



**Testimony on behalf of the Retail Council of New York State
Joint Legislative Public Hearing
2024 Executive Budget Proposal
Public Protection**

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Testimony submitted by:

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President and CEO
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Chairs Krueger and Weinstein, and honorable committee members:

Thank you for the opportunity to provide testimony on the 2024-25 FY Executive Budget proposal and, specifically, public protection initiatives.

My name is Melissa O'Connor; I am President and CEO of the Retail Council of New York State. Our organization is the state's leading trade group for the retail industry, representing thousands of stores across the state ranging from the smallest independent merchants to national and international brands.

First and foremost, I want to thank each of you for voting in favor of legislation in 2023 that would have established a statewide organized retail crime task force to provide the governor and legislature with recommendations to prevent such activity in local communities. Specifically, the report submitted by the task force would have included information regarding the impact of retail crime on store employees and consumers, as well as the need for interagency coordination, updated laws and regulations.

This legislation was subject to a gubernatorial veto in late 2023, given the state fiscal note that would have been required to implement the provisions. At the time, Governor Kathy Hochul pledged to prioritize retail theft prevention and store safety in 2024, and we are pleased that the 2024-25 FY Executive Budget proposal includes \$40.2 million to address this issue.

The Retail Council of New York State strongly supports the specific initiatives outlined by Governor Hochul in her budget address, as we have prioritized many of these concepts for quite some time. For example:

- We believe interagency coordination at the state and local level is absolutely critical to identify emerging trends and habitual offenders.
- We strongly support dedicated prosecutors in District Attorney Offices for cases involving retail theft, along with funding for implementation.
- We support the allocation of \$25.2 million in new funding to “deploy a dedicated State Police team to build cases against organized retail theft rings and create a new State Police enforcement unit dedicated to this purpose.”
- We support the allocation of \$5 million in state funding to “build the capacity of local law enforcement efforts to combat retail theft.”
- We strongly support legislation to increase penalties for the assault of retail workers, along with the creation of a “commercial security tax credit” for small businesses.

This comprehensive approach is necessary to address the challenges facing stores that invest in New York communities, and the employees who witness retail crimes far too often.

For context, stores in New York lost \$4.4 billion in revenue as a result of theft in 2022, according to [Capital One Research](#). The same study noted that the State of New York lost \$176 million in retail sale tax dollars due to theft. The financial loss is stunning, of course, but this is not our primary focus when discussing the issue with leaders throughout the state. Our priority is the safety of our customers and employees, as 88% of retailers report that “shoplifters are somewhat more or much more aggressive and violent compared with one year ago,” according to the [2023 Retail Security Survey](#).

The challenges presented by retail theft activity do not stop at the threshold of a retail store – community safety is also an important consideration as we continue to examine the issue and meaningful solutions. Retailers have reported that theft and violence have resulted in a reduction of specific store operating hours, reduced product selections and even closure of certain store locations, according to the 2023 Retail Security survey. It is clear that the impact of retail theft and related crimes on local communities is real and significant.

For these reasons, store and community safety is by far our top priority as an industry in New York. We have done a tremendous amount of work over the past several months to educate the executive, state and local lawmakers, district attorneys, local law enforcement and community groups, and we are cautiously optimistic that our message is resonating.

In each discussion related to retail theft, I underscore that we – as an industry – do not prioritize isolated shoplifting incidents in which an individual may be taking an item out of necessity. Our concerns relate to repeat offenders, those who participate in organized retail crime rings and individuals who exhibit violent and disruptive behavior in store settings. To put this into context, in May 2023, New York Police Department Chief Michael LiPetri spoke about retail theft and reported that “250 people in 2023 have been arrested almost 2,500 times. ... Who are these people? 52% are convicted felons.”

While some progress has been made over the past few months to address retail theft incidents in New York, stores throughout the state need additional support via updated laws and new funding. The Retail Council of New York State considers this an urgent issue that needs immediate action, and we pledge to remain constructive as the legislature analyzes each provision in the 2024-25 Executive Budget proposal.

Respectfully submitted,

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