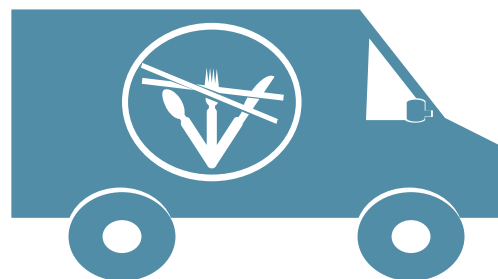


Fiscal Impact Of Eliminating Street Vendor Permit Caps in New York City



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Executive Summary

Since the 1980s, there has been little change in the total number of street vending permits and licenses in New York City—City-issued documents that allow street vendors to sell food and goods legally. The demand from street vendors for permits outpaces the supply, as evidenced by waitlists of over 20,000 people for two types of street vendor documentation: Mobile Food Vendor (MFV) permits and General Vendor (GV) licenses.

At the request of 14 Council Members, led by Pierina Sanchez and Amanda Farías, IBO estimated that lifting the caps on the number of permits and licenses available to street vendors would have a small positive fiscal impact on the City’s budget. New York City would see new revenues from tax collections, fines, and registration fees, but also increased costs of administering and monitoring the newly permitted vendors. IBO’s findings include:

- The actual scale of fiscal impact would depend on the number of vendors that become newly permitted. If 10 percent of people on the current waitlists were to become permitted vendors, the net revenue gain to the City would be about \$5.9 million; if 100 percent of those on the waitlists became permitted, the net impact would increase to about \$59 million. IBO expects that new sales tax revenue from permitted vendors would be the largest source of new revenue.
- Vendor revenues and profits are modest, for both permitted and unpermitted vending. According to IBO analysis of vendor survey data, the average annual profit for all vendors in the City was roughly \$35,000 in 2019. General Vendors had lower average annual profits compared to Mobile Food Vendors—around \$30,000 compared to \$40,000, respectively.
- The overall macroeconomic impact of eliminating the caps on street vendor permits would be minimal, though the microeconomic impact to some individual vendors who become licensed would likely be substantial. For example, holding a legal permit or license would prevent some street vendors from receiving costly tickets and having their materials confiscated by law enforcement, assuming they follow other city rules and regulations while vending.
- Additional MFV permits would have higher administrative costs than GV licenses, primarily due to health department resources to inspect MFV units to ensure food safety. MFVs, on average, generate higher tax revenue than GVs and their total net fiscal impact per additional permit would be larger. In this report, IBO defines “administrative costs” as vendor-related costs borne by the Department of Health and Mental Hygiene (DOHMH) and Department of Consumer and Worker Protection (DCWP).
- IBO assumed no additional uniformed agency enforcement costs would automatically result from removing the permit caps for street vending; any increase would be at the City’s discretion. Law enforcement for vending has shifted away from criminal summonses and towards civil enforcement over the past decade. In this report, IBO defines “enforcement costs” as vendor-related costs borne by uniformed agencies, specifically the Department of Sanitation (DSNY) and New York City Police Department (NYPD).

Even without a cap on the number of permits and licenses for street vendors, vendors would need to comply with other street vendor regulations. For example, strict siting rules mean that many city streets are off-limits for vending (even with a permit), and food vendors are required to store their vending units in City-permitted commissary facilities, which have limited capacity. Therefore, while lifting the cap on permits and licenses would likely benefit many vendors and provide a positive fiscal impact to the City overall, it is unlikely to immediately bring all street vendors into the formal economy.

Table of Contents

Introduction	1
Current Street Vending Policy Landscape	1
Sidebar: Brief History of Street Vending Permits in New York City	2
Data on Street Vendors	5
Fiscal Impact of Lifting the Cap on the Number of Street Vending Permits in New York City	6
Street Vending Revenues	7
Street Vending Expenses	9
Economic Impact	11
Conclusion	12
Appendix: Methodology	13
Glossary	17
Endnotes	19

Introduction

Street vending is a longstanding and fiercely debated facet of New York City’s urban landscape. Though the number of street vendors in the City is unknown, some estimates suggest the total number of active vendors in the City may near or exceed 20,000.¹

Caps on the number of individuals allowed to vend legally within the City have seen little change since the early 1980s. Since 1979, General Vendor (GV) licenses—for the sale of non-food merchandise—have been capped at 853 (for non-veterans). In 1983, Mobile Food Vendor (MFV) permits—for the sale of food—were capped at 3,000, with the total number of MFV permits increasing to 5,100 since then. Reform efforts passed in 2021 as part of [Local Law 18](#) were designed to increase the number of legal food vending permits by up to 4,450 over the next 10 years.

The shortage of City-issued permits has contributed to a persistent informal vending economy in the City, as well as the creation of an illegal secondary market for city permits. Though official city licenses and permits only cost a low-level processing fee (typically \$200 or lower), permits and licenses rent at high prices on the illegal secondary market—in some cases, annual rents cost \$17,000 or more, according to IBO analysis.²

For years, vendors have protested the low number of permits, calling on the City to make more permits available to meet vendor demand.³ High-profile enforcement sweeps of prominent vending locations such as Corona Plaza and Sunset Park have driven headlines in recent months.⁴ The influx of migrants from South and Central America, many of whom have turned to vending on streets and subways, has also heightened the visibility of informal vending.⁵

IBO produced this report at the request of 14 City Council members—Pierina Sanchez, Amanda Farías, Diana Ayala, Carmen De La Rosa, Jennifer Gutiérrez, Shekar Krishnan, Julie Won, Carlina Rivera, Chi Ossé, Shahana Hanif, Kristin Richardson Jordan, Althea Stevens, Mercedes Narcisse, and Sandy Nurse—who asked IBO to estimate and analyze the potential impact of lifting the current caps on MFV permits and GV licenses—specifically, how lifting limits would affect city revenues, administrative and enforcement costs, and the overall city economy. IBO begins with a discussion of the history and current policy landscape of vending followed by an estimation of potential city revenues, fees, administrative and enforcement costs, and the overall economic impact that may result from the elimination of street vendor permit caps. This analysis does not address other regulations covering street vending in New York, such as siting guidelines that restrict vendors from operating legally on many city blocks.

In this report, for easier reading, IBO refers to all street vendors who have the necessary street vending paperwork to vend legally as “permitted”; those who do not are referred to as “unpermitted.” IBO includes all vendor-related spending by the Department of Health and Mental Hygiene (DOHMH) and Department of Consumer and Worker Protection (DCWP) under “administrative costs”; IBO includes all vendor-related spending by the Department of Sanitation (DSNY) and New York City Police Department (NYPD) under “enforcement costs.”

Current Street Vending Policy Landscape

Vending in New York City operates under a complicated regulatory framework in which an interlocking matrix of factors—caps on the number of permits or licenses, locations, variations for times, days, and seasons, type of products sold, and veteran or disability status—determine whether and where an individual can vend legally. Multiple city agencies have a hand in overseeing street vending, as shown in Figure 1.

Types of Vendors. Generally, the City recognizes three main types of vendors based on the category of products sold: General Vendors (GV), Mobile Food Vendors (MFV), and First Amendment Vendors. Types

Brief History of Street Vending Permits in New York City

Street vending in New York City has long been a facet of the City's urban landscape, with deep ties to the City's identity as a destination for new arrivals in the United States. Although early forms of mobile vending like pushcarts and dock sellers date back to the earliest days of the City's founding, modern city regulation of vending did not begin until the early 20th century.⁶

Initially, peddlers in the City were required to remain mobile. In the 1930s, Mayor LaGuardia utilized federal stimulus to construct indoor vendor markets, some of which still stand today. Markets were meant to create designated space for vendors and improve conditions primarily in crowded neighborhoods of new arrivals where pushcart markets had risen to prominence.⁷

The current regulatory environment for vendors began in the wake of the City's financial crisis of the 1970s—when “general economic downturn coupled with an influx of new immigrants and counterculture youth led to an increased visibility of vending in the city.”⁸ During this time, general vending became increasingly popular, as the startup costs are typically lower than mobile food vending.

With the increased influence of business interest groups in the wake of the financial crisis, Mayor Koch pushed to limit the number of vendors and the locations available within the City for vending. Following Mayor Beame's initial Midtown vending location restrictions passed in 1977, Koch passed a cap on GV licenses.⁹ The cap—set at 853—is still in place today. The cap on MFV permits followed in 1983 and was set higher at 3,000.¹⁰ In the 1990s, Mayor Giuliani's administration limited the allowed zones of vending within the City, proposing to close off most of the Financial District and large swathes of Midtown Manhattan.¹¹

Though vending regulations have become generally more restrictive over the past century, in multiple instances legal challenges have lifted vending caps for specific subsets of vendors. In 1990, a group of veterans sued the City citing a state law meant to benefit veterans returning from the Civil War by granting them the right to vend without restriction.¹² The legal challenge ultimately won unlimited GV licenses for veterans in the City. Additionally, in 1995, a group of visual artists sued the City, claiming that city restrictions on vending violated free speech protections in the state and federal constitutions. The legal challenge ultimately created unrestricted vending for vendors selling “expressive materials” such as books, music, and artwork in the City, protecting the ability of First Amendment Vendors to operate without licenses or permits.¹³

The cap on food vendor permits has also expanded since the initial caps to include a subset of 100 permits available specifically for veterans or individuals with disabilities and, separately, 1,000 temporary or seasonal permits. With the goal of bringing fresh produce to ‘food deserts,’ the City introduced 1,000 additional produce permits, also known as Green Carts, in 2008, during Mayor Bloomberg's administration.

Another reform came in 2021, when the City Council passed Local Law 18 to expand food vending through creating a supervisory license system, meant to cut down on the practice of illegal permit leasing that has been common among vendors due to the scarcity of legal permits. The law established a system to issue up to 4,450 supervisory license permits by 2032.

of vendors are distinguished by the category of products sold. GVs sell merchandise; MFVs sell prepacked food, prepared food, and produce; and First Amendment Vendors sell “expressive materials” such as art, music, books, magazines, and pamphlets.

Though the number of legal MFVs and GVs is limited through permit/license caps, First Amendment Vendors are constitutionally protected and thus cannot face permit/license caps. First Amendment Vendors must still remit sales tax and adhere to the same location/siting regulations as GVs. IBO’s analysis addressed the fiscal impact of allowing for unlimited permitting of GVs and MFVs. Any vending that is already unlimited—First Amendment and Veteran General Vendors—was excluded from IBO’s analysis.

Licensing and Permit Caps: Mobile Food Vendors. The City’s regulation of Mobile Food Vending is highly complex, with multiple permit types and license types that each have specific requirements. The City is also currently in the process of implementing reforms passed in 2021, which bring new levels of complexity to the food vending license and permit structure. Most permitted food vendors in operation today vend under the older permitting system; the new permitting system will fully phase in by 2032.

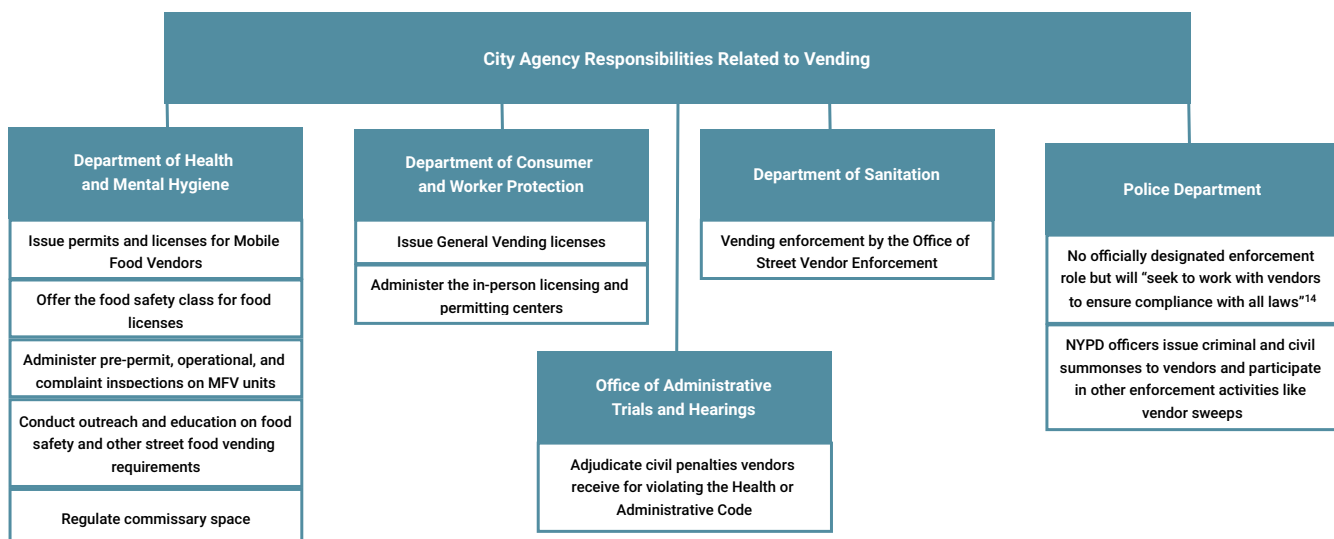
Prior to the enactment of Local Law 18 in 2021, the City issued six different types of MFV Permits: Citywide, Temporary/Seasonal, Borough-Specific, Fresh Fruit and Vegetable (Green Cart), Restricted Area, and Specialized Disabled Veteran Vendor. Most of these permits allow vendors to operate in specified spaces within the City, and some permits are only available to certain categories of vendors—for example, military veterans and persons with disabilities.

Importantly, MFV permits are different from MFV licenses. An MFV permit is required for a vendor to operate a food vending unit legally, whereas a license is required for an individual to handle and sell food legally in the City. Unlike MFV permits, there is no cap on the number of MFV licenses issued by the City. A license-holder may legally work in a food vending unit without holding an MFV permit, as long as the unit has an associated permit-holder. Some MFV license-holders work for other vendors while they wait to receive an MFV permit from the City. As a result, the number of MFV licenses is about three times higher than the number of MFV permits.

Local Law 18 changed the landscape of MFV permits and licenses, creating a new license and permit framework. Under the law, the vendor must first receive a supervisory license, which then entitles them

Figure 1

City Agencies Involved in Street Vending



SOURCES: DCWP, DOHMH, DSNY, NYPD, and OATH data

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to apply for a supervisory license permit. In the new system, a food cart or truck with a supervisory license permit must have a supervisory licensee physically present on the unit during business operation. Under the reform, all individuals with a supervisory license are entitled to apply for a supervisory license permit. DOHMH will issue 445 supervisory license applications annually for 10 years until 2032, eventually increasing the total number of MFV permits by up to 4,450.¹⁵

Unlike the older borough-specific MFV permits, which confine vendors to a specific borough outside Manhattan, supervisory license permits allow individuals to vend in any borough outside Manhattan. DOHMH now only issues Borough-Specific MFV Permits upon renewal.

Licensing and Permit Caps: General Vendors. For GVs, the City issues three subtypes of licenses: White, Yellow, and Blue. These subtypes were created by the State Legislature in the 1990s, in response to the legal challenge which provided unlimited GV licenses for veterans. Blue and Yellow licenses are only available to service-disabled veterans and offer expanded vending locations in the City. The 140 Blue licenses are the most coveted, as Blue license-holders are the only merchandise vendors allowed to operate within Midtown Manhattan. GV White licenses are capped at 853 and are available to any individual regardless of military service status. Figure 2 provides a comparison between GV and MFV regulations.

Other Types of Vending. To vend within city parks, vendors participate in the competitive bidding and proposal process that is managed and regulated by the New York City Department of Parks and Recreation. Vendors within city parks are considered “concessions” and receive permission to vend on park land through entering permitting/licensing agreements with the Parks Department. Such agreements often specify the location where the vendor can be within a park.

Figure 2

Overview of Street Vending Regulations (General and Mobile Food Vending)

	General Vending	Mobile Food Vending
Goods Sold	Merchandise	Prepared food, prepackaged food, produce
Legal Permission	GV license	- MFV permit or supervisory license permit (by cart/unit) - MFV license or supervisory license (by individual)
Primary Regulating City Agency	Department of Consumer and Worker Protection (DCWP)	Department of Health and Mental Hygiene (DOHMH)
Cap on Number of Vendors	853 GV licenses <u>Unlimited for veterans</u> Total = 853 + veteran licensees ** Subtypes: Blue, White, and Yellow licenses	Citywide permits: 2,800 Borough-Specific: 50 each, excluding Manhattan Disability/Veteran Specialized: 100 Seasonal/Temporary: 1,000 <u>Green Cart: 1,000</u> Total = 5,100 ** Plus 445 new supervisory license applications issued by DOHMH each year (2022-2032) ** Unlimited “Restricted Area Permits” available to vend on private property and no limit on number of specialized disabled veteran vendor permits
Wait List (as of October 2023)	10,992 for non-veteran licenses	9,878 individuals on at least one waitlist
Total Number Active Legal Vendor Units	1,844 active licenses 775 non-veteran 1069 veteran As of October 2023	3,805 active units 3,755 active permits 50 supervisory license permits As of December 2023

SOURCES: DCWP and DOHMH data, and September 27, 2023 letter from Mayor Adams to City Comptroller

NOTE: Despite the legal cap of 1,000 Green Cart Permits, as of October 2023 only 220 permits were active within the city.

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Importantly, General and Mobile Food Vendors are prohibited from operating within city parks regardless of whether they possess a license/permit for vending elsewhere within the City. In the case of recent high-profile vendor sweeps in Sunset Park, the siting restrictions—not the permit and license cap—prohibit vending.¹⁶

Finally, to sell food or merchandise at city-authorized street fairs, block parties, or festivals, vendors must receive a Temporary Street Fair Permit (merchandise) or a Temporary Food Service Establishment Permit (food) and register with the authorized event where they plan to vend. Such permits are, in theory, unlimited—though they must be associated directly with a city-authorized event.

Data on Street Vendors

Reliable data on street vending is scarce. Because many street vendors operate outside the formal economy, there is little, if any, official government data on the income or profitability of street vendor businesses. While city agencies do have detailed information on current permit- and license-holders, the city government does not collect data on unpermitted vendors. There is no official headcount of street vendors in New York City, though an oft-cited estimate is about 20,000.¹⁷

The most detailed information on the street vendor landscape in New York City likely comes from Street Vendor Project (SVP), a non-profit organization of street vendors and advocates. In 2021, SVP conducted a survey of over 2,000 street vendors and collected information about their income and business expenses, both before and during the Covid-19 pandemic. The survey also collected demographic information such as age, country of birth, immigration status, as well as data on vendor permit status. Respondents included MFVs, GVs, and First Amendment Vendors; both permitted and non-permitted vendors are represented in the sample.

This data was generated from a survey sample and not a complete census of street vendors. If the estimates of 20,000 vendors citywide are accurate, then this survey covers about 10 percent of street vendors in 2021. The data likely overrepresents individuals who had a prior connection to SVP and may underrepresent vendor groups that are less prominent in SVP's membership—such as food trucks, veterans, and high-earning franchised vendors. Nevertheless, the SVP survey is likely the most comprehensive collection of data from the recent population of street vendors in New York City. IBO utilized the Street Vendor Project dataset. (The use of this dataset in no way implies that IBO supports or opposes SVP's advocacy agenda. For more details on this dataset, see the Appendix, which discusses IBO's methodology in more detail.)

The city agencies that oversee food vending (DOHMH) and general vending (DCWP) maintain waitlists of individuals who may be interested in applying for vending permits when permits become available. DCWP maintains the waitlist for GVs; its length as of October 2023 is 10,992 individuals. This list has been closed and has not accepted new applications since 2016.

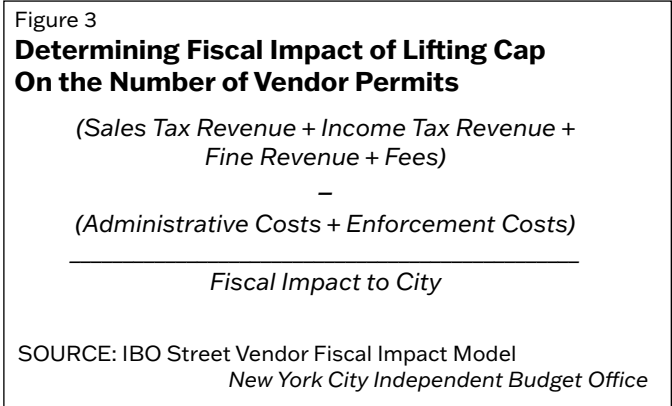
For Mobile Food Vendors, DOHMH has maintained several different waitlists for different food vendor categories. Following Local Law 18 requirements, DOHMH created new supervisory license waitlists. DOHMH compiled the current list by including individuals that met at least one of two criteria: first, individuals who were previously on a DOHMH MFV waitlist, and second, individuals who had continually held food handling licenses since March 2017 but have not had a permit to operate their own vending unit. The current DOHMH list contains 9,878 individuals as of October 2023.

Notably, the DOHMH waitlists for citywide and non-Manhattan supervisory licenses have never been open to the public and the GV waitlist has not been open in seven years.¹⁸ These waitlists may be undercounts of all individuals in the City who are interested in vending—though presumably not all individuals on a waitlist would choose to apply for a permit or meet the qualifications for a permit, if the permit cap were lifted. Nevertheless, these two waitlists offer the clearest detail of the potential scale of additional street vendors in the event of broad liberalization of vending permits.

Fiscal Impact of Lifting the Cap on the Number of Street Vending Permits for New York City

Revenue and Expense Considerations. For the City, the fiscal impact of removing the cap on street vendor permits consists of the sum of new revenue and registration fees received by the City because of permitting additional vendors, less the costs incurred by the City to license, permit, and inspect the additional permitted vendors (see Figure 3). The actual fiscal impact depends on the number of vendors that successfully become permitted following the removal of the permit cap.

Unfortunately, there is no precise indication of the demand for new permits that would follow the elimination of permit caps. On one hand, there is clear demand for additional permits—both from anecdotal accounts of street vendors reported in the media and from the fact that some food vendors are willing to pay tens of thousands of dollars a year to lease valid permits from existing permit-holders via the informal market. On the other hand, it is impossible to say in advance how many currently unpermitted vendors would apply for permits as opposed to continuing to vend without a permit, even if the cap were eliminated. There are costs associated with applying for a vending permit, and some vendors may choose to remain unpermitted even if it were administratively possible to join the formal market.



Creating an Incremental Fiscal Impact as a Baseline. First, IBO estimated the net increase in revenue for the City if 10 percent of both vendor waitlists applied for and were awarded new permits. For reference, 10 percent of the MFV waitlist is equal to 988 food vendors, and 10 percent of the GV waitlist is equal to 1,099 vendors. At this baseline, authorizing 10 percent of the Mobile Food Vendor waitlist to vend would yield \$2.6 million in new revenue for the City, while 10 percent of the General Vendors would yield \$3.3 million, for a combined total of \$5.9 million in net new revenues. Referring to the 10 percent estimates in Figure 4, readers can develop scenarios that they think are realistic based on what scale of new vendor permits they believe would result from eliminating the current caps. For example, if a reader believes that eliminating the permit cap would lead to 50 percent of the current waitlists becoming permitted, the reader can multiply IBO’s 10 percent estimates by five to arrive at a new estimate.

IBO’s analysis found that, overall, the fiscal impact of new GV licenses and new MFV permits would be positive, yet small compared to the City’s total \$110.5 billion budget. IBO also found that the fiscal

Figure 4

Fiscal Impact from 10 Percent of Current Waitlists Becoming Permitted Vendors

	Mobile Food Vendor	General Vendor	Total
Number of New Vendors	988	1,099	2,087
Sales Tax Revenue	\$1,700,000	\$1,900,000	\$3,600,000
Income Tax Revenue	2,100,000	700,000	2,800,000
Fines	20,000	20,000	40,000
Fees	770,000	220,000	990,000
Administrative Costs	(1,270,000)	(200,000)	(1,470,000)
Total Fiscal Impact	\$3,300,000	\$2,600,000	\$5,900,000

SOURCES: IBO analysis of DOHMH, DCWP, OATH and Street Vendor Project data
NOTE: Totals may not sum due to rounding.

New York City Independent Budget Office

impacts of the two permit types would not be equal. Since MFV vendors require food safety training and additional inspections, it costs more for the City to administer MFV permits than GV licenses. As a result, a marginal GV license would have a greater net fiscal impact than a new MFV permit. The following sections on revenues and expenses include further discussion of estimated revenues and costs associated with eliminating street vendor permit caps.

Two Example Scenarios for Permit Demand. To illustrate two possible outcomes of eliminating the cap on street vendor permits, IBO developed two scenarios. These scenarios draw from IBO's fiscal impact baseline above, which estimates the fiscal impact of 10 percent of the current vendor waitlists becoming permitted. In the lower-demand scenario, new MFV permits and GV licenses equaled 40 percent of the permit waitlists. In the higher-demand scenario, new permits and licenses equaled 80 percent of the current waitlists. Figure 5 shows the net fiscal impact the City would experience under each scenario, according to IBO's estimates.

These scenarios are two of many possible outcomes. Different readers will have different assumptions for what they believe is an appropriate estimate of how many street vendors would become permitted if there were no permit caps. It is worth noting that, even under an assumption of strong uptake of permits by street vendors, the net fiscal impact to the City would be small relative to the City's overall budget; although the overall fiscal impact does not necessarily capture the financial impact that lifting the cap may have for individual vendors.

Street Vending Revenues

New tax revenue would be the largest source of new revenue from increasing the number of permitted street vendors. On average, new MFV permits would lead to more new income tax revenue than sales tax revenue, while new GV licenses would generate more sales tax than income tax. This discrepancy reflects the fact that GVs tend to earn lower income than MFVs, and therefore many GVs earn too little income to necessarily owe income tax. Meanwhile, most vendors sell items on which sales tax must be collected, tracked, and remitted to the City and State. Newly permitted vendors would also lead to increased revenue from fines. (For example, this may include fines for not following food handling protocols or vending in prohibited locations). Finally, new vendor permits would generate additional fees from the permitting process.

Figure 5

Two Potential Scenarios for New Vendor Permits If Cap Were Eliminated

	Lower-Demand Scenario 40 percent of Waitlists Become Newly Permitted		Higher-Demand Scenario 80 percent of Waitlists Become Newly Permitted	
	Mobile Food Vendor	General Vendor	Mobile Food Vendor	General Vendor
Number of New Permits	3,951	4,397	7,902	8,794
Sales Tax	\$6,600,000	\$7,600,000	\$13,200,000	\$15,400,000
Income Tax	8,300,000	2,700,000	16,700,000	5,300,000
OATH Fines	100,000	100,000	200,000	200,000
Fees	3,100,000	900,000	6,200,000	1,800,000
Admin Costs	(5,100,000)	(800,000)	(10,200,000)	(1,600,000)
Fiscal Impact	\$13,000,000	\$10,500,000	\$26,100,000	\$21,100,000
Total Fiscal Impact	\$23,500,000		\$47,200,000	
Total Number of Permitted Vendors	14,341		22,689	

SOURCES: IBO analysis of DOHMH, DCWP, OATH, and Street Vendor Project data.

NOTE: Totals may not sum due to rounding.

New York City Independent Budget Office

Sales Tax. Using vendors' reported annual profits and business expenses from the SVP survey data, IBO found that an increase in street vendor permits equivalent to 10 percent of the current waitlists would generate \$3.6 million in new sales tax revenue. In this estimate, IBO excluded MFVs that primarily sell produce, as fresh fruit and vegetables are not subject to sales tax. IBO's sales tax estimates factor in a level of non-compliance, based on estimates from the Internal Revenue Service on cash-based sole-proprietorship businesses. For more details, see methodology discussion in the appendix.

Income Tax. To calculate the effect of new vendor permits on income tax revenue, IBO used reported profits in the SVP survey. IBO considered "profits" in the survey as a stand-in for "income," because most street vendors are sole proprietors. An increase in street vendor permits equivalent to 10 percent of the current waitlists would create about \$2.8 million in new income tax revenue for the City. Most of this new revenue—\$2.1 million—would come from food vendor permit-holders, for two reasons. First, MFV operations earn higher average annual profits than GV (\$40,000 compared with \$30,000). Second, IBO assumed that each MFV permit has a multiplier effect on the number of street vendor food workers in a way that we cannot observe for GVs. MFV licenses are required for all street vendors who work with food, both permit-holders and other street-based food workers. For example, an owner of a permitted cart must have a license, as well as all employees. Based on the ratio of current MFV licenses to MFV permits—about 3:1—IBO assumed that each MFV permit would generate additional employment beyond the individual permit-holder. As a result, IBO estimated higher income tax from increased MFV permits than from increased GV licenses. IBO's income tax estimates also factor in a level of non-compliance.

Fine Revenue. The City collects civil fines from vendors after the Office of Administrative Trials and Hearings (OATH) adjudicates civil summonses.¹⁹ Recorded fines can vary from \$25 to \$1,000 depending on the severity of the violation. Using OATH data, IBO estimated that each additional permitted vendor would result in roughly \$22 in civil fine revenue, with MFVs paying on average \$24 per vendor and GVs paying \$17. For every 10 percent of vendors on the waitlists added, IBO predicted roughly \$40,000 in new revenue from fines.

Additionally, there are criminal summonses issued to vendors, which are discussed in the enforcement section of this report. IBO estimated that adding more permitted vendors would be likely to affect civil summonses and does not expect substantial additional criminal summons revenue from additional permitted vending.

Uncollected Fine Revenue and Fine Forgiveness. Currently, vendors must pay any outstanding fines to the City before being eligible to receive a license or permit. IBO's analysis of the profits reported in the Street Vendor Census indicates that most unpermitted vendors have modest earnings compared to permitted vendors. For unpermitted vendors seeking to legalize, having outstanding fines owed to the City may be a barrier and could affect the number of individuals who would convert from the informal to formal market.

The City could choose to pursue civil fine forgiveness for vendors on a one-time basis. IBO estimated that uncollected vending-related fines total over \$780,000, which includes all fines assessed since 2013. From 2018 through 2022, roughly 38 percent of all vending-related civil fines went unpaid. The most common type of civil summons issued to vendors was related to vending in a place where vending was not allowed followed by a vendor not having the proper license or permit. Importantly, it is unclear how much of this uncollected revenue would realistically be collected if it is not forgiven. For that reason, and because this cost is optional, the cost of fine forgiveness was not factored into IBO's overall fiscal impact analysis.

Also, "ghost fines"—fines owed by an individual who is not a real identifiable individual—are believed to be common in civil penalty data. Such uncollectable fines may be more common for vending because unpermitted vending is one of the limited options for individuals who face barriers to entering the formal economy.

Additionally, unpaid fines resulting from civil summonses eventually transfer from OATH to the Department of Finance (DOF), which can collect interest and additional fines on unpaid sums. This would suggest a higher total of uncollected fines—though by the time revenue from unpaid vendor fines reaches DOF for collections, IBO assumes this revenue is likely not revenue the City would realistically ever receive.

Administrative Fees. In the process of awarding new permits to food and merchandise vendors, city agencies would collect fees. Fees should be set at rates high enough to cover the costs of administering the licenses, but not so high that they can be considered as a new revenue source. Nevertheless, fees from newly permitted vendors would represent additional new money coming into the City that would at least partially account for the costs of administering the additional licenses.

Under the current fee structure, MFV fees depend on three factors: first, whether a vendor holds a permit and a license or just a license; second, what kind of food the vendor wants to sell; and third, whether the license is a supervisory license. MFV permit-holders pay between \$15 for a seasonal permit to sell pre-packaged food and \$200 for a full-term permit fee if food is prepared on-site. The food vendor license has a \$50 fee for a first-time license and a \$60 fee upon renewal. Each license-holder must take a mandatory food protection course—which costs \$53—once before receiving a license for the first time. For the supervisory license, the new license category established by Local Law 18, the fee is \$0 on issuance and \$438 every two years thereafter. The supervisory license permit has the same fee structure as full-term permits prior to Local Law 18 (which cost up to \$200 for a two-year term).²⁰

GV licenses expire on September 30 of every odd year, so they are eligible for a maximum of two years. Permit fees range from \$50 to \$200, depending on the length of time until the next expiration date.

IBO's analysis found that, for each 10 percent of the combined waitlists that become permitted vendors, the City would receive about \$1 million in additional licensing and permitting fees. This calculation assumed a continuation of the supervisory license fee structure established by Local Law 18.

Street Vending Expenses

DOHMH and DCWP—tasked with administering mobile food vending and general vending, respectively—would both require additional resources if the number of vendor permits were to increase. The administrative costs of additional MFVs are notably higher than adding GVs. Unlike administrative costs, which are directly tied to the number of permitted vendors in the City's legal vending system, enforcement costs are determined by the law enforcement agencies that oversee street vendors. These agencies likely make enforcement decisions based on the number of overall vendors in the City, regardless of permitted or unpermitted vending status. IBO assumed that increasing the number of permitted vendors would not necessarily lead to higher enforcement costs from DSNY and NYPD.

Administrative Costs. IBO estimated that the City would incur more costs per MFV added—\$1,286 per vending unit—than that for each GV added—\$179 per vending unit. For every 10 percent of the waitlist that received a new permit or license, the City would incur \$1.5 million in new administrative costs.

The difference in the cost of food and merchandise vending administration is largely due to the health code administration costs the City incurs for Mobile Food Vendors but does not incur for GVs. IBO estimated that DOHMH's permitting and licensing regimen is more costly to administer overall because it requires the permitting and licensing of Mobile Food Vendors, as well as the enforcement of the health code through inspections.

Enforcement Agencies. The City's approach to vending regulation enforcement has undergone several shifts in the past decade, including decriminalization and the reassignment of vending enforcement responsibilities

Figure 6

Costs to Administer Mobile Food Vendors and General Vendors

DOHMH Cost per Mobile Food Vending Unit	DCWP Cost per General Vendor
Permit: \$989 per permit \$716 inspection cost per unit + \$273 permit issuing costs per unit - Inspection cost factors in cost of potential repeat visit License: \$297 \$96 per license - Uses license multiplier assuming 3 licenses per new permit	License: \$179 issuance cost
Total = \$1,286 per vending unit added	Total = \$179 per license added
SOURCES: DCWP and DOHMH Agency Permitting and Licensing Fee Schedules <i>New York City Independent Budget Office</i>	

to several agencies. Prior to recent changes, NYPD was the primary city agency officially responsible for enforcing vending regulations, through the issuance of both criminal and civil tickets. NYPD is a uniformed agency with arrest and enforcement powers. The City's 2021 reforms created the Office of Street Vendor Enforcement (OSVE), which was then assigned to DCWP, a civilian agency. In April 2023, Mayor Adams transferred OSVE into DSNY.²¹ The transfer represented a return to using uniformed officers within the City to enforce vending regulations.

While additional permitting and licensing staff are inherent costs to increased permitted vending, the City's approach to enforcement is a discretionary policy decision. To this point, enforcement of vendors over the past decade has shifted significantly away from criminal ticketing and towards civil enforcement of vending regulations. The number of criminal summonses issued to vendors has gone from roughly 42,000 in 2010 to

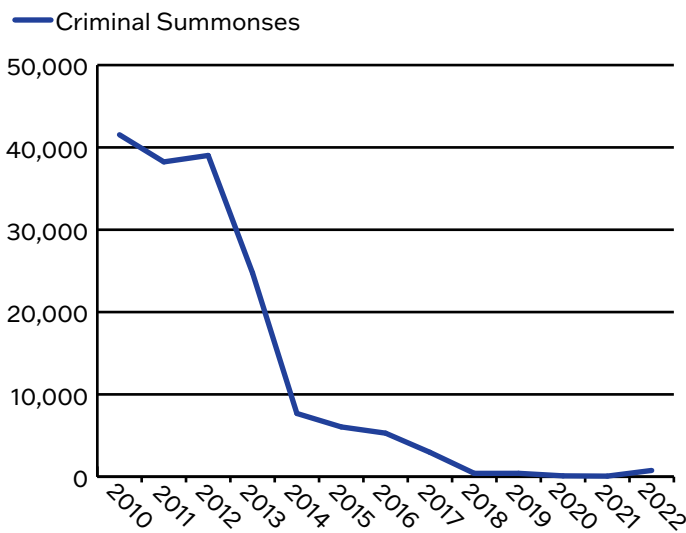
less than 800 in 2022, as shown in Figure 7. This is consistent with a citywide trend of shifting low-level offenses from criminal to civil summons, most notably through the City's 2016 Criminal Justice Reform Act. There is no indication that the vending practices and number of vendors in the City changed during this time; rather, such drops are accounted for by discretionary enforcement practices on the part of city enforcement agencies.

Potential enforcement actions against vendors include vendor sweeps, criminal or civil ticketing, inspections, and confiscations, only some of which result in a formal summons. DSNY and NYPD enforcement actions mainly rely on community complaint data for targeting vending enforcement—including 311, Community Boards, elected officials, and "major stakeholders."²² Though NYPD has no official role in the enforcement of vending, the agency's involvement is ongoing. According to the department, "the NYPD will seek to work with vendors to ensure compliance. Enforcement actions may follow if there is chronic non-compliance."²³ NYPD also noted that because the agency has no official role in vending enforcement, the amount of agency cost and resources spent on vending is not centrally tracked. Thus, though some enforcement costs are borne by NYPD, there is no tracked information available from the agency to determine what such costs may be or what the impact of a more permissive legal environment for vending would be on NYPD enforcement costs.

Enforcement Costs. Additional enforcement costs are not necessarily anticipated should the City move to create a more permissive legal vending environment. IBO assumes that most of the initial entry to permitted vending would be individuals who are already vending without permits; this switch would not likely generate additional enforcement costs, because law enforcement officers are already employing a set amount of resources to monitor and enforce the existing vendor population. The City could decide to increase law enforcement spending targeted at vendors, but that would not necessarily result from eliminating the cap on street vendor permits.

DSNY is the primary agency responsible for enforcing street vending regulations in the City and does so through the designated OSVE. DSNY currently has \$2.9 million budgeted for OSVE, and a budgeted headcount of 40 employees, as of the Fiscal Year 2024 Adopted Budget. The budget is set to increase to \$4.7 million by fiscal year 2027.

Figure 7

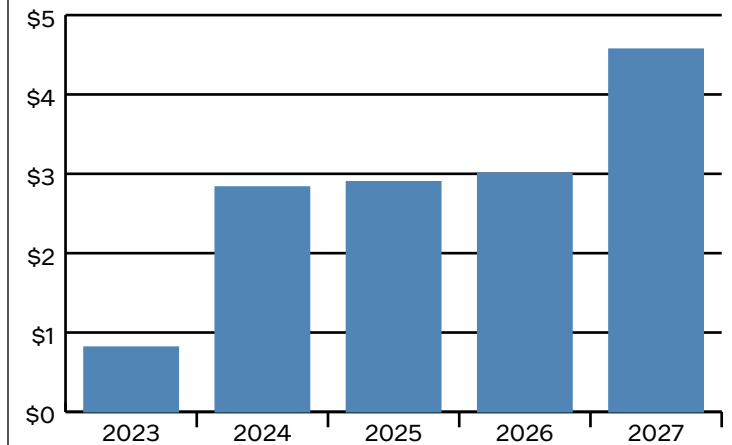
Criminal Summonses for Vending

SOURCE: NYPD Criminal Summons data
New York City Independent Budget Office

Figure 8

Department of Sanitation Enforcement Costs

Dollars in millions



SOURCE: New York City Department of Sanitation data
New York City Independent Budget Office

Economic Impact

The main economic impact of removing the cap on vendor permits and licenses would come from formalizing the economic activity of currently unpermitted street vendors. If an unpermitted vendor gains a permit, the vendor will be required to pay taxes on income and business revenue that is currently not taxed.

Bringing vendors into the formal economy would also likely generate slightly higher GDP for the City, since their business income would now be counted rather than unreported. The effect would be small; if 100 percent of both waitlists were to gain permits, IBO expects that the effect on New York City's GDP would be an increase of about \$17 million, or 0.0042 percent.²⁴

Any broader economic impact from this policy would depend on whether it inspires people to begin street vending instead of choosing to participate in other sectors. To address this question, IBO reviewed academic literature that explores what factors lead to growth in street vending and other informal markets both in the United States and in other countries. Most academic literature concludes that participation in the informal economy is driven mainly by macroeconomic factors (such as limited access to other job opportunities), cultural factors, or both, rather than the licensing structure in a municipality. Because of this, IBO does not expect that eliminating the cap on vendor permits would lead to many additional people choosing to become street vendors.

Among academic literature on the topic, Hassan and Schneider (2016) claim that, globally, participation in the informal economy is driven by high tax burden, high regulatory burden, high unemployment rate, high self-employment rate, and poor quality of local institutions.²⁵ Al-Jundi et al. (2022) conclude that poverty, lack of education, immigration status, lack of employment prospects, and lack of access to finance are the primary forces that drive people to choose to be street vendors.²⁶ Kelmanson, Kirabaeva, and Medina (2021) point out that in developed economies, macroeconomic factors may be more important than institutional factors when predicting the size of the informal market.²⁷ Other studies note that some vendors are willing to accept lower business scale in exchange for avoiding the costs of formalization, including onerous tax declarations and time-intensive licensing processes (Bromley 2000, Recchi 2020, Pileri 2021).²⁸

Although IBO expects that the broad economic impact of removing vendor permit caps would be modest, the policy could have significant positive effects for individual vendors—particularly those who spend tens of thousands of dollars a year on leasing a permit from a current permit-holder. If vendors in this position could instead secure a city-issued permit for the notably lower cost of the City's licensing fee, they could increase their annual profits by thousands of dollars. It is also possible that acquiring a permit could allow vendors to access capital markets in new ways, potentially leading to new business expansion and higher incomes for street vendors. Similarly, should newly permitted vendors have more profitable businesses, they may use fewer public benefit resources or invest some of their new earnings into the local economy. All these scenarios, however, are impossible to model in any way beyond speculation, due to the lack of data.

Conclusion

This report explores the potential fiscal impacts of eliminating the caps on GV and MFV permits issued by New York City. IBO's analysis predicts that the overall fiscal impact of eliminating vendor permit caps would be positive but small. Compared to the total city budget, currently set at \$110.5 billion, the potential new revenue from adding street vendor permits is not large. Permitting more street vending, however, would likely have a major impact for participants in the industry currently operating without permits due to the capped number of authorized permits.

The scale of this policy's fiscal impact depends on the number of street vendors who choose to become permitted. Since this number is impossible to predict accurately, IBO presents the expected fiscal impacts of 10 percent of the current GV and MFV waitlists choosing to become permitted. Readers can build their own fiscal impact estimates based on their assumptions for how many street vendors would choose to get permits if there were no limits on applying.

Lastly, if the City were to raise the caps on the number of vending permits and licenses, it would not unilaterally address the challenges that street vendors face. To operate fully within the law, street vendors must avoid many streets across the City. If vendors fail to comply with complicated rules about where they vend, they may be penalized with steep fines. Permitted food vendors must use city-licensed commissary locations to store and clean their units; however, limited commissary space may make it difficult to follow this regulation. Also, any outstanding fines would make a street vendor ineligible for a permit, under current rules. Therefore, while lifting the cap on permits and licenses would likely benefit many vendors and provide a positive fiscal impact to the City overall, it is unlikely to immediately bring all street vendors into the formal economy.

Appendix: Methodology

Street Vendor Project Survey Data

IBO received data from the Street Vendor Project (SVP) containing the results of an extensive survey administered to 2,060 vendors. This survey is the only known survey of its kind both in scale and level of detail on individual vendors in New York City. Because of a lack of comparable data on the informal economy of street vending, IBO chose to assume that the sampling of vendors within the survey data was representative of the overall vending population within the City, for the purposes of this analysis. IBO was not involved in the collection or verification of the data, but considers it likely the best available information on an otherwise-unquantified industry sector. As stated previously, the use of this dataset in no way implies that IBO supports or opposes SVP's advocacy agenda.

It is likely that the SVP data overrepresents individuals connected with the Street Vendor Project's organizing in the City and underrepresents vendor types who tend to be less involved in the organization such as high-earning vendors and franchised food trucks.

The survey data was collected in 2021, which was a year highly affected by the Covid-19 pandemic. Vendors reported profits from both before and during the pandemic in the summer and winter. The business expenses, however, were only reported in one variable, and vendors did not have the option to report changes in their business expenses from before and after the pandemic or on a seasonal basis. IBO considered the pre-pandemic vending numbers to be more aligned with the current state of vending in New York City, but also recognized that central business districts have not reached the same weekday occupancy and foot traffic as prior to the pandemic.

Vendors estimated their profits and business expenses in ranges. IBO used the midpoint of the range for our calculations. In calculating annual profits, IBO assumed six months of winter profits and six months of summer profits for each year. Annual revenue was calculated by adding the annual business expenses to the annual profits both before and during the pandemic for each individual vendor.

IBO included Restricted Area Permits for MFVs in our calculation of costs and revenue under the current permitting system. Restricted Area Permits require vendors to have a lease agreement with a private property owner; the vendor cannot vend widely within the City. IBO assumed that fine revenue, fees, and administrative costs included Restricted Area Permits and thus incorporating them into overall permit numbers in the model results in more accurate estimates of cost and revenue per vendor. Currently there are roughly 358 Restricted Area Permits. These permits are unlimited and not represented in the 5,100 vending permit cap for MFVs.

Sales Tax Revenue

To calculate the effect of new vendor permits on sales tax revenue, IBO started with vendors' reported annual profits and business expenses, from the SVP survey. IBO summed the reported profits (for six months of winter and six months of summer) and business expenses for each vendor to reach an estimate of total business revenue for each vendor. IBO then estimated average annual revenue for all vendors and for each vendor category: MFV and GV. Because the SVP survey data asked for vendors' profits and expenses in 2019, IBO adjusted business revenue figures for inflation from June 2019 through September 2023 using the Consumer Price Index in the New York-Newark-Jersey City metropolitan area.

To determine total sales revenue received by new vendors, IBO multiplied the average revenue estimate for each vendor type by new vendors equivalent to 10 percent of that vendor type's waitlist. Because many food vendors sell produce, which is not subject to sales tax, IBO then adjusted the vendor revenue estimate to remove greengrocer vendors. According to the SVP survey data, 25 percent of mobile food vendors list "produce" as their primary fare, and 27 percent of MFV revenue accrues to food vendors who specialize in produce sales. Taking the average of these two percentages, IBO decreased the total food vendor sales by 26 percent to account for the sale of sales-tax-exempt items. IBO then applied the local sales tax rate of 4.5 percent to determine the amount of new sales tax revenue received by the City. IBO's model assumes that vendors will continue to have a similar distribution of sales revenue as the number of permitted vendors grows.

Finally, according to research by the United States Internal Revenue Service (IRS), tax evasion by cash-based sole proprietorships is widespread. The IRS has estimated that sole proprietors evade paying taxes on up to 57 percent of their cash sales.²⁹ With no further clarity on the rate of tax noncompliance by street vendors, IBO assumed that street vendor tax noncompliance will fall at the midpoint between 0 percent and 57 percent. Therefore, IBO's estimate of expected sales tax revenue was decreased by 28.5 percent.

Income Tax Revenue

To calculate the effect of new vendor permits on income tax revenue, IBO began by looking at the reported profits of all vendors who reported non-zero profits in the SVP survey. IBO considered "profits" in the survey as a stand-in for "income," because most street vendors are sole proprietors, and their business profits will equal personal income.

Based on vendors' reported profits/income, IBO arranged each vendor into the appropriate 2019 personal income tax bracket. For the purposes of these calculations, IBO assumed that all vendors would file income taxes as single filers or as married filing separately. This approach is meant to approximate the average income tax liability for individual street vendors in New York City, because the SVP survey did not capture information on spousal income. IBO then subtracted the standard deduction of \$8,000 from each vendor's income to arrive at a figure of taxable income for each vendor. Based on income tax brackets, IBO applied the appropriate income tax rate to each vendor's taxable income to determine individual and average income tax liabilities for street vendors in 2019.

IBO then determined how many people are represented by 10 percent of the vendor waitlists. To find the number of total MFV workers expected from these new permits, IBO found the ratio of MFV license-holders to MFV permit-holders (3.09). Because individuals are allowed to work at a mobile food cart after receiving a MFV license (even if they do not hold a permit), IBO assumed that the ratio of MFV license-holders to MFV permit-holders would stay the same in a scenario in which the cap on permits were lifted. Therefore, on average the total number of new income taxpayers for any additional MFV permit would be just over three people. IBO's income tax calculations account for this observed employee multiplier effect from MFV permits.

IBO then multiplied the average vendor income tax liability calculated above by 10 percent of the GV waitlist and by 10 percent of the MFV waitlist, with the MFV waitlist scaled up to account for additional workers as discussed above.

IBO accounted for the fact that certain percentages of city street vendors will live outside the City, and therefore will not pay New York City income tax. Based on the combined street vendor waitlists, IBO estimated that about 3.5 percent of GVs and 14.3 percent of MFVs live outside New York City. IBO adjusted the income tax estimates downward to account for non-resident vendors.

IBO used the Consumer Price Index for all items in the New York-Newark-Jersey City metropolitan area to adjust the average income tax liability for inflation from June 2019 through September 2023. IBO's model assumes that vendors will continue to have a similar distribution of profits and income tax liability as the number of permitted vendors grows.

Finally, as with sales tax, IBO's income tax estimates account for a certain amount of tax noncompliance. Again, based on IRS estimates of tax noncompliance rates by cash-based sole proprietorships, IBO assumes that street vendors will underreport their revenues and profits by 28.5 percent when filing income taxes. As a result, expected income tax revenue was adjusted down by 28.5 percent.

Fine Revenue

IBO's calculation of fine revenue was based on civil summons fine data provided to IBO by OATH. The fine data spanned from January 2013 through September 2023 and included separately provided files for food vendor, health, and GV violations. The Health Code Violations were for all health violations over the past 10 years. IBO reviewed each violation type and selected those that appeared to pertain to vending.

First, any fines recorded with negative values in balance due or balance paid were removed from the data. IBO looked first at the types of violations that were most common in the data, before adding up the total paid and unpaid balances and dividing them by the number of current permitted vendors in the City. The number of current permitted vendors was based on how many active licenses and permits there are, not permit caps. This is because there is some turnover and delay within the agencies so not all permits/licenses are active at any given time.

IBO's fine revenue estimates may have undercounted health violations by vendors. Since there is no way to know what percentage of general violations were from mobile food vendors, IBO assumed that only vending-related health violations were revenue-generating. There could be small fine revenue growth in other general health code violations as a result of a more permissive legalization regimen.

Mobile Food Vendor Fees

To calculate total fees from MFV permits and licenses, IBO found the average fees collected from MFV permits and licenses during fiscal years 2018, 2019, and 2022. IBO did not include 2020 or 2021, because they were low outliers following the COVID-19 pandemic. The average fees collected in the years studied was about \$960,000.

Because this figure contains fees from both MFV permits and licenses, IBO disaggregated the fees collected from each of these categories.

There are currently 16,806 active MFV licenses. Since these licenses need to be renewed every two years, IBO modelled that about 8,403 MFV licenses will be renewed each year. When a vendor first applies for a food vending license, the vendor must pay the \$50 license fee as well as a \$53 fee for a food safety training course, or \$103 total. Based on the long-term average number of new food vendor licenses granted in the six years before the pandemic (from 2014 through 2019), IBO estimated that about 8 percent of food license grantees would pay the first-time license price in a given year. The remaining 92 percent of vendors in a given year would pay the license renewal fee of \$60. Therefore, IBO assumed that the total average license fee paid per vendor would be \$63.52, a weighted average of the two fee amounts above. The total annual license fees—8,403 licenses times \$63.52 per license—equals about \$530,000. For 10 percent of the MFV waitlist, IBO multiplied the expected fee per license by the expected number of additional license-holders that would be generated by 10 percent of the MFV waitlist becoming permitted.

After subtracting license fees, the remainder of the total MFV fees in an average year would be about \$420,000. This amount represents the total fees from MFV permitting in an average year. IBO then divided the MFV permitting fees by the total number of MFV paid permits (4,113) to reach an estimate of average annual fees per MFV permits collected by the City. The estimate is \$102.90, about half of \$200, which is the highest vendor permit fee. IBO multiplied this fee estimate by 10 percent of the MFV waitlist to arrive at an estimate of additional fees from new MFV permits. IBO summed expected new fees from permits and expected new fees from licenses to calculate expected overall new fees if the number of MFV permits were to increase.

General Vendor Fees

IBO's calculation of expected GV fees relied on the current fee structure for GV licenses, which expire on September 30 of each odd year. The longest a GV license can be valid is two years. License fees range from \$50 to \$200, depending on how far away the next expiration date is. IBO assumed that most new general vendors would pay \$200 per license application or renewal in order to hold the license for the full two-year period. To calculate total expected fees from 10 percent of the GV waitlist becoming permitted, IBO multiplied the average fee per vendor by 10 percent of the GV waitlist.

DOHMH Administrative Costs

IBO relied on DOHMH budget and personnel data from fiscal year 2023 to calculate increased administrative costs. Administrative costs were assumed to be linear, increasing on a per vendor basis. Our administrative cost calculation per vendor was created by summing the cost of permit issuance, the cost of license issuance, and the cost of the health inspection. To the estimate cost of license issuance, we applied a permit multiplier of three to represent additional license issuance that would result from a single new permit. IBO assumed the administrative DOHMH staff costs to be evenly split between permitting and licensing. IBO divided the total annual personnel costs by the average number of permits issued each year and the average number of licenses issued each year which led to a permit cost of \$273 per permit and a license cost of \$96 per license.

To get the cost of the health inspection, IBO divided the permitting processing staff costs by the number of carts inspected each year, provided by DOHMH (about 4,200 unique units inspected). DOHMH pays intracity funds to DCWP to run the licensing centers. Such costs were factored in here as costs to DOHMH as they are costs for MFV permitting and paid to DCWP by DOHMH.³⁰ Importantly, without operational expertise on the software and behind-the-scenes processing of permits and licenses, it is impossible to know where economies of scale may exist in the permitting/licensing process. The potential existence of economies of scale may drive down the cost of processing per license or permit.

DCWP Administrative Costs

To calculate DCWP administrative costs, IBO relied on agency budget and personnel data from fiscal year 2023 and DCWP Open Data on licensing. IBO assumed a linear increase to personal costs per license issued.

IBO determined the cost of all GV licenses by multiplying the percentage of all licenses issued by DCWP for general vending by the cost of all license issuances for DCWP. That cost was then divided by the number of GVs to get the average cost per license.

Glossary

DCWP: The Department of Consumer and Worker Protection (DCWP) licenses more than 45,000 businesses in more than 40 industries and enforces key consumer protection, licensing, and workplace laws. The agency also conducts research and advocates for public policy that furthers its work. DCWP also issues GV licenses.

DOHMH: The Department of Health and Mental Hygiene (DOHMH) is responsible for public health along with issuing birth certificates, dog licenses, and conducting restaurant inspection and enforcement. DOHMH also issues MFV permits and licenses.

DSNY: The Department of Sanitation (DSNY) is responsible for garbage collection, recycling collection, street cleaning, and snow removal. The DSNY is the primary operator of the New York City waste management system.

Expressive Materials: Expressive materials include materials or objects with expressive content, such as newspapers, books or writings, or visual art such as paintings, prints, photography, sculpture, or entertainment. Expressive materials are allowed to be sold by street vendors under the First Amendment.

First Amendment Vendor: A First Amendment vendor is a person who sell newspapers, magazines, music, books, and art on the street. However, you still must abide by the City's many restrictions on where you put your table, and there are many streets where you cannot vend at all. You must also abide by the New York State tax law by getting a tax ID ("certificate of authority") and by collecting and paying sales taxes on what you sell.

General Vendor: A general vendor is a person that sells, leases, or offers to sell or lease non-food goods or services in a public space that is not a store.

General Vendor License: A General Vendor license is required for anyone that will sell, lease, or offer to sell or lease goods or services in a public space that is not a store. The maximum number of General Vendor Licenses that DCWP issues to non-veterans is limited by law to 853. DCWP's waitlist for non-veteran applicants is currently closed. The following individuals may submit an application for a General Vendor License: an individual with a valid waitlist number issued by DCWP; an honorably discharged veteran residing in New York State; or the surviving spouse or domestic partner of an honorably discharged veteran residing in New York State.

Mobile Food Vendor: A mobile food vendor is a person who sells food (or distributes it free of charge) from a mobile food vending unit in any public, private or restricted space.

Mobile Food Vendor License: The Mobile Food Vending License is issued to an individual who will prepare and/or serve food from a permitted mobile food vending unit (truck or pushcart). The license is issued by DOHMH as a photo ID badge. There are no waitlist to apply for the Mobile Food Vending License. All applicants for a Mobile Food Vending License must pass the Food Protection Course for Mobile Food Vendors before they are issued a license.

Mobile Food Vendor Permit: A mobile food vendor permit is documentation issued by DOHMH that qualifies a mobile food vending unit. The permit allows the mobile food vending unit to sell or distribute food legally. DOHMH is limited by law in the total number of street vending permits that may be issued. There are waitlists to apply for a permit unless you plan to operate a Restricted Area Food Vending Permit.

Mobile Food Vending Unit: A mobile food vending unit is a food service establishment within a pushcart or vehicle that is used to store, prepare, display, serve or sell food — or distribute it free of charge — for consumption in a place other than in or on the unit. Any such pushcart or vehicle is considered a mobile food vending unit, whether it's operated indoors or outdoors on public, private or restricted space.

NYPD: The Police Department (NYPD), officially the City of New York Police Department, is the primary law enforcement agency within New York City.

OATH: The Office of Administrative Trials and Hearings (OATH) is the City's central independent administrative law court; it is not part of the state court system. The OATH Hearings Division is the division of OATH that is responsible for holding hearings on summonses issued by a variety of City enforcement agencies.

OSVE: The Office of Street Vendor Enforcement (OSVE) is a dedicated vending law enforcement unit that exclusively enforces vending laws. OSVE was created as part of Local Law 18. Originally part of DCWP, the office was moved to DSNY when the Sanitation Department took over street vendor enforcement in 2023.

Restricted Area Permit: The Restricted Area Mobile Food Vending Permit authorizes mobile food vending on private property in a commercially zoned area or on property under the jurisdiction of the Department of Parks and Recreation and is exempt from the statutory limits which apply to public street vending. This permit type is exempt from the limits imposed on public street vending and does not require being on a waitlist. Examples of situations which qualify as "outdoors on private property" include: a private commercial parking lot; an outdoor shopping mall or shopping strip; a vacant fenced-in lot area; the area within a gasoline station. The sidewalk in front of someone's store is considered public space, not private property, and therefore does not qualify.

Endnotes

¹Stefanos Chen and Raúl Vilchis, “[They Make Some of New York’s Best Food. They Want the Right to Sell It](#),” New York Times, August 5, 2023.

²It is difficult to accurately determine permit leasing costs incurred by vendors. The practice is not legal and thus reported costs vary based on the individuals surveyed. The Street Vendor Census data, used by IBO in this report’s calculations, show an average cost of \$17,000 (with a similar indicated median cost).

³Tanaz Meghiani, “[Food Vendors Protesting City Hall Say Things Are Worse After New Law Was Supposed to Make Them Better](#),” The City, September 29, 2022.

⁴See Haidee Chu, “Crackdown Continues at Corona Plaza, Where Vendors Had Thrived,” The City, August 10, 2023, and John Leland, “[Politics, Police, Pozole: The Battle for Sunset Park](#),” The New York Times, May 14, 2023.

⁵Nicole Hong and Ana Ley, “[Turning to Street Vending, New Migrants Find a Competitive World](#),” New York Times, October 10, 2023.

⁶Bluestone, Daniel. (1991). “The Pushcart Evil: Peddlers, Merchants, and New York City’s Streets, 1880-1940. *Journal of Urban History*. 18 (1): 68-92.

⁷Devlin, R. T. (2010). *Informal Urbanism: Legal Ambiguity, Uncertainty, and the Management of Street Vending in New York City*. Doctoral dissertation, University of California, Berkeley.

⁸Devlin. 31.

⁹See New York City Local Law 77 of 1977 and New York City Local Law 50 of 1979.

¹⁰Devlin. 60.

¹¹Mike Allen, “[Giuliani to Bar Food Vendors on 144 Blocks](#),” New York Times, May 24, 1998.

¹²See New York State General Business Law Article 4, Section 35.

¹³See Robert Bery et. al. v. City of New York et. al.

¹⁴According to a statement by the NYPD in a letter from Mayor Adams’s administration sent to the Comptroller on the rollout of Local Law 18 of 2021, dated September 27, 2023.

¹⁵In the first two years of implementing Local Law 18, DOHMH has issued the 890 vending applications that were legally required to be released. Only 342 vendors submitted their application, and DOHMH has approved all of them. The 342 vendors who now have a supervisory license can apply for a vending permit at any time—the permit authorizes use of a food cart or truck and there is no deadline to apply. As of December 2023, 108 of the 342 licensees have initiated a supervisory license permit application. Fifty of those have so far received the permit and the others are in the process of completing their applications. The remaining licensees may apply for the permit at any time.

¹⁶For additional reporting, see Arya Sundaram, “[After street vendor crackdown, Corona Plaza market is a changed place](#),” Gothamist, September 13, 2023.

¹⁷Chen and Vilchis, “They Make Some of New York’s Best Food. They Want the Right to Sell It.”

¹⁸The following waitlists have been open in the last two years: Green Carts (five waitlists), Seasonal, Supervisory License for U.S. veterans and people with a disability. Green cart and seasonal waitlist applications were open to any person with a MFV license.

¹⁹Civil summonses are issued by various enforcement agencies. Fine amounts are established by the enforcement agency responsible for regulating the violation(s) charged on the summons. Those fines are set by law either through enforcement agency rulemaking, local law, or state law.

²⁰There is no fee for an honorably discharged veteran of the U.S. Armed Services or the surviving spouse or domestic partner of such veteran.

²¹[Letter from Adams Administration announcing Office of Street Vendor Enforcement Transfer from DCWP to DSNY](#), March 20, 2023.

²²Letter to Comptroller Regarding Local Law 18, 2021. September 27, 2023.

²³Ibid.

²⁴IBO reviewed a study completed in 2015 [Institute for Justice](#). The analysis sought to measure the economic impacting of current street vending in New York City but did not model the fiscal impact to the city or economic impact of increased legalization. The Institute for Justice’s work is a potential jumping off point for measuring economic impact of vending in the city, though any future analyses would require a larger sample size than what their initial analysis relied on (n=209 vendors).

²⁵Hassan, M. and Schneider, F. (2016). “Size and Development of the Shadow Economies of 157 Countries Worldwide: Updated and New Measures from 1999 to 2013.” IZA Discussion Paper no. 10281. Bonn: Institute for the Study of Labor.

²⁶Al-Jundi, S., Al-Janabi, H., Sala, M. A., Bajaba, S., Ulla, S. (2022). “The Impact of Urban Culture on Street Vending: A Path Model Analysis of the General Public’s Perspective.” *Frontiers in Psychology* 12.

²⁷Kelmanson, B., Kirabaeva, K., and Medina, L. (2021). “Europe’s Shadow Economies: Estimating Size and Outlining Policy Options”, in Delechat, C., and Medina, L. “The Global Informal Workforce.” Washington, D.C.: International Monetary Fund, pp. 71-85.

²⁸Bromley, R. (2000). *Street Vending and Public Policy: A Global Review*. *International Journal of Sociology and Social Policy*, 20, 1-29; Recchi, S. (2020); “Informal street vending: a comparative literature review.” *International Journal of Sociology and Social Policy* 41 (7/8), pp. 805-825; Pileri, J. (2021); “Who Gets to Make a Living? Street Vending in America.” *Georgetown Immigration Law Journal* 36, pp. 215-259.

²⁹Internal Revenue Service Research, Applied Analytics & Statistics. “Federal Tax Compliance Research: Tax Gap Estimates for Tax Years 2014-2016.” Publication 1415 (Rev. 08-2022). Washington, DC. August 2022, p. 20.

³⁰Intracity funds are funds spent by one city agency to purchase services from another city agency. In the case of vending, DOHMH pays DCWP so that licensing/permitting for MFVs can be accessed at DCWP in-person licensing centers.