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Legal Alerts

The Impact of the New York State Fashion Workers Act

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The New York State Fashion Workers Act (FWA) was signed into law on December 21, 2024, and establishes new responsibilities and requirements for individuals and entities that manage models, as well as the businesses who contract for such models' services. This Act, which became effective on June 19, 2025, highlights a major industry shift in the structure of relationships between management companies and models by implementing new registration requirements, establishing limits on contract practices and imposing fiduciary duties.

Safeguarding Model Safety and Imposing Fiduciary Duties

Under the FWA, a model management company is any person or entity, other than a licensed employment agency (*i.e.*, a company that procures employment or engagements for its clients), that manages, procures work for models or provides paid vocational guidance to models participating in productions, exhibitions or performances. The FWA applies to model management companies that operate from a location in New York or that arrange or support modeling work taking place in the state, as well as to businesses that engage models for work performed there.

The FWA establishes fiduciary duties owed by model management companies to models, addressing previous concerns that regulatory protection for models was too limited. In particular, Section 1034 of the FWA creates a duty of good faith owed to models, pursuant to which model management companies must act with honesty and integrity and use due diligence to ensure that work secured for the model by the model management company does not put the model at an "unreasonable risk of danger". An unreasonable risk of danger includes failing to establish and communicate a policy that equals or exceeds the minimum standards of existing laws that address abuse, harassment and any other form of inappropriate behavior.

A feature of such regulatory protection is that models must be provided with a deal memo and final booking agreement for each specific engagement before commencement of services, stating total compensation, payment terms and deliverables required. These documents differ from a representation agreement, which governs the ongoing relationship between the model and the model management company.

Registration and Compliance Requirements

Starting December 21, 2025, model management companies and other groups that conduct business related to model representation (excluding employment agencies) and that operate from a location in New

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York or perform work connected to a modeling engagement taking place in the state must register with the New York State Department of Labor and pay a registration fee of $500 (for five or fewer employees) or $700 (for more than five employees), in addition to posting a $50,000 surety bond where a business has more than five employees. Once a model management company has registered, it must:

1. Post a physical copy of its registration certificate in its primary place of business;
2. Post a digital copy of its registration certificate on its website;
3. Include its registration number in all advertisements;
4. Include its registration number in any contract with a model or entity engaging the model's services; and
5. Renew its registration every two calendar years and no fewer than 90 days before expiration.

Section 1035 of the FWA establishes prohibitions on certain practices by model management companies, including charging models upfront deposits, deducting unauthorized expenses or imposing commissions greater than 20% of a model's pay or compensation. Additionally, it restricts contract lengths to terms of three years or less, prohibits procuring accommodations for which the model must pay without first providing an advance written disclosure of the rate to be charged and bars discrimination or harassment of any kind.

If model management companies fail to comply with the FWA, the New York State Department of Labor may impose a civil penalty of up to $3,000 for the initial violation, and up to $5,000 for each subsequent violation, including failure to register, renew or comply with other statutory obligations under the FWA. In addition to civil penalties, noncompliance with the FWA may undermine the enforceability of contracts formed or performed in violation of the Act.

Obligations for Businesses Contracting for Models' Services

Section 1037 of the FWA provides that businesses that contract for models' services for work performed in New York must meet standards focused on model safety and fair treatment. These businesses are required to compensate models at an hourly rate at least 50% above the contracted hourly rate for work exceeding eight hours in any 24-hour period and provide at least one 30-minute meal break during these engagements. They must also establish and communicate policies addressing abuse, harassment and inappropriate behavior. Additional obligations include compliance with laws governing nudity or sexually explicit material, allowing models to be accompanied by a representative and obtaining and maintaining liability insurance that covers the health and safety of models.

Finally, in view of advances in generative artificial intelligence, the FWA requires clear written approval from a model to create or use a digital replica of such model's image, voice or likeness. This approval must be separate from the representation agreement between the model and model management company and must detail key terms such as scope, purpose, rate of pay and term of use.

Failure to comply with any of the foregoing obligations may subject businesses to civil penalties of up to $3,000 for the initial violation and up to $5,000 for each subsequent violation.

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What does this mean for the fashion industry?

The FWA represents a market shift in bargaining power for models through enhanced protections for them. The imposition of fiduciary duties, requirements for clear written contracts describing engagement terms and additional layers of consent for digital replicas created through generative artificial intelligence are some of the key protections for models. Higher barriers to entry, including registration fees and surety bonds, may strain smaller management companies, potentially leading to consolidation in the industry.

The imposition of civil penalties on both model management companies and businesses contracting for models' services that fail to comply with the FWA underscores the FWA's broader shift toward accountability and enforcement, signaling a new era of increased regulatory oversight and additional protections for workers within New York's fashion industry. Businesses engaging model management companies to provide model talent should take appropriate steps to review contracts, update compliance measures and confirm that their partners are properly registered and bonded as required under the FWA. Taken together, the FWA indicates a commitment to compliance and fairness and marks a significant change for the New York fashion industry.

If you need additional information on the effects of the FWA and the implications for your business, please contact our Fashion & Apparel team.

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