





# HOTEL ASSOCIATION OF NEW YORK CITY, INC.

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**TO:** General Managers – Member Hotels

**FROM:** Joseph E. Spinnato, President   
Vijay Dandapani, Chairman 

**DATE:** Friday, June 17, 2016

**RE:** The Passage of New Legislation to Crack Down on Airbnb Illegal Hotels

We are pleased to advise the membership that late today, the New York State Legislature passed the bill which we have been working to prohibit the advertising of illegal hotels, and imposes substantial financial penalties on those who violate the provisions of the bill.

It has been a long and difficult joint effort between our Association the Hotel Trades Council and the Real Estate Board.

We have attached a copy of the press release for your viewing.

Congratulations to all!

FOR IMMEDIATE RELEASE: June 17, 2016  
Contact: [ShareBetterMedia@gmail.com](mailto:ShareBetterMedia@gmail.com) | @Share\_Better

## **STATEMENTS BY HTC, REBNY & HANYC PRAISING THE PASSAGE OF NEW LEGISLATION TO CRACK DOWN ON AIRBNB ILLEGAL HOTELS**

*Labor, Real Estate, and Industry Leaders Come Together In Support Of First Bill In  
The Nation To Ban The Advertisement Of Illegal Hotels*

**Albany, NY** - Today, the New York State Legislature passed common sense legislation - A.8704-C/S.6340-A -- to ban the advertising of illegal hotels that are exacerbating New York City's housing crisis, exploiting the residential real estate market, and undermining union jobs and New York's hotel industry. Sponsored by Assembly Member Linda B. Rosenthal and Senator Andrew J. Lanza, this legislation will provide New York City with another strong enforcement tool to protect our housing market and a key contributor to the city's economy from the proliferation of illegal hotels.

"Airbnb's unchecked growth is depleting our affordable housing stock and driving up rent, while threatening good-paying middle class Union hotel jobs in New York City and around the country. This bill will go a long way toward better protecting tens of thousands of affordable housing units our members and their families rely on to remain in the neighborhoods they call home, and preserving the quality jobs and quality of life in our communities our members deserve. On behalf of HTC, I thank Assembly Speaker Heastie, Senate Majority Leader Flanagan, and the bill sponsors Assemblywoman Rosenthal and Senator Lanza, for standing up for hardworking New Yorkers and protecting our housing market and workforce," said **Peter Ward, President, New York Hotel & Motel Trades Council**.

"We commend Senate Leader Flanagan, Speaker Heastie, Senator Lanza, and Assembly Member Rosenthal for their leadership in passing this sensible legislation that will make it more difficult for bad actors to solicit unwitting participants in their illegal activity. This legislation will protect New York City's stock of affordable rental housing and will strengthen the vibrant hotel industry and the important, good paying jobs it creates," said **John H. Banks, III, REBNY President**.

"Airbnb facilitates the creation of a black market for illegal and unsafe commercial rental properties that don't follow any of the same regulations as legitimate hotels and negatively impact the residential real estate market by driving up rent and diminishing housing supply. This smart and innovative legislation will allow law enforcement agencies to better target, track, and penalize lawbreakers, while also protecting one of New York's most vital economic contributors – the hotel and hospitality industry. We commend the bill sponsors, Assemblywoman Linda Rosenthal and Senator Andrew Lanza for championing this vital legislation, and thank Senate Leader Flanagan and Speaker Heastie for their leadership in getting it passed," said **Vijay Dandapani, Chairman of the Hotel Association of New York City**.

"The passage of this bill strengthens New York City's economy and the hotel industry as well. Our industry is an economic engine and a premier creator of jobs. We applaud those in the state legislature who took action for their leadership on this crucial issue," said **Joseph E. Spinnato, President of the Hotel Association of New York City**.

According to an investigation by the State Attorney General, nearly 75 percent of Airbnb's listings in New York City were in violation of the law, and approximately one-third of their revenue and listings came from large commercial operators, not individual tenants renting the residence in which they lived. This specifically clarifies that it is illegal to advertise this unlawful occupancy, making it more difficult for illegal operators to carry out their black-market activity, and giving law enforcement another tool to target, track and penalize the worst illegal hotel operators.

Specifically, the bill:

- Makes it unlawful to advertise the occupancy or use of dwelling units in a class A multiple dwelling for purposes other than permanent residence.
- Contains a civil penalty of not more than \$1,000 for the first violation, \$5,000 for the second violation, and \$7,500 for the third and subsequent violations.
- Defines the term "advertise" as any form of communication for marketing that is used to encourage, persuade, or manipulate viewers, readers, or listeners into contracting for goods and/or services as may be viewed through various media including but not limited to newspapers, magazines, flyers, handbills, television commercials, radio, signage, direct mail, websites, and text messages.
- Does not apply to single and two-family homes or to residents who rent out individual rooms while they are present.

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