



Dear Members of the New York City Council,

As New York City continues on the path to recovery from the prolonged economic impact of the pandemic, the tourism and hospitality industries have rebounded with pace. They are welcoming guests back to the city, reenergizing local communities, and providing New York City with the tax revenue dollars it needs to continue vital government services. These industries have a history of working in close partnership with city and state officials on sensible legislation that has allowed the industries to grow. However Councilwoman Julie Menin's newly proposed Int. 991 threatens to stifle that economic progress.

Simply put, this proposed legislation is bad for everyone: hardworking New Yorkers, hotels, guests, hotel employees, the real estate market, and NYC's larger tourism economy including restaurants, storefronts and other local businesses, to say nothing of New York City's attractions.

As written, the expensive operational mandates would force the mass closure of NYC hotels, which in turn would raise hotel room rates and drive visitors elsewhere. This would cause devastating ripple effects across the city – impacting not only the hotel industry but also restaurants, storefront retail, and other local businesses that rely on hotel guests and city tourists to survive. As one of New York City's largest economic drivers, the hotel industry is projected to generate nearly \$5 billion in tax revenue in FY24. But that revenue figure will drop precipitously if Int. 991 passes, negatively impacting both the city's reputation and its fiscal health.

As it stands, this legislation would require the Hotel REITs that own many of the larger hotels across the City to be the direct employer of key operational employees. However, according to federal tax law, Hotel REITs cannot directly employ staff in the hotels they own. If the bill is enacted, hotels owned by REITS would be forced to sell or lose their federal tax status – causing a mass sell-off of hotel properties across New York City. This would be devastating for the broader NYC ecosystem.

**On behalf of Protect NYC Tourism, a coalition of industry stakeholders, local businesses, and hardworking New Yorkers united against this harmful legislation, we implore you to reject Int. 991.**

Under the guise of a “simple licensing” and “hotel safety,” Int. 991 in fact forces expensive and burdensome operational measures, such as a one-size-fits-all minimum staffing and cleaning mandate that ignores individual hotel needs and guest preferences. Int. 991 effectively prohibits hotel management companies from operating in the city and disallows all NYC hotels from sub-contracting out key operational functions like housekeeping, room attendance, and maintenance. This would significantly impact small businesses – many of which are minority and women-owned – across the city, and irreparably harm an industry that employs 42,000 people and supports nearly 260,000 jobs.

Nothing is more important to hotel operators than the safety and security of its guests, and the New York City hotel industry has a longstanding commitment to ending the scourge of human trafficking. However, Int. 991 is not a hotel safety and human trafficking prevention bill, nor does it present any new, innovative solutions. New York hotels are already required to train all employees on human trafficking awareness and training – because of a law the hotel industry worked to pass in 2022. And panic buttons required for hotel staff are only a continuation of existing hotel industry standards, as the vast majority already have them.

Discussions regarding Int. 991 continue to exclude those who will be most affected by the legislation – hotel owners, management companies, sub-contractors, and tens of thousands of hotel workers. It is imperative that all stakeholders have a real seat at the table.

We urge the New York City Council to reject this proposed government mandate, which threatens the sustainability of New York City’s businesses and puts the livelihoods of thousands of dedicated workers at risk.

Sincerely,

**The Protect NYC Tourism Coalition**

American Hotel & Lodging Association

Hotel Association of New York City

Real Estate Board of New York

Asian American Hotel Owners Association

Coalition for Hotel Subcontractors

NYC Minority Hotel Association

National Association of Black Hotel Owners, Operators and Developers

Latino Hotel Association