



Dear Chair Kreuger, Chair Weinstein and members of the Senate and the Assembly. My name is Mohamed Attia, I'm the Managing Director of the Street Vendor Project at the Urban Justice Center.

The Street Vendor Project (SVP) is a grassroots members-driven organization working to defend the rights and improve the working conditions of the approximately 20,000 people who sell food and merchandise on the streets of New York City

I am here as part of **the Street Vendor Justice Coalition**, a group of 60+ organizations working at the intersection of transportation, small business, immigrant and workers' rights, to testify in support of formalizing the street vending industry in cities with a population of one million or more.

- Street vendors are New York State's smallest businesses and are an essential part of the fabric of New York City's culture and economy. Nearly 20,000 entrepreneurs, primarily immigrants, people of color, military veterans and women, are employed as street vendors, many existing as part of a shadow economy of workers unable to acquire necessary business licensing to legitimize their business.
- An arbitrary cap on the number of general merchandise licenses and mobile food vendor permits, placed in 1979 and 1983 respectively created a punitive system in which would-be entrepreneurs have been forced to either rent a permit from existing permit-holders on an underground market for up to \$25,000, or vend without a permit, facing \$1,000 fines, property confiscation, or even arrest.
- There are currently only 853 licenses available for non-veteran general vendors who sell merchandise, with a waitlist of 12,000 New Yorkers. The demand for general vendor licenses is so large, the waitlist itself has been closed for applications for nearly a decade. As of 2016, there were 5,884 individuals on the waitlist to acquire a mobile food vendor permit. The waitlist itself has been closed for applications since 2007.

Budget Request

- We urge the state legislature to include a one-time allocation of \$19 million in this year's budget to formalize the street vending industry in cities with a population of one million.
- This allocation is supported by language in S1175 sponsored by State Senator Jessica Ramos / A5081 sponsored by Assemblymember Jessica González-

Rojas, and was included in the Black Puerto Rican Hispanic Asian Caucus People's Budget

- The legislation requires these micro-entrepreneurs to obtain licenses to operate their businesses within the existing local regulatory system, effectively ending unregulated street vending, and removing the currently insurmountable barrier to entry to the industry.
- The allocation will ensure appropriate oversight and outreach associated with the program in New York City

Funding

- **Once the program is fully implemented, the annual revenue will far outweigh the cost at both the state and city levels.**
- State: New York State stands to gain annually between \$25-\$33 million in revenue from sales tax revenue should all vendors currently on the waitlist apply for a general vendor license. The lower, \$25 million, estimate corresponds to a post-pandemic economy and the higher estimate, \$33 million, corresponds to a higher intensity of business activity from before the pandemic.
- At the city level, the net impact to New York City if all general merchandise and food vendors on the current waitlist, would be in the range of **\$17 to 26 million**, corresponding to post-pandemic and pre-pandemic economies.

Conclusion

- **To summarize:** The time is now to formalize the street vending industry and end the system that is criminalizing valued community members and would-be entrepreneurs. It is the responsibility of the state to act, to effectively regulate this industry, create good jobs for New Yorkers, and increase sales tax revenue for the state. Including street vendor formalization in this year's budget will benefit our state's smallest businesses, benefit the state with increased sales tax revenue, and create good jobs for New Yorkers to be the owners of their own small businesses.

In conclusion, we request that both chambers of the legislature allocate \$19 million in funding and include legislative language in other one-house budget bills and advocate for its inclusion in the final state budget to formalize the street vending industry.

Thank you for your consideration.

Mohamed Attia

*Managing Director
Street Vendor Project
Urban Justice Center
40 Rector Street, 9th floor
New York, NY 10006
646-602-5683
www.streetvendor.org*