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New York State Hospitality & Tourism Association
Counsel's Report
July 2017

The 2017 New York State Legislative Session began on January 4th, when the Senate and Assembly convened. Governor Cuomo then delivered his State of the State address and released his Executive Budget Proposal on January 17th. For the first time in seven years, the Governor and Legislature failed to deliver an on-time budget. NYSH&TA was active in the 2017 Legislative Session, and was successful in gaining sponsors and the introduction of its short-term rental legislation.

As 2017 was the first of a two-year Legislative Session, any legislation that did not pass both houses and is not signed or vetoed by the Governor by December 31st will not need to be fully reintroduced in 2018.

Short-Term Rentals

NYSH&TA was successful in obtaining sponsorship of its short-term rental legislation. The legislation, S5978 (Funke)/ A8065 (Fahy), was introduced in both houses in May. The proposed legislation would:

1. **Eliminate the short term rental (under 30 days) of private dwellings and apartments statewide**, with the following exceptions that would put units in compliance with standards for hotels, motels, and bed and breakfasts:
 - Where an owner stays in the short-term rental unit for the duration of the stay. In this situation, the short-term rental unit must comply with bed and breakfast regulations and standards.
 - Where the stay lasts under 30 consecutive days, as long as the short-term rental provider can provide **proof of a real estate rental agreement or contract**, or proper **tax collections** (sales and occupancy), and proof of **insurance liability coverage** during the rental period.
2. Exempt owners who rent their unit as a short-term rental if the owner earns \$2,500 or less in aggregate annually for all rental periods.
3. Exempt short-term rental units from violations and penalties for hotel code violations, while creating **new penalties for violations** and enforcement of penalties for short-term rental providers as follows:
 - Each violation shall carry a penalty of at least \$1,000, but not more than \$25,000



- An additional penalty of up to \$1,000 may be added on for each day that the violation is not corrected
4. Allow local governments to opt-in to provisions of State law to ensure that those that are affected have the ability to seek state guidance and regulation.

This bill will serve as the start of the conversation on how New York will regulate short-term rental units. The Senate plans to call stakeholders together beginning this summer to come to a solution that works for all parties.

Ridesharing

As part of the 2017-2018 New York State Budget, a regulated system for ridesharing applications such as Uber and Lyft is now permitted Statewide. The legislation took effect in time for the July 4th weekend, and is expected to help the tourism industry in New York.

Seasonal Worker Tax Credit

NYSH&TA is supportive of legislation that would expand the minimum wage reimbursement tax credit to employers that hire seasonal employees for 90 days or less. The legislation, S4508 (Funke)/ A6829 (Gunther), would help to offset the effects of the recent Statewide increase to the minimum wage, and should help some employers to maintain their workforce. Senator Funke was able to pass the bill in the Senate, but it remained in the Assembly Ways and Means Committee for the entire session.

Bed and Breakfast Liquor Licensing

NYSH&TA is supportive of legislation that would allow bed and breakfasts to obtain full liquor licenses in New York, which would put bed and breakfasts on even footing with hotels and motels. S6276-A (Funke)/ A8479 (Zebrowski) would further remove the restriction on bed and breakfasts that allows them to sell alcoholic beverages only to people staying at the bed and breakfast. The bill passed the Senate, but was never referred out of the Assembly Economic Development Committee.