our message is simply this: they have to resist temptation to take these shortcuts... When you tinker around with the gas system and electrical hookups, you have in effect weaponized that building.<sup>5</sup>

There are also additional risks associated with unlicensed electrical work. Since there is really no way to determine the competence, safety training and insurance held by an unlicensed contractor, consumers and businesses engaging such individuals are taking a big risk. Of additional concern, unlicensed electrical contractors may use undocumented workers and not pay proper payroll and income taxes, as well as applicable permit fees and workers' compensation insurance. Unlicensed individuals may not comply with applicable local energy codes, equal employment and minority and women-owned business opportunity laws, as well as other federal, state and local regulations that licensed electricians must comply with as a matter of course. Int. 247 helps correct this problem.

By increasing the potential cost of performing unlicensed electrical work, Int. 247 will make people think twice about proceeding without a license. The logic for the passage of Int. 247 is very similar to that for the package of bills this Committee and the Council recently passed to safeguard the City from the terrible consequences that can occur when unlicensed plumbers tap into gas lines, leading to the tragic explosions we have experienced over the past two years. Similar to unlicensed gas line/plumbing work, when electrical work is done by an unlicensed individual, there is an increased risk of explosion and fire.

All of the associations testifying here today - representing union and non-union, management and labor, electrical industry and beyond – therefore all agree on one thing: we must stiffen the consequences for performing unlicensed electrical work by increasing civil and criminal penalties. It is foremost a matter of safety for all New York City residents.

On a local level, it is difficult to document specific fires and incidents related to unlicensed electrical work, primarily due to the fact the work is being done illegally, if not secretly. But there is no question that it is increasing dramatically.

---

*Fire Breaks Out In Staten Island Electrical Yard; CBS New York, 11/7/16*

*Electrical Fire in Tunnel Halts L Train Service for About Eight Hours; NY1, 10/6/16*

*Electrical fire Prompts Evacuation of Manhattan Court; New York Post, 8/5/16*

*NYCHA Worker Electrocuted To Death At Coney Island Houses; Gothamist, 4/16/16*

*Electrical Fire On East Side Injures Eight, One Critically; New York Times, 10/26/03*

<sup>5</sup> *East Village Building Owner & Four Others Indicted For Fatal Explosion; Gothamist, 2/11/16 (emphasis added).*

INT. 247-2014: Analysis and Commentary

So thank you again for Int. 247 and today's hearing, which represents a big step in improving the safety and competency of the electrical industry in New York. I would now like to offer NYECA's thoughts on the legislation itself.

Section 1 of the bill increases criminal penalties for performing unlicensed electrical work, to a maximum fine of \$25,000 and up to one year imprisonment. This is a significant increase over present law, and a welcome change that could act as a real deterrent. We therefore strongly support the increase. However, several Council Members, while still endorsing the bill and/or supporting the concept of increased penalties, have expressed some concerns to us that Int. 247, as presently written, eliminates the three-tier, step-up in penalties found in the present law. The thought being that a first-time offender, at least theoretically, could be hit with a disproportionately high criminal fine. We have two responses on this point.

First, we should all agree that some sort of significant increase in criminal penalties for performing unlicensed electrical work is appropriate and in order. So I would like to state that Section 1 of Int. 247, as written, tracks almost verbatim the criminal penalties provision presently found in Section 28-203.1 of the Administrative Code, which is the section of New York City law that governs the Title 28, Chapter 4 businesses, trades and occupations (the Electrical Industry is governed under Title 27). So in essence, all that Section 1 of Int. 247 is doing is updating the criminal penalties for performing electrical work without a license in a manner that conforms almost exactly to the present criminal penalties for performing unlicensed work for just about every other licensed construction trade, business or occupation in New York City. This approach makes a lot of sense.

With that, we come to my second point. Should you decide to amend Section 1 of Int. 247 to maintain the present, three-tier step-up (first, second and third offenses), the minimum and maximum penalty ranges should be increased dramatically, capping out at a maximum \$25,000 penalty for a third offense, with perhaps even greater criminal fines for repeat offenders who are convicted four or more times.

We can discuss the best course of action going forward. Either way, Section 1 of the bill is a clear step in the right direction of making New York City safer by significantly increasing criminal penalties for performing unlicensed electrical work, and it should remain so in its final form.

Section 2 of Int. 247 increases civil penalties for performing unlicensed electrical work, and we enthusiastically support this section of the bill as written and see no need to make any changes. Section 2 clarifies that performing unlicensed electrical work is deemed an "immediately hazardous violation" as per Section 28-202.1 of the Administrative Code and most significantly, increases first-time, civil penalties for performing unlicensed electrical work

from \$1,000 to \$4,800 (up to a maximum of \$25,000). Not only will this act as a further deterrent, Section 2 of the bill will revise the Administrative Code so that it will precisely track the current Department of Buildings fines for violations schedule (DOB fines are imposed separate and apart from civil penalties) in a logical and consistent manner. Again, we support this section of the bill as written.

Int. 247 also addresses the “farming” issue – an added bonus in the bill which we also enthusiastically support! Again, “farming” a license occurs when a licensed electrical contractor “farms” or in essence, knowingly rents out his or her license to an unlicensed individual- this is conspiracy to commit fraud. The end result is the same: an unlicensed or unqualified person performs electrical work, putting us all in danger. Presently, Section 14 of the Electrical Permit Application states that the penalty for falsification – which is what occurs when an individual files for a permit and then “farms” out their license – is provided under Section 27-3017 (c) of the Administrative Code. Since Section 1 of Int. 247, as discussed above, significantly increases criminal penalties over present law, it will also increase the criminal penalties for those caught “farming” out their license. We, as licensed contractors want the very people doing the work to be directly responsible for it. Someone who farms out their license is abdicating this responsibility. Again, a welcome change and a step in the right direction to fight unlicensed electrical work in New York City.

Finally some thoughts on what Int. 247 does not presently address, which we should discuss in the context of possible additional amendments to the bill. There is concern about the distinction between performing “unauthorized” versus “unlicensed” electrical work, and whether the penalty provisions of Section 27-3017 of the Administrative Code might be construed to apply to inappropriately deemed “unauthorized “ work – triggering significant criminal penalties. For example, if a licensed electrical contractor is late in filing an electrical permit application due to a distraction or emergency, or if workers are sent to a job site prematurely, would this be deemed “work by unauthorized persons” under Section 27-3017?

If the Committee can show us that this would not be the case based either on the clear language of Section 27 itself, or an acceptable interpretation of that language, an amendment to Int. 247 would not be necessary. But if that is not the case, we offer for your consideration one of two possible legislative changes: either add clarifying language to Administrative Code Section 27-3016, or change the preamble of Section 27-3017 to read “Electrical work by unlicensed persons; false representations.” We would be happy to work with the Committee to resolve this question and if necessary, help you draft appropriate bill language.

Other groups will offer more specific testimony on this point, but Int. 247 will also help Minority and Women-Owned Businesses (MWBE). This is because unlicensed electrical work has a tremendously negative impact on legitimate and licensed MWBE contractors, since unlicensed contractors steal away legitimate work from them. Current MWBE law states that in order to work in New York City, you must be licensed. Int. 247 therefore protects licensed MWBE contractors as well, and will appropriately drive more business to them.

## Conclusion

The growing problem of unlicensed electrical work puts all New York City residents in danger and I am glad this legislation addresses the issue. 24 members of the City Council have already signed-on as co-sponsors of Int. 247, including 7 members of this Committee. We thank them for their support and hope more Council members will sign onto the bill. In addition, there are more than 5 respected trade associations and organizations testifying here today, confirming for you that unlicensed electrical work is a growing problem in New York City, and that we need to do something about it. Int. 247 is a start.

*Int. 247 simply updates criminal penalties to make them consistent with the other New York City construction trades, and conforms civil penalties to the existing DOB fine schedule for violations.* It is a reasonable approach to a real problem. It is also consistent with the recent package of bills you passed on gas safety, which among other things increases penalties for unauthorized gas piping work.

Final point of my testimony: I am sure you are thinking about the enforcement aspect of performing unlicensed work. We are too and have been for a long time. Once we have adequate laws in place with penalties that have real consequences, we need enough building inspectors to go out and catch the offenders. The Department of Buildings recently hired more inspectors, and that needs to continue. Rest assured that should the Council pass and the Mayor sign Int. 247 into law, NYECA will do its part by immediately broadcasting to the entire New York City construction community that if you are caught performing unlicensed electrical work, you are now going to pay, big-time.

Why is this so important? Because it reflects our primary values as New York City's leading electrical trades association: that performing electrical work in a safe and licensed manner creates a safer community for all New York City residents.

Please consider our suggestions and comments today on Int. 247, and then work with us to craft a bill that we can pass as soon possible to improve the safety and competency of the electrical industry in New York City. New Yorkers deserve no less.

On behalf of the more than 130 members of the New York Electrical Contractors Association, thank you for the privilege of speaking today and submitting this written testimony for your further consideration.



July 18, 2016

### **MEMORANDUM IN SUPPORT**

**Re: Int. 247-2014, A Local Law to amend the administrative code of the City of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.**

The New York Electrical Contractors Association (NYECA), New York's leading trade association of electrical contractors in New York City, **STRONGLY SUPPORTS** Int. 247-2014. This legislation will protect the safety and wellbeing of all New York City residents, by increasing both civil and criminal penalties for the performance of unlicensed electrical work.

Int. 247-2014 is vital to helping ensure that buildings are constructed safely in New York City and is similar in intent to legislation that has been introduced before the Council regarding safety concerns related to gas explosions that have occurred during the past two years. By increasing civil and criminal fines, Int. 247-2014 will create a strong disincentive for individuals who engage in unlicensed electrical work, which is a growing problem in New York City, especially on smaller electrical jobs in the outer boroughs.

Simply put, performing unlicensed electrical work can cause fires. Since there is no way to determine the competence, training, safety procedures of or insurance held by an unlicensed electrician, consumers engaging such individuals or businesses are taking a big risk. Of additional concern, unlicensed electrical contractors may use undocumented workers and not pay proper payroll and income taxes, as well as applicable permit fees- and workers compensation insurance. Unlicensed electricians may not comply with applicable local energy codes, Equal Employment Opportunity laws, and other federal, state and city requirements that licensed electricians comply with as a matter of course. This legislation addresses that problem.

Int. 247-2014 updates the outdated penalty provisions of the Electrical Code by allowing for the imposition of stiffer civil and criminal fines for unlicensed electrical work, perhaps most important by allowing for the imposition of much heavier fines for a first offense. By passing Int. 247-2014, the Council will also send a strong signal to the contracting community that unsafe, unlicensed work will not be tolerated in New York City. Int. 247-2014 can help save lives.

NYECA is the leading trade association of electrical contractors in New York City. We help build New York, serve our communities in times of crisis, provide opportunities for minority and women-owned businesses, and promote the highest standards of worker safety in the industry. For these reasons, NYECA strongly supports Int. 247-2014, and urges its passage into law. The residents of New York City deserve nothing less.

RESPECTFULLY SUBMITTED BY THE NEW YORK ELECTRICAL CONTRACTORS ASSOCIATION.



Stephen Gianotti  
President



Edwin Lopez  
Executive Secretary



**Local Union No. 3**  
**International Brotherhood of Electrical Workers**  
**OF GREATER NEW YORK AND VICINITY**

**OFFICES AND HEADQUARTERS**  
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Phone 718-591-4000 • Fax 718-380-8998  
200 Bloomingdale Road, White Plains NY 10605  
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TRADES COUNCIL  
OF GREATER NEW YORK  
AFL-CIO  
AND ALL STATE AND  
CENTRAL BODIES

August 8, 2016

MEMORANDUM IN SUPPORT

Re: Int. 247-2014, A Local Law to amend the administrative code of the City of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.

Local Union No. 3, I.B.E.W. Strongly Supports Int. 247-2014. This legislation will protect the safety and wellbeing of all New York City residents, by increasing both civil and criminal penalties for the performance of unlicensed electrical work.

Int. 247-2014 is vital to helping ensure that buildings are constructed safely in New York City and is similar in intent to legislation that has been introduced before the Council regarding safety concerns related to gas explosions that have occurred during the past two years. By increasing civil and criminal fines, Int. 247-2014 will create a strong disincentive for individuals who engage in unlicensed electrical work, which is a growing problem in New York City, especially on smaller electrical jobs in the outer boroughs.

Simply put, performing unlicensed electrical work can cause fires. Since there is no way to determine the competence, training, safety procedures of or insurance held by an unlicensed electrician, consumers engaging such individuals or businesses are taking a big risk. Of additional concern, unlicensed electrical contractors may use undocumented workers and not pay proper payroll and income taxes, as well as applicable permit fees and workers compensation insurance. Unlicensed electricians may not comply with applicable local energy codes, Equal Employment Opportunity laws, and other federal, state and city requirements that licensed electricians comply with as a matter of course. This legislation addresses that problem.

Int. 247-2014 updates the outdated penalty provisions of the Electrical Code by allowing for the imposition of stiffer civil and criminal fines for unlicensed electrical work, perhaps most important by allowing for the imposition of much heavier fines for a first offense. By passing Int. 247-2014, the Council will also send a strong signal to the contracting community that unsafe, unlicensed work will not be tolerated in New York City, Int. 247-2014 can help save lives.

Local Union No. 3 helps build New York, serves our communities in times of crisis, provides opportunities for minority and women owned businesses, and promotes the highest standards of worker safety in the industry.

For these reasons, Local Union No. 3 strongly supports Int. 247-2014, and urges its passage into law. The residents of New York City deserve nothing less.

Fraternally yours,

John E. Marchell  
President

Christopher Erikson  
Business Manager





# JOINT INDUSTRY BOARD OF THE ELECTRICAL INDUSTRY

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July 18, 2016

## MEMORANDUM IN SUPPORT

Intro. 0247-2014: A Local Law to amend the administrative code of the city of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.

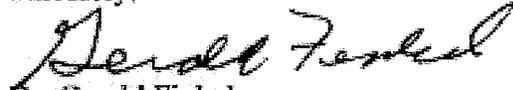
The Joint Industry Board of The Electrical Industry (JIB) strongly supports Intro 247-2014 that was sponsored by Council Members Crowley, Mendez and Koslowitz and put on the agenda on April 10, 2014. The JIB is a labor-management organization founded in 1943. It is comprised of Local Union No. 3 of the International Brotherhood of Electrical Workers (I.B.E.W) and the New York Chapter of the National Electrical Contractors Association (NYECA) and the Association of Electrical Contractors, Inc (AEC). The JIB is the ERISA administrator for a family of multi-employer benefits plans serving Local Union #3 and its affiliated contractors in the greater New York City area.

On April 12, 2016 the Housing and Buildings Committee held a public hearing on a package of bills that addressed safety issues and other concerns with gas explosions; gas piping systems; gas related violations in commercial and residential buildings; and calling for annual reports on the state of New York City's gas infrastructure. Similarly, the performance of unauthorized electrical work is no less a safety threat or hazardous condition. It is imperative that the Housing and Buildings Committee support and recommend the enactment of Intro. 247-2014.

Intro. 247-2014 increases the maximum criminal fine, as well as lengthens the term of imprisonment that may be imposed from six months to one year. Additionally, it codifies the civil penalty for first time violations. The enactment of this sensible bill will serve as a strong deterrence to the performance of electrical work by unlicensed contractors. The imposition of the recommended criminal fines and civil penalties will go a long way in insuring the safety of the public and the proper installation of electrical work as per New York City's stringent electrical code.

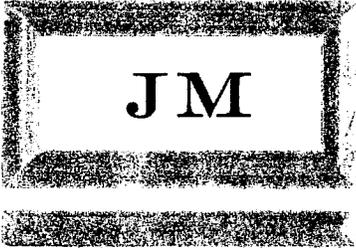
The Joint Industry Board of The Electrical Industry urges the passage of Intro. 247-2014. Its enactment will send a clear signal that New York City will impose severe penalties and fines on unlicensed contractors that put the safety of the public at risk.

Sincerely,

A handwritten signature in cursive script that reads "Gerald Finkel".

Dr. Gerald Finkel

Chairman, Joint Industry Board of the Electrical Industry



## J.M. ELECTRICAL CORPORATION

122 EAST 42ND STREET, SUITE 1021, NEW YORK, NY 10168  
TELEPHONE (212) 692-0700 • FAX (212) 692-9069

August 17, 2016

The Honorable Daniel Garodnick  
Member, the New York City Council  
250 Broadway, Suite 1551  
New York, New York 10007

Councilmember Garodnick-

As a member of The New York Electrical Contractors Association, the leading trade association of electrical contractors in New York City. My company promotes the highest standards of worker safety in the industry, serve our communities in times of crisis, and provide opportunities for minority and women owned businesses.

As an electrical contractor who calls the 4<sup>th</sup> District of Manhattan home to my businesses, I am writing in support of Intro. 247-2014, a bill written and introduced by Councilwoman Elizabeth Crowley and Councilwoman Rosie Mendez. This bill increases penalties associated with the performance of unlicensed electrical work. As licensed New York City contractors, I strongly support this bill and ask that you become a cosponsor.

Intro. 247-2014 is vital to increasing safety in the construction trades. These unlicensed "electricians" not only lack the license to perform the work they are quoting, but they also lack the education and experience of a licensed electrician. It is also important to note that unlicensed contractors may use undocumented workers, not pay proper payroll taxes, income taxes, permit fees, nor carry insurance and worker's compensation among other federal, state, and local requirements.

Not only does this bill increase the penalties for the performance of unlicensed electrical work, it also creates a strong disincentive for individuals who engage in this type of illegal behavior. When unlicensed contractors attempt to perform critical work entailing electrical and gas, the public safety and New Yorkers' lives are put at risk. There should be adequate laws on the books to discourage and punish this sort of activity.

Current law simply doesn't go far enough. Please cosponsor and pass Intro. 247-2014.

Thank you,

John Medina  
President  
J.M. Electrical Corporation



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New York, NY 10018  
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F. 212.398.6224  
www.stanyc.com

HENRY KITA  
Executive Director

August 11, 2016

### MEMORANDUM IN SUPPORT

Re: Int. 247-2014, A Local Law to amend the administrative code of the City of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.

The Subcontractors Trade Association (STA), New York's leading association of union subcontractors, **STRONGLY SUPPORTS** Int. 247-2014. This legislation will protect the safety and wellbeing of all New York City residents, by increasing both civil and criminal penalties for the performance of unlicensed electrical work.

Int. 247-2014 is vital to helping ensure that buildings are constructed safely in New York City and is similar in intent to legislation that has been introduced before the Council regarding safety concerns related to gas explosions that have occurred during the past two years. By increasing civil and criminal fines, Int. 247-2014 will create a strong disincentive for individuals who engage in unlicensed electrical work, which is a growing problem in New York City, especially on smaller electrical jobs in the outer boroughs.

Simply put, performing unlicensed electrical work can cause fires. Since there is no way to determine the competence, training, safety procedures of or insurance held by an unlicensed electrician, consumers engaging such individuals or businesses are taking a big risk. Of additional concern, unlicensed electrical contractors may use undocumented workers and not pay proper payroll and income taxes, as well as applicable permit fees- and workers compensation insurance. Unlicensed electricians may not comply with applicable local energy codes, Equal Employment Opportunity laws, and other federal, state and city requirements that licensed electricians comply with as a matter of course. This legislation addresses that problem.

Int. 247-2014 updates the outdated penalty provisions of the Electrical Code by allowing for the imposition of stiffer civil and criminal fines for unlicensed electrical work, perhaps most important by allowing for the imposition of much heavier fines for a first offense. By passing Int. 247-2014, the Council will also send a strong signal to the contracting community that unsafe, unlicensed work will not be tolerated in New York City. Int. 247-2014 can help save lives.

The STA is the leading association of union subcontractors in New York City. Our member subcontractors help build New York, serve our communities in times of crisis, provide opportunities for minority and women-owned businesses, and promote the highest standards of worker safety in the industry. For these reasons, the STA strongly supports Int. 247-2014, and urges its passage into law.

Sincerely,

Henry C. Kita  
Executive Director  
Subcontractors Trade Association



## New York's Construction Leaders

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Telephone: 212.704.9745 • Facsimile: 212.704.4367

Louis J. Coletti  
President & CEO

August 20, 2016

Hon. Elizabeth Crowley  
New York City Council  
250 Broadway – Room 1765  
New York, NY 10007

### **Re: Intro 247, Memo in Support**

Dear Councilmember Crowley;

The Buildings Trades Employer's Association (BTEA), is an organization representing 26 contractor associations and over 2,000 union construction managers, general contractors and specialty trades subcontractors doing business in New York City, is writing in support of Intro 247; A Local Law to amend the administrative code of the city of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.

The bill, Intro 247, is necessary to suppress unlicensed work, making the penalties a real deterrent. Also, it is similar in scope and nature to the Local Laws that were passed regarding gas piping and plumbing. The problem of unlicensed work is growing, especially in the outer boroughs and on smaller jobs. This work is dangerous, and potentially life threatening to consumers.

This would be a necessary upgrade to the current Electrical Code that cannot wait for the cyclical revision process. By making this a priority the Council would send a message to the underground contracting businesses that this type of unlicensed and dangerous work would no longer be tolerated.

We have given careful consideration to this bill and fully support the legislation. We urge you and your colleagues to pass Intro 247 as soon as possible. Please feel free to contact me regarding our support for this bill.

Sincerely,

Louis J. Coletti  
President and CEO

December 12, 2016

## MEMORANDUM OF SUPPORT

**Re: Int. 247-2014, A Local Law to amend the administrative code of the City of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.**

Women Builders Council (WBC), the leading association representing women in the construction industry in New York, strongly supports Int. 247-2014. This legislation will protect the safety of all New York City residents and construction industry professionals by increasing both civil and criminal penalties for the performance of unlicensed electrical work.

The most important element of any jobsite is safety. Every day, work is performed on and above the streets where pedestrians walk, in the tunnels where they commute and in the buildings they call home. Int. 247-2014 updates the outdated penalty provisions of the Electrical Code by allowing for the imposition of stiffer civil and criminal fines for unlicensed electrical work, perhaps most important by allowing for the imposition of much heavier fines for a first offense.

There is no way to determine the competence, training, and safety procedures of insurance held by an unlicensed electrician. Also, faulty electrician work can cause fires and serious damage to construction sites and existing infrastructure. Unlicensed electrical contractors may not be paying proper payroll and income taxes, as well as applicable permit fees and workers compensation insurance. There is also no guarantee that unlicensed electrical contractors are in compliance with local energy codes, Equal Employment Opportunity laws, and other federal, state and city requirements that licensed electricians comply with as a matter of course.

By increasing civil and criminal fines, Int. 247-2014 will create a strong disincentive for individuals who engage in unlicensed electrical work. This is a growing problem in New York City, especially on smaller electrical jobs in the outer boroughs. It is imperative to communicate a firm message to the contracting community that every job, regardless of the size or location should be performed to the highest safety standards. Unsafe, unlicensed work will not and should not be tolerated in New York City.

WBC strongly supports Int. 247-2014, and urges its passage into law.



Sincerely,  
Deborah Bradley  
President

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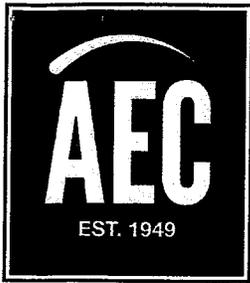
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# Association of Electrical Contractors, Inc.

36-36 33<sup>rd</sup> Street, Suite 402, Long Island City, NY 11106  
Phone: 718.752.0800 Fax: 718.752.0805 www.aecnyc.com

July 20, 2016

## MEMORANDUM IN SUPPORT

Re: Int. 247-2014, A Local Law to amend the administrative code of the City of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work.

The Association of Electrical Contractors writes in support of Int. 247-2014, legislation developed by Council Member Elizabeth Crowley that would more effectively protect New York City residents from the dangers of unsafe electrical work by increasing both civil and criminal penalties for the performance of unlicensed electrical work. The AEC is an organization of electrical contractors and suppliers active in the five boroughs and affiliated with IBEW Local #3 and the National Association of Electrical Contractors.

Int. 247 is a critically needed bill. It is similar to legislation the Council enacted to safeguard the City from the consequences unlicensed plumbers tapping gas lines without authorization, leading to explosions as has happened in the past two years. When electrical work is performed by unlicensed contractors, there are increased risks of explosions and fires just like with unauthorized gas piping. If an electrical contractor has no license, there is no way to know whether the company has a record of performing safe, competent and reliable work. The firm may have no insurance. The electricians may not be familiar with the electrical code or could even knowingly cut corners to skirt code compliance, increasing dangers to themselves and the public.

Individuals performing unlicensed electrical work are a growing problem in the five boroughs. If passed into law, Int. 247 will act as a deterrent against this dangerous practice.

By updating the penalty provisions of the Electrical Code, the Council will be sending a strong message that unsafe, unlicensed electrical work will not be tolerated in New York City.

The unionized electrical industry spends a great deal of money on safety, through our State-certified apprenticeship school and continuing education and training programs. All our member contractors are licensed and our electricians are trained and skilled at their jobs thanks to our labor-management partnership with Local #3. On the other hand, untrained electrical workers employed by unscrupulous open-shop unlicensed contractors frequently become part of the underground economy. They may end up hurt and treated in emergency rooms at taxpayer expense because their employers do not take appropriate safety measures. They often put the general public at great risk because they do not know how to work safely.

It is critical that we modernize the outdated penalty provisions of the Electrical Code by providing for stiffer fines for unlicensed electrical work. This will more effectively deter unsafe contractors from performing such dangerous work. Therefore, we urge you to support enactment of Int. 247-2014.

Respectfully,

Carol Kleinberg

President, AEC and President, Kleinberg Electric, New York City

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ARCADIA ELECTRICAL COMPANY, INC.

LICENSED ELECTRICAL CONTRACTOR

1005 WYCKOFF AVENUE, RIDGEWOOD, NY 11385

(718) 418-0106 FAX (718) 497-4396

August 23, 2016

The Honorable Rafael Espinal  
Member, the New York City Council  
250 Broadway, Suite 1880  
New York, New York 10007

Dear Council Member Espinal,

As an electrical contractor who calls Ridgewood home to my businesses, I am writing in support of Intro. 247-2014, a bill written and introduced by Councilwoman Elizabeth Crowley and Councilwoman Rosie Mendez. This bill increases penalties associated with the performance of unlicensed electrical work. As licensed New York City contractors, we strongly support this bill and ask that you become a cosponsor.

Intro. 247-2014 is vital to increasing safety in the construction trades. These unlicensed "electricians" not only lack the license to perform the work they are quoting, but they also lack the education and experience of a licensed electrician. It is also important to note that unlicensed contractors may use undocumented workers, not pay proper payroll taxes, income taxes, permit fees, nor carry insurance and worker's compensation among other federal, state, and local requirements.

Not only does this bill increase the penalties for the performance of unlicensed electrical work, it also creates a strong disincentive for individuals who engage in this type of illegal behavior. When unlicensed contractors attempt to perform critical work entailing electrical and gas, the public safety and New Yorkers' lives are put at risk. There should be adequate laws on the books to discourage and punish this sort of activity.

As a member of The New York Electrical Contractors Association, the leading trade association of electrical contractors in New York City, we promote the highest standards of worker safety in the industry, serve our communities in times of crisis, and provide opportunities for minority and women owned businesses.

Current law simply doesn't go far enough. Please cosponsor and pass Intro. 247-2014.

Thank you,



Stephen Gianotti  
President  
Arcadia Electrical Company



August 30, 2016

The Honorable Joseph Borelli  
Member, the New York City Council  
250 Broadway, Suite 1551  
New York, New York 10007

The Honorable Steven Matteo  
Member, the New York City Council  
250 Broadway, Suite 1553  
New York, New York 10007

The Honorable Deborah Rose  
Member, the New York City Council  
250 Broadway, Suite 1868  
New York, New York 10007

Dear Council Members:

We are members of The New York Electrical Contractors Association, the leading trade association of electrical contractors in New York City. We promote the highest standards of worker safety in the industry, serve our communities in times of crisis, and provide opportunities for minority and women owned businesses.

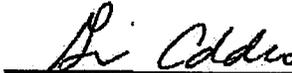
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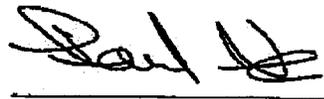
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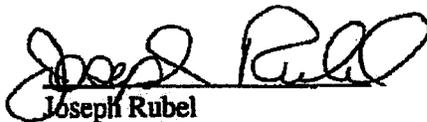
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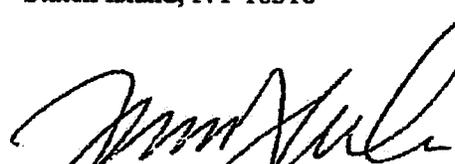
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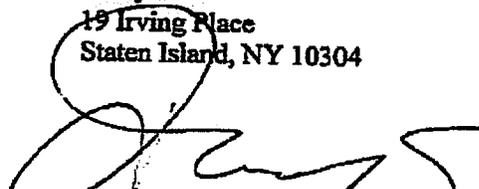
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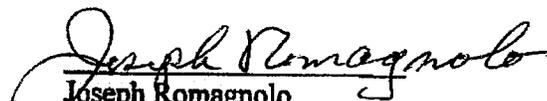
  
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November 4, 2016

Dear Council Member

Elizabeth S. Crowley

After reading a copy of your letter dated July 13, 2016, titled "Penalties for Unlicensed Electrical Work (Int. 247), and after having read Int. 247, I agree whole heartedly with your attack on unlicensed work that creates total havoc within our communities. These atrocities are nothing new, they have been going on far too long, putting lives in harm's way while allowing further unsafe conditions to go unchecked thus fester in homes, workplaces and many other buildings within our City. Unfortunately we will have to address these issues as they arise sometime in the future hopefully without incident.

My Name is Mohamad A. Mohamad, I have been in business as a licensed electrical contractor for many years. I also have worked with DOB (Department of Buildings) in helping to revise the electrical code "twice" and have been on many DOB's committees. I currently am and have been a member of DOB's ECRIC. For many years I have been an Officer of Five Boro Electrical Contractors Association and have represented Five Boro on many Issues.

I'm writing this letter in order to provide a change in the language of your int. 247 so that we may support this valuable and necessary document.

The change we would like to see and would be in support of is in your title.

Instead of "A local law to amend the administrative code of the City of New York, in relation to criminal and civil penalties for the performance of **unauthorized** electrical work".

As **Licensed Electrical Contractors** we cannot do electrical work without first having a DOB electrical permit. However there is always a possibility of not filling an application due to electrical emergencies, or our office sending workers out prematurely, our office forgetting to send the application out for a permit due to rushing out for a long weekend, etc. these instances are far and very few. However we always want to file on-time. We always remind our membership to file all their jobs and post the permit in sight so it can be properly observed. The criminal charges and fines are nonsensical to the Licensed electrician, since he has a license to do the work, which is why we would like to have the language changed to the following highlighted wording- **unlicensed**



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**TESTIMONY BEFORE THE JOINT NEW YORK CITY  
COUNCIL COMMITTEES ON HOUSING AND BUILDING  
AND ON FINANCE  
December 13, 2016**

Thank you Chairperson Williams, and members of the Committee on Housing and Buildings, for the opportunity to provide testimony today.

This testimony is submitted on behalf of The Legal Aid Society. The Society is the oldest and largest program in the nation providing direct legal services to low-income families and individuals. The mission of the Society's Civil Practice is to improve the lives of low-income New Yorkers by providing legal representation to vulnerable families and individuals to assist them in obtaining and maintaining the basic necessities of life — housing, health care, food and subsistence-level income or self-sufficiency. The Society's legal assistance focuses on enhancing individual, family and community stability by resolving a full range of legal problems in the areas of housing and public benefits, foreclosure prevention, immigration, domestic violence and family law, employment, elder law, tax law, community economic development, health law and consumer law.

**Introduction**

New York City is the midst of an ever deepening affordable housing crisis. One result of this crisis is that with a low vacancy rate, tenants have no place to go if they lose their apartments. In other cities with high vacancy rates, when landlords fail to repair apartments, tenants leave. The market works as landlords who fail to provide a safe and

decent place to live cannot charge high rents unless they repair conditions in the apartments. However, in New York City, if a tenant leaves as a result of a landlord breaching the warranty of habitability, there are many New Yorkers who will line up to take that tenant's place as the threat of homelessness is ever present and very real. Additionally because of loopholes in the rent laws, landlords receive a windfall every time that an apartment becomes vacant. The incentive to harass tenants out of their homes has only increased over the last decade. Thus, The Legal Aid Society supports Introduction 648. We cannot support Introduction 116 as it would provide additional tools for landlords to harass tenants out of their homes.

#### **Introduction 648**

Introduction 648 is a commonsense response to New York City's bedbug infestation. It would allow HPD to capture the scope of the problem while providing tenants with useful information about bedbugs. We strongly support this bill.

#### **Introduction 116**

Introduction 116 would amend Section 27-2008 of the administrative code of the city of New York, "Owner's right of Access" by requiring tenants to provide access to their landlords to inspect or repair an apartment during the evenings and on weekends. Currently tenants are obligated to provide access at a reasonable time. There is nothing in the current law which excepts evening hours and weekends from the owner's right to access a tenants apartment. Additionally, while our clients struggle with issues around repairs and access every day, this bill does not start to address the problems that tenants face and instead seems to be providing a solution to a problem that does not exist. Indeed, we believe this bill will be used as one more method of harassment towards tenants.

While the New York City Department of Housing Preservation and Development regulations require landlords to notify tenants of their intent to seek access, this regulation is honored more in its breach than compliance. Title 28, chapter 25-101 sets forth requirements for landlords to notify their tenants when the landlord intends to inspect or repair a tenants apartment. The regulations are clear. Other than emergency situations, landlords are to notify tenants in writing giving the tenant at least one week's notice that access is required. However, our clients complain that the only notice they receive is the knock on the door. We have a client, Ms. O, who we represented in an HP action. Ms. O is

a Section 8 recipient who has lived in her apartment for 33 years. Because the landlord has refused to do repairs, Ms. O has been given the choice of leaving her home and hoping to find a new apartment with her voucher or losing her Section 8 benefits. Either choice has the risk that she will eventually become homeless. Her current rent is only \$996 and under the rent stabilization laws, if she left, her landlord could receive a forty percent eviction bonus when the longevity increase is included. Ms. O's apartment is in terrible condition. She has an ongoing leak in the bathroom and kitchen ceiling that has existed for nearly a decade. Although the landlord has patched the leak from time to time, the leak always returns. She has mold because of the leaks. There is a mice infestation. Many of her kitchen cabinets and counters are missing. The floor in the hallway is sinking and buckles when any weight is put on it. Her bathroom window frame is completely rotted. Although we signed a stipulation with the landlord to provide access, on the access dates, the super simply inspected the apartment. Thereafter the super came by unannounced to conduct the repairs. When Ms. O could, she provided access. But on some of the days, she had medical appointments that could not be rescheduled. When she refused access on those days, the super responded by failing to complete the repairs. In court, the landlord argued that the tenant had refused reasonable access. The court, ignoring the landlord's failure to follow the regulation requiring notice of entry, chastised our client for not being accommodating.

We represent the tenants' association from 541 West 150<sup>th</sup> Street. This is one of the two buildings that New York City has begun to withhold rent payments for tenants on public assistance under the Speigel law. There are 155 outstanding violations, 5.9 violations per apartment, 59 of which are Class C, considered immediately hazardous. The landlord, Jay Weiss, would tell this committee that he is the victim here because the only reason that repairs had not been made is that the tenants denied access. When Mr. Weiss and his workers arrived at the building unannounced and rang the buzzers to our clients apartments, it is true that our clients did not provide access. However, it is also true, as Mr. Weiss well knows, that the intercom system at the building does not work. Accusing tenants of failing to provide access is the default position of landlords across this city.

Landlords require access that is unreasonable. When landlords demand access, they require tenants to remain at home all day from 9am to 5 pm. When tenants request that

landlords work with them so that tenants can attend medical appointments, pick up their children from school and attend to other necessary daily activities, landlords insist that they can only do repairs if our clients are willing to remain in their homes for eight hours a day. Indeed, we have often negotiated for a clients a provision that if workers do not arrive by a certain hour, our clients can leave their apartments. Pro se tenants cannot negotiate this on their own and landlords often refuse to do repairs unless tenants remain in their homes eight hours a day for days on end. One of our clients, Ms. T. requested repairs. She had a mice and roach infestation, electrical problems, cracks in her walls and ceilings. Although serious, not one of the violations was designated C or immediately hazardous. The landlord told Ms. T that she would have to agree to be home eight hours a day to schedule access dates. Ms. T has no one to pick her children up from school, so she could not agree to be home from 9 to 5 pm. When the landlord arrived and Ms. T wasn't home, the landlord called the fire department to break down Ms. T's door. Another client, Ms. R, met her super in the building and the super informed her that he needed access to her apartment the next day to repair a non-emergency leak. Ms. R informed the super that she could not be home in the morning but was happy to provide access in the afternoon. The super ignored Ms. R's schedule, appeared in the morning and broke down her door when no one answered. The landlord then charged Ms. R for the damage to the door.

When we represent clients as part of a court proceeding, we often schedule access dates and include those dates in a court-ordered stipulation. Our clients take off from work and sit home waiting to provide access. No one comes. Many of our clients lose pay every time they sit at home waiting to provide access. Even where access dates have been agreed to in a so-ordered stipulations, landlords fail to appear and then blame their attorneys for failing to inform them about access dates. The landlords' attorneys tell us that they do inform their clients. But somehow, repairs do not get made and our clients lose income. One example of this was Ms. A. Ms. A had a severe mice infestation. There were broken door frames and missing kitchen tiles on her floor. On every court date we set up access dates for Ms. A's landlord to make repairs. Ms. A would stay home on each access date. Every time, the landlord would miss at least one of the access dates. Ms. A would try to arrange additional dates to get the repairs done but the landlord would refuse to schedule dates unless the case was in court. Another client, Ms. S is a recipient of Section 8

benefits. Although she requested repairs on multiple occasions, it was not until HPD suspended payments of her Section 8 benefits that he decided to start making repairs. Ms. S, who is an hourly employee and who loses income every time she misses work, took off nine days to provide access. On two of those days, no worker showed up.

One common issue that comes up for our clients who are employed is that access dates during the week means they lose income. We often request that landlords schedule access dates on weekends. We have had clients lose jobs because they have had to take so many days off for repairs. Landlords refuse to schedule dates on the weekends and courts will not order landlords to schedule this accommodation. It is ironic that this bill would require tenants to provide access to landlords during evening hours and on weekends but is silent as to a tenants' right to request repairs to be done during evening hours and on weekends.

At the end of November, two landlords pled guilty to harassing their tenants. They admitted that they paid people to go into their tenants apartments to sledgehammer the kitchens and bathrooms and then refused to repair the conditions. They confessed to using pitbulls to harass tenants out of their homes. For their crimes, the landlords were sentenced to probation and have reportedly chosen to put this matter behind them. The message that this sends to landlords is that it is open season on tenants.

Introduction 116 simply adds one more tool of harassments to landlords already overflowing toolbox. It will simply encourage landlords to harass tenants 24 hours a day while doing nothing to ensure that housing code violations are repaired. It does nothing to ensure that tenants live in safe and habitable conditions. Instead it encourages the landlord narrative that tenants are to blame for housing code violations and lack of repairs. We strongly oppose this bill and the message it sends to New York City landlords and tenants.

**Conclusion**

Thank you for the opportunity to testify before this committee on these important issues.

Respectfully submitted,

Ellen Davidson, Esq.  
The Legal Aid Society  
Law Reform Unit  
199 Water Street, 3<sup>rd</sup> Floor  
New York, NY 10038  
(212) 577-3339

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Louis J. Coletti  
President & CEO

BUILDING TRADES EMPLOYERS' ASSOCIATION  
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## **Committee on Housing and Buildings**

### **Intro 247, Unlicensed Electrical Work**

#### **Testimony of BTEA**

**December 13, 2016**

Good morning Chair Williams and members of the Committee. I am Donald Ranshte, Senior Vice President of the Buildings Trades Employer's Association (BTEA), an organization representing 27 contractor associations, and 2,000 union construction managers, general contractors and specialty and safety trades contractors doing business in New York City. Thank you for the opportunity to present testimony on Intro 247, which will amend sections 27-3017 and section 28-201.2.1 of the New York City Construction Code in relation to unlicensed electrical work.

First, I would like to say that we have given careful consideration to this bill and fully support the legislation. The bill, Intro 247, is necessary to suppress unlicensed work, making the penalties a real deterrent, instead of the "cost of doing business". Also, this bill is similar in scope and nature to the Local Laws that were passed regarding gas piping and plumbing. The problem of unlicensed work is growing, especially in the boroughs and on smaller jobs. This work is dangerous, reckless, and potentially life threatening to consumers.

The BTEA appreciates the clarification that performing electrical work without a license shall be deemed an "immediately hazardous" violation. This is long overdue. The new Construction Codes created the immediately hazardous designation to move a classification of violations that will definitely impact the safety of the end user, in this case homeowners.

Intro 247 would be a necessary upgrade to the current Electrical Code that cannot wait for the cyclical revision process. By making this a priority, the Council would send a message to the underground contracting businesses that this type of unlicensed and dangerous work would no longer be tolerated. The underground construction trade endangers us all. Whether it's doing unlicensed work, harassing and not paying workers, cutting corners and the Code, this underground industry is not safe!

In closing, the BTEA believes that Intro 247 will create a safer environment in our buildings and homes. We look forward to continuing our partnership with the City Council in creating a safer construction industry for all New Yorkers. I would be happy to take any questions. Thank you.



# JOINT INDUSTRY BOARD OF THE ELECTRICAL INDUSTRY

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Testimony of Humberto J. Restrepo  
Political Affairs Liaison, Joint Industry Board of the Electrical Industry  
Intro. 247-2014  
Meeting of the Committee on Housing & Buildings  
December 13, 2016

### MEMORANDUM IN SUPPORT

Good Morning Chair Jumaane D. Williams and distinguished Committee Members. Thank you for the opportunity to testify at this hearing on behalf of the Joint Industry Board of The Electrical Industry (JIB). My name is Humberto Restrepo; I am the Political Affairs Liaison for the Joint Industry Board of the Electrical Industry.

The Joint Industry Board of The Electrical Industry (JIB) strongly supports Intro 247-2014, a Local Law to amend the administrative code of the city of New York, in relation to criminal and civil penalties for the performance of unauthorized electrical work. The JIB is a labor-management organization founded in 1943. It is comprised of Local Union No. 3 of the International Brotherhood of Electrical Workers (I.B.E.W) and the New York Chapter of the National Electrical Contractors Association (NYECA) and the Association of Electrical Contractors, Inc (AEC). The JIB is the ERISA administrator for a family of multi-employer benefits plans serving Local Union #3 and its affiliated contractors in the greater New York City area.

On April 12, 2016 the Housing and Buildings Committee held a public hearing on a package of bills that addressed safety issues and other concerns with gas explosions; gas piping systems; gas related violations in commercial and residential buildings; and calling for annual reports on the state of New York City's gas infrastructure. Similarly, the performance of unauthorized electrical work is no less a safety threat or hazardous condition. It is imperative that the Housing and Buildings Committee support and recommend the enactment of Intro. 247-2014.

Intro. 247-2014 increases the maximum criminal fine, as well as lengthens the term of imprisonment that may be imposed from six months to one year. Additionally, it codifies the civil penalty for first time violations. The enactment of this sensible bill will serve as a strong deterrence to the performance of electrical work by unlicensed contractors. The imposition of



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the recommended criminal fines and civil penalties will go a long way in insuring the safety of the public and the proper installation of electrical work as per New York City's stringent electrical code.

The Joint Industry Board of The Electrical Industry urges the passage of Intro. 247-2014. Its enactment will send a clear signal that New York City will impose severe penalties and fines on unlicensed contractors that put the safety of the public at risk.

Chairman William and members of the NYC council committee on housing and buildings, good morning. I am Sal Ferrara, Chairman of education for the NYC chapter of Electrical Inspectors and also an electrical code expert. I am her this morning on Intr 247-2014, which increase criminal and civil penalties for performing unlicensed electrical work in NYC.

My message is simple. Can anyone perform surgery on a person? The answer is no. You must go through many years of education and understand how to perform a particular surgery

This is true for a master electrician. Let me explain two important definitions, that will help you better understand why there should be penalties for unlicensed electrical work

**§27-3004 Definitions. MASTER ELECTRICIAN'S LICENSE:** The license issued to an individual who has passed the required examination and tests and who otherwise qualifies for the issuance of such license pursuant to this chapter. An individual who holds such license shall be known as a master electrician.

Article 100 definitions 2011 NYC code

**Qualified Person.** One who has skills and knowledge related to the construction and operation of the electrical equipment and installations and has received safety training to recognize and avoid the hazards involved.

What does this mean, let's keep it simple, suppose someone other than a master electrician wants to install a ceiling fan in the living room of a dwelling unit.

I will site 10 code requirements that shall be performed to install that ceiling fan safe.

1. **110.2 Approval of Electrical Materials, Equipment and Installations.**
  - (A) **Listed and Approved Materials and Equipment.** All electrical equipment, apparatus, materials, devices, appliances or wiring thereto installed or used in any electrical construction or installation regulated by the terms of this code, shall be designed and constructed so as to be safe and suitable for the purpose intended.
2. **110.3 Examination, Identification, Installation, and Use of Equipment.**
  - (B) **Installation and Use.** Listed or labeled equipment shall be installed and used in accordance with any instructions included in the listing or labeling.
3. **314.27 Outlet Boxes.**
  - (C) **Boxes at Ceiling-Suspended (Paddle) Fan Outlets.**

Outlet boxes or outlet box systems used as the sole support of a ceiling-suspended (paddle) fan shall be listed, shall be marked by their manufacturer as suitable for this purpose, and shall not support ceiling-suspended (paddle) fans that weigh more than 32 kg (70 lb). For outlet boxes or outlet box systems designed to support ceiling-suspended (paddle) fans that weigh more than 16 kg (35 lb), the required marking shall include the maximum weight to be supported.
4. **314.16 Number of Conductors in Outlet, Device, and Junction Boxes, and Conduit Bodies.** Boxes and conduit bodies shall be of sufficient size to provide free space for all enclosed conductors. In no case shall the volume of the box, as calculated in 314.16(A), be less than the fill calculation as calculated in 314.16(B). The minimum volume for conduit bodies shall be as calculated in 314.16(C).

5. 250.148 Continuity and Attachment of Equipment Grounding Conductors to Boxes. Where circuit conductors are spliced within a box, or terminated on equipment within or supported by a box, any equipment grounding conductor(s) associated with those circuit conductors shall be connected within the box or to the box with devices suitable for the use in accordance with 250.148(A) through (E).
6. 300.2 Limitations.
  - (B) Temperature. Temperature limitation of conductors shall be in accordance with 310.10.

**7. 300.11 Securing and Supporting.**

**(A) Secured in Place.** Raceways, cable assemblies, boxes, cabinets, and fittings shall be securely fastened in place. Support wires that do not provide secure support shall not be permitted as the sole support.

**8. 300.14 Length of Free Conductors at Outlets, Junctions, and Switch Points.**

At least 150 mm (6 in.) of free conductor, measured from the point in the box where it emerges from its raceway or cable sheath, shall be left at each outlet, junction, and switch point for splices or the connection of luminaires or devices. Where the opening to an outlet, junction, or switch point is less than 200 mm (8 in.) in any dimension, each conductor shall be long enough to extend at least 75 mm (3 in.) outside the opening.

**9. SECTION 210.24 (NYC)**

Section 210.24 Table – Replace the value “14” that appears twice in the column headed 15A, and once each in the columns headed 20A and 30A in the Circuit Rating Section with the value “12.”

**10. 110.12 Mechanical Execution of Work.**

Electrical equipment shall be installed in a neat and workmanlike manner.

As you can see Installing a ceiling fan requires someone with knowledge and experience, not someone that is unqualified and unlicensed

**From:** Dan Margulies

**Subject:** New York City Council - Housing & Buildings Committee Hearing

I will not be able to attend the hearing, but please accept these comments for the record.

ABO supports Intro. 116, which correctly clarifies that evenings and weekends may be reasonable times for apartment inspections. We urge the Council to go further and create a right of action by owners in Housing Court to get court ordered access. Unfortunately, under current law, an owner has to bring an eviction action when there is a dispute over access rather than simply seek a court order for the tenant to allow inspection or repairs. The necessity for a draconian response is not helpful to tenant or owner.

We have a concern that Intro 247 could be read to impose penalties on owners who, in good faith, hire electrical workers who have lied about their licenses.

As for Intro 648, we continue to object to the multitude of tenant notification proposals that crop up every year that create a burden for owners and inundate tenants with so much paper that they don't read any of it. In this case, as reported recently, the incidence of bed bug violations seems to be declining and while it is important to deal with, it is not so common as to involve every tenancy. See this article: <http://www.amny.com/news/bed-bugs-mutate-and-flourish-in-nyc-even-as-complaints-drop-experts-say-1.12072250>

Thank you.

Dan Margulies  
Executive Director  
Associated Builders and Owners of Greater NY  
5 Hanover Square, Suite 1605  
New York, NY 10004  
o. 212 385-4949  
c. 914 834-1897  
[dan@abogny.com](mailto:dan@abogny.com)

**MEMORANDUM OF OPPOSITION**

**BILL:** 648  
**SUBJECT:** A Local Law to amend the administrative code of the city of New York, in relation to reporting and providing information concerning bedbugs  
**SPONSORS:** Daniel Dromm, Mathieu Eugene, Vanessa Gibson, Peter Koo, Deborah Rose, Helen Rosenthal, Rosie Mendez  
**DATE:** December 13, 2016

The Real Estate Board of New York (REBNY), representing over 17,000 owners, developers, managers and brokers of real property in New York City, opposes Intro. No. 648 because as set forth below, the proposed legislation's reporting requirements might not necessarily reflect accurate information. Reports with inaccurate information are hardly valuable.

Intro. No. 648 seeks to expand current requirements for a building owner to furnish each tenant upon lease-signing the building's history of bedbug infestation for the prior year. The proposed legislation requires the building owner to file with the Department of Housing Preservation and Development an annual report detailing the number of apartments that had a bedbug infestation, and the number of apartments in which bedbug eradication measures were employed, among other requested information.

Even though the legislation requires that the tenant or unit owner furnish the building owner with the bedbug infestation history for the prior year, the tenant or unit owner is under no obligation to be truthful. Bedbug infestation often carries a societal stigma of being unclean and unsanitary.<sup>1</sup> It is not uncommon for a tenant or unit owner to quietly address the bedbug infestation in fear of drawing attention or public scrutiny to the situation. The information collected as a result of Intro. No. 648 would be simply too unreliable because tenants and unit owners might not be willing to tell the truth about their infestations.

The proposed legislation also requires building owners to provide information about the prevention, detection and removal of bedbug infestations. Our membership is supportive of this component of the bill because tenant education is always a worthy goal. However, as the bill is currently written, **REBNY voices its opposition to Intro. No. 648.**

---

<sup>1</sup> Hager, Emily B. (2010, August 20). What Spreads Faster Than Bedbugs? Stigma. *The New York Times*. Retrieved from <http://www.nytimes.com/2010/08/21/nyregion/21bedbugs.html?pagewanted=all>



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12/13/2016

Testimony of Community Housing Improvement Program on Int. 0116-2014  
(requires tenants to allow owner or owner's agent access to dwelling units to make repairs during evening or weekend hours)

The Community Housing Improvement Program (CHIP) is a trade association representing approximately 3,500 residential building owners and managers throughout New York City. The large majority of the apartments in these properties are subject to some form of rent regulation because of their construction date (i.e., not because of tax benefits). CHIP has been a key player in City and State housing policy for over 50 years. We thank the Council for the opportunity to provide testimony on the above bill.

CHIP applauds the sponsors of this bill for their attempt to address the issue of access. Gaining access to apartments is a frustrating issue for CHIP members, who support any measure, however modest, that reinforces their right to enter an occupied apartment at a mutually agreed-upon time to make inspections, repairs, and improvements necessary for their own quality of life and that of their neighbors. It is the experience of our members that the vast majority of tenants cooperate to grant access on a timely basis, but unfortunately an implacable minority of tenants do not. And although we support the bill's expansion of the definition of reasonable time, we are disappointed to see that the proposed bill does not go further. We recommend that the Council add provisions to the bill to address the following concerns: (1) provide for a more practical method for owners to enforce their right to gain access; (2) relieve owners of liability associated with uncorrected violations due to a tenant's failure to grant

access; and (3) place liability on the tenant for failure to grant access. These recommendations are described in more detail below.

**1. Provide a practical method for owners to gain access to a recalcitrant tenant's apartment.**

Unfortunately, the current draft of this bill does nothing to modify the unsatisfactory status quo for gaining access to an apartment, which is that the ONLY way for an owner to require a tenant to grant access is the prohibitively expensive and time-consuming avenue of bringing a plenary action in New York State Supreme Court for injunctive relief, enforceable by a follow-up action to hold the tenant in contempt (see Double A Property Associates v. Spears, 144 Misc.2d 935 (Sup. Ct. Kings County 1989). A summary court proceeding (such as is available for nonpayment of rent) is not authorized to provide relief in these instances, but the Council can, and should, create the right to a summary proceeding to provide injunctive relief to owners for the purpose of gaining access to an apartment. Using Local Law 77 of 2016 (effective 9/26/16) as a model, the instant bill could create a private right of action for the residential property owner to bring a claim of unreasonable refusal to grant access to remedy code violations.

**2. Dismiss violations that result from a tenant's failure to provide access.**

When a tenant does not allow an owner access to make a repair or correct a condition, the result is an open code violation on the building's record. Open code violations can result in fines, denial of permits resulting in work stoppage, and strict liability (both civil and criminal) for "harassment" defined under local law as the accumulation of certain types of open violations. Bills that have been introduced at the council would add more (see Int. 0152-2014 (no permit for material alteration without a certificate of no harassment, where definition of harassment includes certain open violations); Int. 1211-2016 (presumption of criminal intent to harass, where certain open violations exist)). As such, the City's punishment of owners for violations that persist only because of a tenant's conduct is an infringement of owners' civil and economic rights, as well as an exorbitant tax on the cost of doing business in New York City compared to other municipalities (e.g., Boston) that impose at least some legal consequences on tenants who unreasonably deny owners access to their apartments to make repairs. The City Council should add a provision that requires the dismissal of a violation where an owner's attempts to gain access have been refused by the tenant. There are at least two legal precedents in New York City for such a requirement:

i) Under the NYC Rent and Eviction Regulations and the Rent Stabilization Code, the New York State Division of Housing and Community Renewal (DHCR) will not impose a rent abatement based upon a tenant's service complaint, where the tenant has unreasonably refused to grant the owner access to perform the repairs under NYC Admin. Code §27-2008.

ii) Under the federal and state regulations governing Section 8, the New York City Housing Authority, DHCR, and HPD will not revoke, suspend, or abate the payment of a rental subsidy based on the existence of a defective condition, where the tenant has unreasonably refused to grant the owner access to repair such condition under NYC Admin. Code §27-2008.

### **3. Fine tenants who violate the obligation to provide access.**

Using the recent state law that will fine individuals for attempting to use permanent residences for illegal short term rentals as a model (see Chapter 396 of the New York State Session Laws of 2016 (effective 10/21/16)), the Council should include provisions in the instant bill to fine tenants who unreasonably refuse to grant the owner or owner's agent access to remedy conditions complained of or cited in a code violation. This would preserve the status quo of holding owners liable for violations of the Multiple Dwelling Law, just like the state law, but also hold the tenant accountable for their part in the process. In this manner, the burden of compliance is shared by owners and tenants, who would now have an equal incentive to comply with it. By including such a provision, Int. 0116-2014 could make a real dent in the enormous problem and danger presented by tenants who unreasonably refuse to grant access to make repairs. With a tiny part of the burden of compliance thus shifted, the number and duration of such violations will drop precipitously—just as illegal short-term rentals are universally expected to drop as a result of the regimen of fines imposed by Laws 2016, Ch. 396. The inclusion of a reasonable enforcement provision in Int. 0116-2014 will result in a better quality of life for all New York City tenants, including those few whose dangerous and unreasonable obstinacy would earn them fines.

### **4. Create a rebuttable presumption that a tenant who refuses to grant access is liable for property damage that occurs as a result of that refusal.**

Owners face immense liabilities as a result of a minority of tenants' unreasonable refusal to grant access to make repairs—such as the open violations and their consequences as explained above, but also for property damage to the building (in other apartments) and to other tenant's personal property. In addition to addressing

the liabilities associated with open violations that result from a tenant's refusal to grant access, Int. 0116-2014 should also address liabilities to other tenants in the building by creating a rebuttable presumption of negligence against a tenant who does not grant access.

We again thank the Council for the opportunity to present testimony on this issue and look forward to working with the Council to address the concerns raised herein.



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Testimony of Community Housing Improvement Program on Int. 0648-2015  
(bedbug reporting)

The Community Housing Improvement Program (CHIP) is a trade association representing approximately 3,500 residential building owners and managers throughout New York City. The large majority of the apartments in these properties are subject to some form of rent regulation because of their construction date (i.e., not because of tax benefits). CHIP has been a key player in City and State housing policy for over 50 years. We thank the Council for the opportunity to provide testimony on the above bill.

CHIP commends the Council for tackling this formidable problem afflicting New York City owners and tenants alike. CHIP supports the draft bill's sensible provision requiring that any "person who owns or controls an apartment located in a residential building," i.e., individual co-op or condo apartment owner, report in detail on bedbug infestations and eradication measures during the previous year to the building owner upon request. Under current law, apartment owners have no obligation to disclose bedbug infestations and eradication measures in their units to the building's ownership.

However, we cannot support the rest of the draft bill's provisions because they either duplicate existing state and local law, or shift even more of the burden of this 100% tenant-caused and 100% tenant-perpetuated malady to the innocent owners, who will see the building's operational budget driven up at a time when this City Council, including most of the sponsors of Int. 0648-2015, have relentlessly pressured The New York City Rent Guidelines Board to deny owners any rent increase at all. In a June 21, 2016 letter to Rent Guidelines Board signed by,

among others, Council Members Daniel Dromm (principal sponsor of Int. 0648-2015), Matthieu Eugene (co-sponsor), Vanessa Gibson (co-sponsor),, Rosie Mendez (co-sponsor),, Deborah Rose (co-sponsor), and Helen Rosenthal (co-sponsor), there was a request that the RGB adopt a rent roll-back.

Nevertheless, the Council seeks to impose the following unfunded mandates through this bill:

- **Requirement that Residential Building Owners Annually Report in Detail on Bedbug Infestations and Eradication Measures to HPD**
- **Requirement that Residential Building Owners Provide Each Tenant With Information on the Prevention, Detection, and Eradication of Bedbugs**
- **Requirement That Residential Building Owners Annually Report in Detail on Bedbug Infestations and Eradication Measures to Tenants, Managing Agents, and Individual Co-Op & Condo Apartment Owners**

CHIP's position would be different if mandates, such as the ones proposed, were recognized to impose additional costs on building management and appropriate means to recoup such costs were available. But after two years of rent freezes, (and year of negligible rent increase before that—1% rent increase compared to a 5% increase in costs), owners are no longer willing to accept these unfunded mandates as a given. Every additional hour of labor required to comply with these mandates becomes draining on the operational budget of a building.

This is particularly true when the mandate is duplicative. NYC Admin. Code §27-2018.1 (Housing Maintenance Code) already mandates that every residential property owner in New York City

furnish to each tenant signing a vacancy lease, a notice in a form promulgated or approved by the state division of housing and community renewal that sets forth the property's bedbug infestation history for the previous year regarding the premises rented by the tenant and the building in which the premises are located.

In light of this requirement, it cannot be claimed that material information possessed by owners concerning bedbug infestations is suppressed from the tenants who actually stand to be affected by the problem. What purpose, then, is served by publishing ALL data concerning ALL bedbug infestations in ALL residential buildings on the World Wide Web?

As noted above, §27-2018.1 of the Housing Maintenance Code already requires property owners to furnish every new tenant with a notice setting forth: A) whether there is any "history of any bedbug infestation within the past year in the building or in any apartment"; B) whether "[d]uring the past year the building had a

bedbug infestation history that has been the subject of eradication measures,” and if so, the specific floor where said measures were applied; C) whether “[d]uring the past year the building had a bedbug infestation history on [any] floor [that] has not been the subject of eradication measures”; D) whether “[d]uring the past year the [tenant’s] apartment had a bedbug infestation history and eradication measures were employed”; and E) whether “[d]uring the past year the apartment had a bedbug infestation history and eradication measures were not employed”. See DHCR Form DBB-N, “BEDBUG INFESTATION HISTORY,” for reference. Under Int. 0648-2015, the Council would impose a new requirement on owners, to annually notify these same tenants of this same information.

Accordingly, we oppose this bill in its current format. Thank you again for the opportunity to present testimony on this issue and we look forward to working with the Council to address the concerns raised herein.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 247 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)  
Name: Donald RANSHTE

Address: BTEA

I represent: 1430 Broadway, Rm 1106

Address: \_\_\_\_\_

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Date: 12/13/16

(PLEASE PRINT)  
Name: MOHAMMAD A. MOHAMMAD

Address: 7025 3RD AVE. BKLYN. N.Y.

I represent: 3- BORO Electrical Contractors

Address: 50 West ~~Bro~~ Bury Dr. Sparte

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Name: Renaldo Hylton

Address: Assistant Commissioner

I represent: DOB

Address: \_\_\_\_\_

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Name: Rep Patrick J. Wehle 316

Address: Asst. Commissioner

I represent: DOB DOB Commission 12/14/

Address: \_\_\_\_\_

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in favor  in opposition

Date: Dec. 13, 2016

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Name: Francisco Marti

Address: \_\_\_\_\_

I represent: HPD

Address: 100 Gold Street

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in favor  in opposition

Date: Dec. 13, 2016

(PLEASE PRINT)

Name: AnnMarie Santiago

Address: \_\_\_\_\_

I represent: HPD

Address: 100 Gold Street

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in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name:

ELIQU DAVIDSON

Address:

I represent:

The Legal Aid Society

Address:

199 Water St, Room 3<sup>rd</sup> NY NY 10038

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I intend to appear and speak on Int. No. 247 Res. No. 2014

in favor  in opposition

Date: 12-13-2016

(PLEASE PRINT)

Name:

Ben Arana

Address:

65-25 160th Street, Flushing N.Y.

I represent:

Local 3 I.B.E.W.

Address:

158-11 Jewel Ave, Flushing N.Y. 11365

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in favor  in opposition

Date: 12-13-16

(PLEASE PRINT)

Name:

HUMBERTO RESTREPO

Address:

158-11 HVA JR. AVE

I represent:

JOINT INDUSTRY BOARD OF THE  
ELECTRICAL INDUSTRY

Address:

Please complete this card and return to the Sergeant-at-Arms

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in favor  in opposition

Date: 12/13/16

(PLEASE PRINT)

Name: Alex Gleason

Address: agleason@nyccic.org

I represent: New York City Central Labor Council, AFL-CIO

Address: 275 7<sup>th</sup> Ave New York, NY 10011

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in favor  in opposition

Date: 12/11/16

(PLEASE PRINT)

Name: Carol Kleinberg

Address: 174 Hudson Street NY

I represent: Association of Electrical Contractors

Address: \_\_\_\_\_

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in favor  in opposition

Date: 12-13-16

(PLEASE PRINT)

Name: SAL FRANKA

Address: 65 Elm St Copague NY 11716

I represent: NYC Chapter of Electrical Inspectors

Address: SAME as ABOVE

Please complete this card and return to the Sergeant-at-Arms

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Appearance Card

I intend to appear and speak on Int. No. 247 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 12/13/2016

(PLEASE PRINT)

Name: Stephen Granoff

Address: 1430 Broadway, Floor 8 NYC

I represent: New York Electrical Contractors Assn.

Address: 1430 Broadway, Floor 8 NYC

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