

STATE OF NEW YORK

7993

IN SENATE

March 6, 2020

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to the licensing of nail salons

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 400 of the general business law is amended by
2 adding a new subdivision 12 to read as follows:

3 12. "Nail salon" means an appearance enhancement business which prac-
4 tices nail specialty.

5 § 2. Section 404-b of the general business law, as amended by chapter
6 80 of the laws of 2015, is amended to read as follows:

7 § 404-b. Nail specialty; owner responsibilities. 1. In addition to any
8 rules and regulations establishing standards for practices and oper-
9 ations by licensees under this article, in order to ensure the health,
10 safety and welfare within appearance enhancement businesses, all owners
11 and operators of appearance enhancement businesses which practice nail
12 specialty shall make available for use, gloves and facemasks for nail
13 [~~speciality~~] specialty licensees and trainees who work in such busi-
14 nesses.

15 2. a. Owners and operators of nail salons shall be provided with
16 educational materials that contain all relevant local, state and federal
17 laws and provisions to be followed by such owners and operators. Educa-
18 tional materials shall contain, but are not limited to:

19 (i) information on wages and payments to employees; and

20 (ii) information to ensure the health and safety of the public,
21 including licensees and trainees who are working within such businesses.
22 Such information shall include, but not be limited to, health regu-
23 lations to be adhered to, information on health hazards within the work-
24 place, a list of side effects from extended exposure to chemicals used,
25 and proper procedures to reduce health risks if workers inhale or come
26 into physical contact with chemicals used.

27 b. Written materials shall be provided in the same languages as the
28 nail practitioner bill of rights required pursuant to 19 NYCRR 160.10,

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 and a hard copy shall be given to every owner, manager, supervisor and
2 employee of the business.

3 3. All owners and operators of nail salons shall attend a two-hour
4 in-person professional training, approved by the department, within
5 thirty days of notification of approval of such owner's or operator's
6 appearance enhancement business license issued pursuant to the
7 provisions of this article. All owners and operators of nail salons
8 shall also attend such training prior to renewal of such license.

9 4. All owners and operators of nail salons shall provide a biennial
10 two-hour in-person professional training approved by the department to
11 managers, supervisors and employees.

12 5. a. The training for owners, operators, managers, supervisors and
13 employees required pursuant to the provisions of this section shall be
14 conducted by organizations that are approved by the department to offer
15 the nail specialty trainee course pursuant to 19 NYCRR 163.2 and have
16 significant experience in training nail salon workers on health and
17 safety regulations. This training shall be provided in English and in
18 the same languages as the nail practitioner bill of rights required
19 pursuant to 19 NYCRR 160.10 and shall:

20 (i) Educate owners, operators, managers, supervisors and employees, on
21 wage and hour laws, including minimum wage, overtime pay, and paid sick
22 days;

23 (ii) Educate owners, operators, managers, supervisors and employees
24 regarding health and safety rules and regulations in order to ensure the
25 health, safety and welfare of the public including licensees and train-
26 ees when they are working within a nail salon, information on health
27 hazards within the workplace, a list of side effects from extended expo-
28 sure to chemicals used, and proper procedures to reduce health risks if
29 a person inhales or comes into physical contact with chemicals used;

30 (iii) Educate owners, operators, managers, supervisors and employees
31 regarding protection for employees who report a violation of a state or
32 federal law, rule or regulation; and

33 (iv) Educate owners and operators of nail salons on the necessary
34 legal and operational requirements when starting and maintaining a busi-
35 ness, including but not limited to, the requirements imposed pursuant to
36 this article.

37 b. The cost of the training required pursuant to this section shall be
38 covered by the owner and/or operator of the nail salon and shall not be
39 deducted from the pay of an employee.

40 6. The department shall consider the non-profit status, as described
41 in section 501(c) of the Internal Revenue Code of the United States (26
42 U.S.C. 501(c)) when approving organizations to provide the training. The
43 department shall promulgate rules to consider organizations without such
44 non-profit status if:

45 a. No organization with non-profit status is available within fifty
46 miles of an appearance enhancement business which practices nail
47 specialty;

48 b. None have offered their services within fifty miles of an appear-
49 ance enhancement business which practices nail specialty; or

50 c. Using a for-profit organization would alleviate significant time
51 delays of four weeks or more in between training availabilities of
52 existing organizations with non-profit status.

53 7. The secretary shall establish a training committee to prepare the
54 written educational materials and curriculum for the training. The
55 training committee shall also recommend qualified organizations to the

1 secretary to provide professional training. Such training committee
2 shall be composed as follows:

3 a. A member of a health and safety organization that has significant
4 experience in training nail specialty workers on health and safety regu-
5 lations in the nail salon industry and on obtaining a nail specialty
6 license;

7 b. A member of a labor union that has significant experience in train-
8 ing nail specialty workers on wage and hour laws;

9 c. A member of a business association for nail salon owners in the
10 state of New York; and

11 d. A member of a community center that has significant experience
12 working within the nail salon industry and has a membership that
13 includes both workers and owners in New York.

14 8. The secretary shall convene the training committee no later than
15 sixty days after the effective date of this subdivision. The training
16 committee shall propose the requirements for the educational materials
17 and training and shall recommend qualified organizations to conduct the
18 training to the secretary no later than sixty days after the initial
19 meeting of such committee. The secretary shall issue official materials
20 and a list of approved training organizations no later than sixty days
21 after receiving recommendations from the training committee. Nail salon
22 owners shall attend a training and provide a training to the employees
23 of such nail salon within one hundred eighty days of the secretary issu-
24 ing a list of approved organizations.

25 9. The training committee shall meet at least quarterly the first year
26 after their initial meeting and biannually thereafter to make any neces-
27 sary changes to the curriculum and discuss issues in the industry. At
28 least one annual meeting shall be open to other nail salon workers,
29 advocates, and owners to provide feedback on the training and discuss
30 other issues in the industry.

31 10. An approved organization shall notify the department for the
32 purpose of updating the publicly accessible registry, pursuant to subdi-
33 vision eight of section four hundred six-a of this article, within one
34 week of a nail salon owner completing the training required pursuant to
35 this section or a nail salon owner has provided such training for the
36 employees of such nail salon.

37 § 3. The general business law is amended by adding a new section 406-a
38 to read as follows:

39 § 406-a. Nail salon license application; procedure; requirements. 1.
40 Any person, eighteen years of age or older, or any firm, limited liabil-
41 ity company, partnership or corporation having at least one member eigh-
42 teen years of age or older may apply to the secretary for a nail salon
43 license.

44 2. It shall be unlawful for any person to operate a nail salon without
45 a nail salon license.

46 3. All licenses issued pursuant to this section shall be valid for two
47 years.

48 4. Each applicant applying for a nail salon license or renewal thereof
49 shall file an application in such form and manner as prescribed by the
50 secretary and shall pay a fee of sixty dollars for each location where
51 such applicant's nail salon operates. The following information shall be
52 required on an application for a license pursuant to this section:

53 a. If the applicant is an individual, their name, date of birth,
54 permanent home address, and telephone number, as well as any other names
55 by which he or she has conducted a business at any time;

b. If the applicant is a corporation, the corporate name of the applicant, its place of incorporation, addresses of all locations where the business operates, other names by which it has been known or has conducted business at any time, its telephone number, its federal employer identification number, and the names and permanent home addresses of its directors, officers and shareholders;

c. If the applicant is a partnership, its name, addresses of all locations where the business operates, other names by which it has been known or has conducted business at any time, its telephone number, its federal employer identification number, and the names and permanent home addresses of each of its partners;

d. If the applicant intends to operate in a city covered by subdivision nine of this section, such applicant shall attach an approved application to operate in such city, pursuant to the provisions of subdivision nine of this section;

e. Any judgments, injunctions, liens, administrative orders, including, but not limited to, judgments based on taxes owed, fines, and penalties assessed by any government agency during the five years prior to licensure or renewal thereof against the applicant or any person that has an ownership interest in the applicant of more than five percent;

f. Written proof of compliance with any bond requirements prescribed by the secretary;

g. Signed certification by the applicant that there are no outstanding final judgments or warrants against the applicant, in any action arising out of a violation of the provisions of this article or any rules or regulations promulgated thereunder;

h. Certificates of insurance for workers' compensation, unemployment insurance and disability insurance coverage;

i. Original or true copies of liability insurance policies or certificates of insurance for liability insurance carried by the applicant; and

j. Written proof of compliance with the training requirements, as prescribed in section four hundred four-b of this article.

5. Any application for renewal of a nail salon license shall be accompanied by a certification signed by the applicant and affirmed under penalty of perjury that such applicant is in compliance with all laws relating to the protection of workers' rights, including, but not limited to New York state labor law and New York state workers' compensation law and is in compliance with all applicable tax laws.

6. The secretary shall also consider comments from nail salon employees when deciding whether to issue or renew a license under this section. All employees under a nail salon license shall be allowed to submit comments to the secretary as part of the license renewal process. The applicant shall be given redacted copies of any comment received, with the name of the employee removed. The applicant shall provide a mitigation plan to address any issue in the comments, and shall submit the plan to the secretary. The employee and/or their organization may also submit comments regarding the mitigation plan to the secretary. Taking the comments from applicant and employees into account, the secretary may:

a. deny the request for renewal;

b. approve the request for renewal;

c. approve the request for renewal, provided that certain conditions are met; or

d. issue a temporary license until final adjudications of claims relating to the renewal of the license are reached.

7. In addition to any of the powers that may be exercised by the secretary pursuant to this section or any rules promulgated thereunder, the secretary may deny issuance or renewal of a license pursuant to this section upon a finding that:

a. the applicant has failed to satisfy any fine or civil penalty ordered against such applicant in a judicial or administrative proceeding arising out of a violation of this article or any rules promulgated thereunder;

b. a nail salon to which the applicant is a successor, as such term is described in subdivision eleven of this section, has failed to satisfy any fine or civil penalty ordered against such entity in a judicial or administrative proceeding arising out of a violation of this article or any rules promulgated thereunder;

c. a person or entity that is part of the ownership structure of the applicant has failed to satisfy any fine or civil penalty ordered against such entity in a judicial or administrative proceeding arising out of a violation of this article or any rules promulgated thereunder; or

d. the applicant or a person or entity that is part of the ownership structure of such applicant lacks good moral character. In making such determination, the secretary may consider, but is not limited to, any of the following factors:

(i) failure by such applicant to provide truthful information or documentation in connection with the application or other request for information;

(ii) findings of liability in a civil, criminal or administrative action involving egregious or repeated nonpayment or underpayment of wages or other illegal acts or omissions bearing a direct relationship to the fitness of the applicant to conduct the business for which the license is sought; except that the secretary shall take into account mitigating factors including: (1) the passage of time since such findings of liability or other illegal acts or omissions at issue; (2) the severity of such findings of liability or other illegal acts or omissions; (3) whether any such findings or other illegal acts or omissions were resolved or are still pending; and (4) any change in circumstance that might reduce the likelihood of such findings or other illegal acts or omissions recurring during the period of licensure, including the fact that such findings or other illegal acts or omissions at issue took place prior to the effective date of this section;

(iii) a prior revocation by the secretary of a nail salon license held by the applicant; and

(iv) a finding that within the last ten years an entity to which the applicant is a successor, as such term is described in subdivision eleven of this section, has been denied the issuance or renewal of a license pursuant to this subdivision or has had a license revoked pursuant to section four hundred ten of this article.

8. The department shall maintain a publicly accessible registry of all licensed nail salons which shall be updated no less than monthly. Such registry shall identify:

a. the names of all persons that own, control and/or operate a licensed nail salon and, if applicable, the percentage of ownership interests held by such persons;

b. any judgments, injunctions, liens, or administrative orders, including, but not limited to, judgments based on taxes owed, fines, and penalties assessed by any government agency during the five years prior to licensure or renewal thereof against a licensee or any person that

1 has an ownership interest in the licensed nail salon of more than five
2 percent;

3 c. the addresses of all locations for which a licensee is authorized
4 to operate and the number of employees employed at each such location;

5 d. the most recent date that a licensee completed the requisite train-
6 ing, pursuant to section four hundred four-b of this article; and

7 e. the most recent date that a licensee provided training to the
8 employees within the nail salon, pursuant to section four hundred four-b
9 of this article.

10 9. A city with a population of one million or more is hereby author-
11 ized to adopt and amend local laws that allow for additional require-
12 ments for nail salons located within such city. Such city may implement
13 application requirements that promote compliance with city, state, and
14 federal laws relating to the nail salon industry and nail salon workers.
15 If any such city adopts requirements pursuant to this subdivision, an
16 applicant for a nail salon license pursuant to this section shall submit
17 an application for approval to operate in such city to the regulatory
18 authority designated by such city in a form and manner to be prescribed
19 by such city. The secretary shall not approve a license pursuant to this
20 section that permits operation in any such city unless the applicant has
21 been approved by the city prior to submission of an application to the
22 secretary.

23 10. All applicants who are issued a license under this section shall
24 submit a monthly payroll record which is attested to by the applicant,
25 or an authorized agent of the applicant within ten days of the end of
26 each month. Such record shall be in a form prescribed by the secretary,
27 which shall at a minimum include for each employee, such employee's
28 name; nail specialty license number; hourly rate of pay; daily, overtime
29 and weekly hours worked; gross pay; itemized deductions; and net pay
30 paid to the employee.

31 11. An applicant shall be considered a successor to a nail salon upon
32 a finding that such applicant satisfies two or more of the following
33 criteria:

34 a. the applicant uses the same facility, facilities or workforce to
35 offer substantially the same services as the nail salon;

36 b. the applicant shared in the ownership, or otherwise exercised
37 control over, the management of the nail salon;

38 c. the applicant employs in a managerial capacity any person who
39 controlled the wages, hours, or working conditions of the affected
40 employees of the nail salon; or

41 d. the applicant is an immediate family member, including a parent,
42 step-parent, child, or step, foster or adopted child, of any owner,
43 partner, officer, or director of the nail salon, or of any person who
44 had a financial interest in the nail salon.

45 § 4. Severability. If any clause, sentence, paragraph, section or part
46 of this act shall be adjudged by any court of competent jurisdiction to
47 be invalid, such judgment shall not affect, impair, or invalidate the
48 remainder thereof, but shall be confined in its operation to the clause,
49 sentence, paragraph, section, or part thereof directly involved in the
50 controversy in which such judgment shall have been rendered.

51 § 5. This act shall take effect on the ninetieth day after it shall
52 have become a law. Effective immediately, the addition, amendment and/or
53 repeal of any rule or regulation necessary for the implementation of
54 this act on its effective date are authorized to be made and completed
55 on or before such effective date.