



Legislation Text

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Int. No. 581

By Council Members Menin, Marte, Hanif, Krishnan, Farías, Cabán, Ung, Abreu, Restler, Schulman, Sanchez and Hanks

A Local Law to amend the administrative code of the city of New York, in relation to licensing micro-fulfillment centers

Be it enacted by the Council as follows:

Section 1. Chapter 2 of title 20 of the administrative code of the city of New York is amended by adding a new subchapter 38 to read as follows:

SUBCHAPTER 38

MICRO-FULFILLMENT CENTERS

§ 20-565 Definitions.

§ 20-565.1 Micro-fulfillment service license; application; fee.

§ 20-565.2 Issuance of license.

§ 20-565.3 Denial, renewal, suspension and revocation of license.

§ 20-565.4 Display of license.

§ 20-565.5 Facilities and inspections.

§ 20-565.6 Rulemaking.

§ 20-565 Definitions. As used in this subchapter, the following terms have the following meanings:

Micro-fulfillment service. The term “micro-fulfillment service” means a business that derives a majority of its income from online order fulfillment via the storage of retail sales items that are ordered for rapid delivery.

Micro-fulfillment center. The term “micro-fulfillment center” means any physical retail establishment operated by a micro-fulfillment service for a permitted use in either use group 6, as described in section 32-15 of the zoning resolution, or use group 7, as described in section 32-16 of the zoning resolution.

§ 20-565.1 Micro-fulfillment service license; application; fee. a. License required. It is unlawful for any person to own, control or operate a micro-fulfillment service without having received a license for such business in the manner provided in this subchapter. All licenses issued pursuant to this subchapter shall be valid for no more than two years and expire on a date the commissioner prescribes by rule.

b. License application. An application for a license required by this subchapter or for a renewal thereof shall be made to the commissioner in such form or manner as the commissioner shall prescribe by rule, provided that such application shall include, but need not be limited to:

1. The name and address of the applicant;

2. A list of all websites, mobile applications, and other micro-fulfillment service platforms, with relevant uniform resource locators, that the applicant uses or plans to use to conduct the business of a micro-fulfillment service;

3. An e-mail address that the applicant monitors where the department can send license application materials, official notifications, and other correspondence;

4. A list of all micro-fulfillment centers that the applicant will operate, the size of each such center, and the general type or types of products stored or handled in each such center;

5. The number of employees and independent contractors engaged by the applicant at each micro-fulfillment center at the time of the application;

6. An affidavit stating that all micro-fulfillment centers that the applicant will operate conform to applicable zoning regulations; and

7. If the applicant does not reside in the city, the name and address of a registered agent within the city upon whom process or other notifications may be served.

c. Fee. There shall be a biennial fee of \$200 for a license to operate a micro-fulfillment service.

§ 20-565.2 Issuance of license. A license to operate a micro-fulfillment service shall be granted in accordance with the provisions of this subchapter, chapter 1 of this title, and applicable rules of the

commissioner.

§ 20-565.3 Denial, renewal, suspension and revocation of license. In addition to any powers of the commissioner and not in limitation thereof, the commissioner may deny or refuse to renew any license required under this subchapter and may suspend or revoke any such license, after due notice and opportunity to be heard, if the applicant or licensee, or, where applicable, any of its officers, principals, directors, members, managers, employees, or stockholders owning more than 10 percent of the outstanding stock, membership interest, or other ownership interest of the organization, is found to have:

1. Committed two or more violations of any provision of this subchapter or any rules promulgated thereunder in the preceding two years;

2. Made a material false statement or concealed a material fact in connection with the filing of any application pursuant to this subchapter; or

3. Committed two or more violations of chapter 5 of this title or any rules promulgated thereunder in the preceding two years.

§ 20-565.4 Display of license. Each licensee shall conspicuously display a true copy of the license issued pursuant to this subchapter in close proximity to the main entrance door of each of the licensee's micro-fulfillment centers in such a manner that the license is visible from outside the building where such center is located.

§ 20-565.5 Facilities and inspections. a. The commissioner may inspect a micro-fulfillment center for violations of this subchapter and rules promulgated pursuant to this subchapter.

b. The commissioner may determine whether a micro-fulfillment center operated pursuant to a license issued under this subchapter is suitable for the proper storage and handling of food or other products.

§ 20-565.6 Rulemaking. The commissioner shall promulgate such rules as the commissioner deems necessary to effectuate the provisions of this subchapter.

§ 2. This local law takes effect 120 days after it becomes law.

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