

2016 Legislative

Roundtable Breakfast

NEW YORK CITY

Friday, January 29, 2016
9:00 - 10:30 a.m.

New York Marriott Marquis
The Manhattan Ballroom

co-sponsored by:



New York City Legislative Roundtable Breakfast

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The Manhattan Ballroom

1535 Broadway, New York, NY 10036

9:00 - 10:30 a.m.

Program

9:00 a.m.

Registration & Continental Breakfast Buffet

9:30 - 10:30 a.m.

Welcome and Presentation of State Issues

Jan Marie Chesterton, *President, NYS Hospitality & Tourism Association*

Introduction of State and Local Leaders & Presentation of Local Issues

Joseph E. Spinnato, Esq., *President, Hotel Association of New York City*

Roundtable Discussion with State and Local Elected Officials

Jan Marie Chesterton, *President, NYS Hospitality & Tourism Association*

Sponsors



New York State Hospitality & Tourism Association

The New York State Hospitality & Tourism Association (NYSH&TA) is a not-for-profit trade organization representing nearly 1,000 lodging properties, totaling over 122,000 guest rooms, or 70% of total guest room inventory in the state. NYSH&TA's membership is also comprised of approximately 50 parks and attractions, over 100 industry suppliers, and more than 100 cooperating organizations, tourism educators, students and individuals combined. Founded in Saratoga Springs in 1887, NYSH&TA's mission is to lead and protect the New York State hospitality and tourism industry by providing advocacy, education, and resources. The Association provides: **representation and advocacy** on behalf of the industry before state lawmakers and regulatory agencies; **resources** in the form of money-saving programs, networking opportunities and marketing exposure via the website; **educational offerings** that help members best serve their customers.



Illegal Hotels – Leveling the Playing Field

The short-term online rental market—in which individuals rent out rooms, apartments, or entire homes to overnight guests,—poses a threat to consumers, neighborhoods and businesses. In response to the growing trend of companies, like Airbnb, promoting illegal owner-occupied hotels within the state, the state's lodging industry is looking to provide a statutory solution in New York to limit and potentially prohibit their impact on the legal hospitality industry.

NYSH&TA suggests reasonable changes or modifications should be made to existing laws or implemented independently, because travelers and communities deserve the proper safeguards that protect them from the potential dangers and risks posed by the short-term online industry. NYSH&TA continues to work with government to develop legislation that would combat these unregulated short-term rentals within New York by requiring compliance with state and local hotel laws. Last fall, in conjunction with the Senate, NYSH&TA held a series of informal roundtables to gather information from the industry on ideas, thoughts and solutions as to best address and advance state legislation during the 2016 Legislative Session.

In 2010, the State Legislature enacted stricter fire safety standards for Class B or transient use dwellings for hotels only in New York City. NYSH&TA continues to support not only the New York City hotels, but the City of New York in both its efforts to enforce the law and its efforts to eliminate illegal hotels while doing so practically, allowing well-established legal hotels to convert their certificates of occupancy and remain in compliance.

Minimum Wage

In his 2016-2017 State Budget, Governor Cuomo has proposed a statewide minimum wage increase of \$15 per hour by 2018 in NYC and by 2021 for the rest of the state. In New York State, if the minimum wage is raised, the law requires that a wage board be called regarding the minimum wage of food service workers. Therefore, if an increase in the statewide minimum wage happens this year, a wage board will be called for food service workers. NYSH&TA supports the New York State Restaurant Association's (NYSRA) efforts to obtain a "5-year freeze" on any new wage board being called if the statewide minimum wage is raised. While as an industry we support a fair minimum wage, it is important to note that such increases negatively impact job creation and expansion of business across the state.

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The federal minimum wage is currently \$7.25 per hour, and the minimum wage in New York is currently \$9.00 per hour. In 2015, two separate wage boards convened by the Governor and approved by then Acting Labor Commissioner Mario Musolino approved minimum wage increases for tipped wage workers (\$7.50 per hour), and to \$15 per hour the minimum wage for fast food workers by 2018 (NYC), and 2021 (NYS).

As of 1/1/2016, the minimum wage for all tipped workers is now \$7.50 per hour, and the minimum wage for fast food workers is \$9.75 per hour statewide and \$10.50 per hour in New York City.

Tourism Funding

Given its proven track record as a revenue source for state and local governments, and as a job generator, Tourism is not only a wise investment, but a critical one that yields unmatched and well sustained returns for New York's economy. To that end, The Governor has called for an unprecedented \$50M be spent on tourism promotion in the coming year. Additionally, the 2016-2017 Executive Budget, appropriates the following direct spending for tourism:

Tourism Matching Grants:	\$3.815M (-\$500K from Enacted Budget Last Year)
I Love NY:	\$2.5M
Market NY:	\$5M
Taste NY:	\$1.1M
Welcome Centers (Binghamton and Beekmantown):	\$196K (each)

These funding mechanisms from the Governor and Legislature are critical, so that the industry, along with its State and local partners, continues to flourish.

The tourism industry will be asking Legislature to fund the Tourism Matching Grants Program at \$5 million, a funding level not realized since 2008-2009.

Paid Family Leave

The Governor's Executive Budget contains a proposal for 12 weeks of job-protected, employee-funded leave to be used for bonding with a new child or caring for a sick relative. NYSH&TA remains concerned that a proposal mandating paid family leave would encourage absence from the workplace, and will more than likely cause mandatory overtime for other employees. Additionally, many New York State employers already provide paid family leave and incur substantial expenses in doing so, but are not bound by the terms of any mandates or statutes.

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Hotel Association of New York City

Established in 1878, the Hotel Association of New York City, Inc. is one of the oldest professional trade associations in the nation. Its membership includes more than 270 of the finest hotels in New York City, representing more than 75,000 rooms and more than 50,000 employees. It is an internationally recognized leader in New York City's \$5 billion tourism industry.



Illegal Hotels

The Hotel Association of New York City ("HANYC") worked with the City Administration to secure passage of the State Law (Chapter 225 of 2010) and the subsequent New York City Law (Local Law 45 of 2012), that gave the City the ability to enforce the illegal conversion of a residential unit for transient purposes or use. There have been several recent actions with regard to these issues.

In response to the advocacy of HANYC and its partners, In November 2015, Mayor Bill de Blasio announced that the City would be spending an additional \$10 million over the next three years to combat the spread of illegal hotels. The money is being dedicated to the Mayor's Office of Special Enforcement ("OSE") for the hiring of new staff, compiling of state-of-the-art data to find illegal operators, and creating a public awareness campaign to inform people of their rights under the hotel occupancy law. This increase was on top of the doubling of OSE's budget to \$2.8 million as of July 1, 2015.

In June 2015, the City Council introduced two bills to demand greater accountability of those who engage in the advancement of illegal hotels. Int. 823, by Council Member Ydanis Rodriguez (D-Manhattan), would require transparency in the enforcement of illegal conversions of dwelling units by mandating that the NYC Department of Buildings submit a report to the City Council regarding illegal conversions. The report would include items such as the number of complaints, inspections and violations issued. Int. 826, by Council Member Helen Rosenthal (D-Manhattan) would increase fines for the illegal conversions of dwelling units. This bill would make the act of a conversion an "immediate hazardous violation" punishable by a fine of no less than \$10,000 and no more than \$50,000 and \$2,000 per day if the violation is not corrected. On October 30, 2015, HANYC testified at a hearing of the Council's Housing Committee in support of these bills.



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