

Trim fat, then lean on grocers

By PAUL FERNANDEZ

The city's small business community will bear a large share of Mayor Bloomberg's budget pain — and not just in higher rents to cover the 18.5% property tax hike. When money is tight, small business is transformed from a political sacred cow to a cash cow. Enforcement efforts are stepped up to reduce the deficit, and agencies aggressively go out to collect money that is owed.

Of the groups being targeted in this budget crisis, the city's 100,000 neighborhood retailers feel particularly threatened. In such a dire economic climate, attention is focused on the huge amount of money supposedly owed to the city by "scofflaws" and "deadbeats."

Editorials call for a big stick to bring the thousands of malefactors to justice. The criminal courts, it is argued, are needed to guarantee payment.

But it's not that simple.

Bureaucratic bungling and government inefficiencies compound an already difficult situation. Storeowners must comply with more than 8,000 pages of municipal ordinances. Food-store owners face particular problems because of the volume of codes and the required licenses and permits. Not even the best operator can cope with an inspector determined to discover something wrong. Many of the codes make no sense and have virtually no relationship to protecting the public.

These codes are enforced unfairly. Tremendous discretion is given to inspectors, often with few clear guidelines. Fruit

stands, allowed to protrude a certain distance from a building line, are issued violations by inspectors who never leave their cars to measure. Under the city's item-pricing law, one that's unique in this region, each package must be marked with its own price, even though scanning

Once a violation is issued, the real nightmare often begins. Sometimes a storeowner never receives the summons. Other times, the wrong store is cited and the retailer doesn't find out until penalties have piled up.

The Department of Consumer Affairs, the lead agency overseeing food store practices, was unsuccessful in its attempt to change the law last summer so it could issue violations, try violators and subsequently docket judgments in Criminal Court, effectively making the agency both judge and jury and denying basic due-process rights to storeowners.

Before we look to bring the sword down on people who make a huge contribution to the city's economy, we need to reduce the tax and regulatory burdens that make it so onerous to operate here. Neighborhood retailers in this city are generally honest and hardworking. We need to develop an amnesty program that will forgive their penalties and, at the same time, generate tens of millions of dollars.

The city also should set up a small business advisory board to review the 8,000 or so pages of ordinances.

Finally, a debt tribunal should be established to remove adjudication from the agencies that issue the violations.

If we create a level playing field, the public will be protected, violators will pay up and small retailers will not be victimized by an arbitrary inspection process that weakens their faith in the system and their ability to grow and prosper.

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