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Introduced by M. of A. CRUZ, L. ROSENTHAL, FAHY, EPSTEIN, DICKENS, GONZALEZ-ROJAS, CARROLL, SIMON, REYES, MAMDANI, STIRPE, DINOWITZ, GALLAGHER, MITAYNES, JACOBSON, SEAWRIGHT, BURDICK, JACKSON, STECK, HEVESI, ANDERSON, CLARK -- read once and referred to the Committee on Economic Development

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:

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

12. "Nail salon" means an appearance enhancement business which practices nail specialty.

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

§ 404-b. Nail specialty; owner responsibilities. 1. In addition to any rules and regulations establishing standards for practices and operations by licensees under this article, in order to ensure the health, safety and welfare within appearance enhancement businesses, all owners and operators of appearance enhancement businesses which practice nail specialty shall make available for use, gloves and facemasks for nail ~~speciality~~ specialty licensees and trainees who work in such businesses.

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

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

(ii) information to ensure the health and safety of the public, including licensees and trainees who are working within such businesses.

Such information shall include, but not be limited to, health regu-

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

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lations to be adhered to, information on health hazards within the workplace, a list of side effects from extended exposure to chemicals used, and proper procedures to reduce health risks if workers inhale or come into physical contact with chemicals used.

b. Written materials shall be provided in the same languages as the nail practitioner bill of rights required pursuant to 19 NYCRR 160.10, and a hard copy shall be given to every owner, manager, supervisor and employee of the business.

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

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

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

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

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

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

(iv) Educate owners and operators of nail salons on the necessary legal and operational requirements when starting and maintaining a business, including but not limited to, the requirements imposed pursuant to this article.

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

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

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

b. None have offered their services within fifty miles of an appearance enhancement business which practices nail specialty; or

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

4 7. The secretary shall establish a training committee to prepare the
5 written educational materials and curriculum for the training. The
6 training committee shall also recommend qualified organizations to the
7 secretary to provide professional training. Such training committee
8 shall be composed as follows:

9 a. A member of a health and safety organization that has significant
10 experience in training nail specialty workers on health and safety regu-
11 lations in the nail salon industry and on obtaining a nail specialty
12 license;

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

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

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

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

31 9. The training committee shall meet at least quarterly the first year
32 after their initial meeting and biannually thereafter to make any neces-
33 sary changes to the curriculum and discuss issues in the industry. At
34 least one annual meeting shall be open to other nail salon workers,
35 advocates, and owners to provide feedback on the training and discuss
36 other issues in the industry.

37 10. An approved organization shall notify the department for the
38 purpose of updating the publicly accessible registry, pursuant to subdi-
39 vision eight of section four hundred six-a of this article, within one
40 week of a nail salon owner completing the training required pursuant to
41 this section or a nail salon owner has provided such training for the
42 employees of such nail salon.

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

45 § 406-a. Nail salon license application; procedure; requirements. 1.
46 Any person, eighteen years of age or older, or any firm, limited liabil-
47 ity company, partnership or corporation having at least one member eigh-
48 teen years of age or older may apply to the secretary for a nail salon
49 license.

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

52 3. All licenses issued pursuant to this section shall be valid for two
53 years.

54 4. Each applicant applying for a nail salon license or renewal thereof
55 shall file an application in such form and manner as prescribed by the
56 secretary and shall pay a fee of sixty dollars for each location where

1 such applicant's nail salon operates. The following information shall be
2 required on an application for a license pursuant to this section:

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

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

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

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

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

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

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

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

34 i. Original or true copies of liability insurance policies or certif-
35 icates of insurance for liability insurance carried by the applicant;
36 and

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

39 5. Any application for renewal of a nail salon license shall be accom-
40 panied by a certification signed by the applicant and affirmed under
41 penalty of perjury that such applicant is in compliance with all laws
42 relating to the protection of workers' rights, including, but not limit-
43 ed to New York state labor law and New York state workers' compensation
44 law and is in compliance with all applicable tax laws.

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

56 a. deny the request for renewal;

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

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

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

10 a. the applicant has failed to satisfy any fine or civil penalty
11 ordered against such applicant in a judicial or administrative proceed-
12 ing arising out of a violation of this article or any rules promulgated
13 thereunder;

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

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

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

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

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

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

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

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

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

4 b. any judgments, injunctions, liens, or administrative orders,
5 including, but not limited to, judgments based on taxes owed, fines, and
6 penalties assessed by any government agency during the five years prior
7 to licensure or renewal thereof against a licensee or any person that
8 has an ownership interest in the licensed nail salon of more than five
9 percent;

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

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

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

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

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

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

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

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

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

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

52 § 4. Severability. If any clause, sentence, paragraph, section or part
53 of this act shall be adjudged by any court of competent jurisdiction to
54 be invalid, such judgment shall not affect, impair, or invalidate the
55 remainder thereof, but shall be confined in its operation to the clause,

1 sentence, paragraph, section, or part thereof directly involved in the
2 controversy in which such judgment shall have been rendered.
3 § 5. This act shall take effect on the ninetieth day after it shall
4 have become a law. Effective immediately, the addition, amendment and/or
5 repeal of any rule or regulation necessary for the implementation of
6 this act on its effective date are authorized to be made and completed
7 on or before such effective date.