

**Testimony of Casey Adams
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**Before the
New York City Council Committee on Consumer Affairs and Business Licensing**

**Hearing on
Oversight of Gas Stations in New York City, and
Introduction 164-2018**

September 27, 2018

Good morning Chairman Espinal and members of the committee. My name is Casey Adams and I am the Director of City Legislative Affairs for the New York City Department of Consumer Affairs (DCA). I would like to thank the committee for the opportunity to testify on behalf of Commissioner Lorelei Salas regarding DCA's role in the regulation of gas stations and Introduction 164-2018 (Intro. 164), a bill that would require DCA to study and make recommendations on the gas station industry. I will first discuss DCA's role in regulating gas stations before turning to Intro. 164.

DCA Jurisdiction

DCA does not license or permit gas stations. We do, however, enforce several laws governing this industry. DCA's jurisdiction over gas stations falls into two main categories: (1) state weights and measures requirements enforced by DCA under a delegation from the state, and (2) local requirements related to signage, price posting, disclosure, and record keeping, among other things.

DCA is the director of weights and measures for the City of New York and enforces several requirements under that authority. DCA is charged with enforcing the state law mandate that all commercial gas dispensing devices be inspected and tested for functionality and accuracy at least once a year. Inspectors also check to ensure that, among other things, pumps meet state-required specifications, fuel grade and content are properly disclosed, required safety equipment is installed, and proper records of deliveries, inventory, and sales are maintained. DCA also collects fuel samples from each station, which are sent to state-approved labs to test for required chemical content.

Both state and local law impose labeling, price posting, and disclosure requirements on gas stations. DCA inspectors check pump signs to ensure that prices and product specifications are accurately and clearly disclosed, and that meters accurately record the amount of fuel dispensed and reflect the posted prices at point of sale. DCA inspectors will also check any store or mini-mart section of a station, if present, for compliance with general retail labeling and price-posting requirements.

Local law also regulates the form and content of curbside signs used by gas stations. Curbside signs are often the most visible part of a station and are an important way for stations to attract customers. Laws and rules enforced by DCA ensure that these signs clearly and accurately disclose

prices and products so customers can make decisions about which gas station to use and they aren't surprised by fees or charges after they fill their tank.

A business owner who opens a gas station must contact DCA to schedule an inspection of their gas dispensing devices. DCA has a dedicated petroleum unit that operates city-wide to fulfill inspection requests and respond to complaints. Pumps that are found to be inaccurate or non-functional may be condemned by DCA and wired shut until a licensed repairer fixes the problem.

Based on a review of publicly available and internal enforcement data, we believe that there are about 730 gas stations operating in New York City today. In Fiscal Year 2018, DCA received about 370 complaints related to gas stations, inspected almost 7,200 pumps at about 1,000 attempted inspections, and issued about 120 violations under all the laws and rules described earlier. The most common complaints were that a business has overcharged a consumer or misrepresented the price of a product and the most common violations issued were for missing or incorrect disclosures or signs or uninspected, faulty, or non-functioning pumps. For the past two fiscal years, the Mayor's Management Report showed a 99% weights and measures compliance rate for gas station pumps.

Introduction 164-2018

I will now turn to Intro. 164, which requires DCA to conduct a study of the number of gas stations in the city and, if that number has declined in the past ten years, make recommendations to stop or reverse the decline. DCA understands and appreciates Council's concern about a decline in the number of gas stations available to New Yorkers. As this bill moves forward, we would appreciate the opportunity to work with Council to find the right agency to conduct such a study. Any potential decline in the number of gas stations is likely related to factors outside the scope of DCA's jurisdiction, such as real estate prices, neighborhood development, and larger macroeconomic trends including the price of oil and the growing importance of electric and alternative-fuel vehicles. DCA's regulatory role in, and expertise on, this industry does not equip us to undertake the broad-scoped study and recommendation development process contemplated by this bill. Of course, DCA is pleased to assist wherever our experience is relevant to the questions raised by this proposal. We look forward to working with the Council to identify a workable path forward on this bill.

Conclusion

Thank you for the opportunity to testify today. I am happy to answer any questions you may have.