



2015 End of Session Recap

Illegal Hotels: In response to the growing trend of companies, like Airbnb, promoting illegal short-term rentals within the state, NYSH&TA is looking to provide a statutory solution in New York to limit and potentially prohibit their impact on the legal hospitality industry. Currently, sensible regulations and processes exist for the hotel and lodging industry that do not always apply to short-term online rentals. As legal hotels continue to expand throughout the State, they don't just add beds for tourists, they add good paying jobs for New Yorkers. This year, NYSH&TA drafted a statutory solution that would allow for the state's regulated and compliant hospitality industry to maintain business, while contributing to the state and local economies and promoting job growth. The draft legislation provides a level playing field by requiring short-term units to comply with the same standards and taxes which legal entities are required. We met with legislators in both houses, but our draft legislation was not introduced this year. However, we are continuing to work with Senator Little to develop legislation based on a series of meetings, roundtables and hearings that will be held throughout this summer and fall with the goal being to introduce and advance legislation during the 2016 Legislative Session.

Tip Credit / Wage Board: As anticipated the minimum wage for tipped workers was an important topic being discussed by the Wage Board. The Wage Board called for public hearings that were held across the state this. NYSH&TA and its members, in conjunction with the Restaurant and Tavern Associations were active participants at these hearings. Ultimately, the Wage Board has recommended and the Commissioner has ordered the following regulations:

- All tipped workers in the hospitality industry (including service workers, food service workers, and resort & banquet employees) would have their base cash wage raised to \$7.50 per hour by December 31, 2015.

Fast Food Workers / Wage Board: Exercising his Executive authority, Governor Cuomo issued an additional wage board this year to target the wages of New York's fast food industry. The New York Wage Fast Food Wage Board unanimously agreed in early July to increase the pay of fast food workers. There has yet to be consensus on how much of an increase there will be, however, industry experts and supporting groups have called for an increase of up to \$15 per hour. The timing and the amount of the increase have yet to be determined, but given the wage implications, we will continue to keep association members updated as more information becomes available.

New Occupancy Taxes: During the last week of Session, Legislators from the Westchester region were successful in getting a series of new occupancy taxes passed by both houses of State Legislature. If the Governor signs these bills into law the following areas will now have the authority to impose an occupancy tax:

- Town of Greenburgh or specified villages therein or in the town of Mount Pleasant to adopt a local law to impose a 3% hotel/motel occupancy tax
- Imposes an occupancy tax of no more than 3% in the city of Yonkers

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- Imposes an occupancy tax of no more than 3% in the town of North Castle
- Imposes an occupancy tax of more than 3% in the village of Harrison
- Establishes an occupancy tax of no more than 3% in the village of Tuckahoe
- Authorizes the town of Woodbury, Orange county, to impose, by local law, a tax on hotel and motel occupancy of up to 5%
- Imposes an occupancy tax of up to 3% in the town or village of Mamaroneck
- Authorizes the imposition of an occupancy tax of up to 3% in the village of Port Chester

State Budget:

I Love NY / Matching Grant Program: The 2015-2016 State Budget sustained the funding levels for the I Love NY program (\$2.5M), and the welcome centers in Binghamton and Beekmantown (\$196,000 each). More importantly, thanks to efforts advanced by NYSH&TA and the Tourism Industry Coalition, the State Budget provides an additional \$500,000 in funding for the state's Matching Grant program. The matching grant program appropriation is now \$4.315M for the 2015-2016 fiscal year.

According to David Holder, President of the New York State Destination Marketing Organizations, "The additional tourism investment of \$500,000 for the I Love New York Matching Grant Program will leverage a minimum of \$500,000 in local and regional matching investment. These funds will encourage local and regional partnerships to drive new interest in the various areas of New York from target markets around the world."

The budget also includes funding for the Finger Lakes Alliance (\$100,000), Queens Economic Development Council (\$100,000), Long Island Farm Bureau for tourism promotion (\$50,000), and the Long Island Wine Council for tourism promotion (\$50,000).

Regional Economic Development Councils: The industry continues to support the Regional Economic Development Council (REDC) grant process, and very much wants to keep tourism as part of the process and focus of every region of the state. Through the first 4 rounds of the REDC process, a common theme amongst all the plans from western New York to the tip of Long Island was the importance of tourism as part of any plan for economic recovery and job creation. Round 5 of the REDC process was funded and approved as part of the 2015-2016 State Budget. NYSH&TA will continue to push for pro-tourism initiatives as each regional strategic plan is being formulated and reviewed by the State this summer and fall.

Market NY: The State has made available \$5 million in new competitive funding to be provided through the Department of Economic Development (DED) to support winning tourism marketing plans that best demonstrate regional collaboration among counties to promote regional attractions. This year, the Governor also proposed that part of this funding initiative be used for regional promotion and marketing.

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Taste-NY: The State made available \$1.1 million to implement the Taste-NY initiative, which was designed to promote locally grown or produced food products, beer, wine and spirits and other New York-made goods through a two-part strategy that combined the development of retail venues with aggressive marketing and branding.

Minimum Wage

This year, during the State Budget negotiations, both the Governor and the Assembly had proposed raising the statewide minimum wage again. The Governor's plan would have raised the minimum wage to \$10.50 by the end of 2016. Additionally, because New York City has one of the highest costs of living in the world, the Governor proposed raising the City's minimum wage to \$11.50.

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. Therefore, NYSH&TA worked with the NYS Business Council and other industries to voice concerns that the Governor's proposal is too steep an increase, in too short a period, which will negatively impact job creation and the state's economy. The industry message was heard, and an increase to the state's minimum wage **was not** enacted in the 2015-2016 State Budget.

The Assembly also listed a minimum wage increase among its priorities for the end of session, but they failed to accomplish an increase before the session concluded.

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