

New Responsible Restaurant Act Will Help Food Industry Fight Wage Violations

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New York, NY - Today, New York City Council Members Eric Gioia and Rosie Mendez introduced a bill to improve compliance with minimum wage and other employment laws in New York's restaurant industry. Backed by the Brennan Center Strategic Fund and the Restaurant Opportunities Center of New York (ROC-NY), the proposed Responsible Restaurant Act would require the city to treat employment law compliance the same way it does health code violations when deciding to renew operating permits for city restaurants.

The restaurant industry is one of New York's largest sectors, providing jobs for more than 165,000 New Yorkers and serving millions of patrons each week. However, wages in the industry are some of the city's lowest, and violations of employment law protections are widespread. As detailed in a new Brennan Center study to be released next month, many restaurants pay less than the minimum wage, don't pay overtime, and discriminate in hiring and promotions.

“Too many restaurants are cutting costs by violating basic employment laws,” said Rajani Adhikary, policy organizer for ROC-NY. “These practices undermine New York City’s workforce and its economy, and it’s unfair to the responsible restaurants that are playing by the rules,” added Adhikary.

The Responsible Restaurant Act uses the city’s restaurant permitting system to begin reversing this trend. “The city already has the authority to suspend or deny a restaurant’s permit if it has a record of violating the law,” said Eric Lane, a senior fellow at the Brennan Center and expert on municipal and constitutional law in New York. The Brennan Center’s Strategic Fund worked closely with the city council to design the proposed law. “The Responsible Restaurant Act encourages the city to take employment law violations more seriously and creates a process to help decide when repeated violations warrant suspending an operator’s permit,” Lane added.

The proposal will require restaurants to disclose to the city any employment law violations when they renew their operating permits every two years. The law will also allow the public to bring violations to the city’s attention, will make records of violations available on-line, and will allow the City to hold a public hearing to gather more information.

“Widespread violations of minimum wage and overtime protections are a growing problem in many low-wage industries,” said Raj Nayak, Counsel for the Brennan Center’s Economic Justice Project. “The city business licensing process offers an important tool for communicating to employers that compliance with these laws is not optional.”

The proposal’s next step will be a hearing before the City Council’s Health Committee.