



July 20, 2010

Governor David Paterson
David A. Paterson
State Capitol
Albany, NY 12224

Dear Governor Paterson:

I am writing to urge you to veto the so-called "Illegal Hotels" bill that recently passed the New York State Senate. While the purpose of the bill has some merit (to resolve conflict between the tourism industry and the local residents), the consequences of this bill will dramatically hurt tourism for the short and long term. Many of New York City's tourists prefer to stay in accommodations other than the standard hotel; this is no different than when Americans visit European cities and prefer to stay in vacation rentals and B&BS. If you sign this bill, you will render illegal any and all short-term lodging operations that don't fit the mold of the standard hotel.

Many B&B operators have been operating in good faith and have been paying occupancy taxes to the city for many years – just like hotels. They provide perfectly safe and legitimate housing for the city's visitors. There has been a surge in the number of vacation rental properties in the city and around the world, in which property owners rent out rooms or apartments by the night or week. Web sites like HomeAway.com have allowed property owners to easily enter the marketplace. But, there is a difference between outlawing those types of operations and regulating them. Opponents of short-term rentals cite unsafe environments as a major reason to render them illegal. If you feel these operations should be regulated for safety and/or financial parity, then veto this bill and seek a better solution. Just don't make them illegal by supporting a law that forces anyone but "permanent residents" into Marriotts, Hiltons and the like – all of which are among the most expensive hotels in the world.

Do not use this broad stroke to impact an entire form of lodging and livelihood because there is a conflict in some areas with permanent residents. Instead, work with the city to create a classification of lodging operations that requires certain standards and procedures be met. Implementing fair and reasonable standards and procedures will weed out those who are satisfied with operating unsafe lodging operations and who gladly keep necessary occupancy taxes to themselves.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Karen", is written over a light-colored background.

Jay Karen
President & CEO

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