HVS

MARKET REPORT

Key Takeaways: AHLA & AAHOA's – Legislative Action Summit 2017

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AHLA and AAHOA held the annual Legislative Action Summit in May in Washington, DC. to bring hundreds of people together to call on members of Congress regarding issues important to the industry. The various issues are described in this article.

The American Hotel and Lodging Association (AHLA) and the Asian American Hotel Owners Association (AAHOA) held their annual Legislative Action Summit (LAS) on May 17 and 18 in Washington, D.C. Year after year this event brings together a strong showing of general managers, owners, operators, developers, investors, asset managers, hotel employees, and government affairs experts to meet with congressional representatives from their respective states in their Capitol Hill offices to share stories and educate Congress on the issues presently affecting the hotel and lodging industry. The event included remarks from the respective organizations' Presidents and CEO's, briefings from political influencers and members of congress. During the first day, attendees were educated on how to effectively lobby Congress to discuss issues affecting the industry before heading to "the Hill" on the second day for the unique opportunity to meet with their Congressional Representatives and their staffs.

Legislative Issues Affecting the Hotel and Lodging Industry

While the LAS event focused on a few 'call to action' pieces, the industry is facing issues on a much wider scale than brought up at LAS or within this article. Issues that may or may not have been addressed during LAS but are important for industry professionals to be aware of are matters such as, immigration, illegal hotels, human trafficking, wages and benefits, per diem rates, resort fees, OTAs, tax reform, Americans with disabilities, and joint employer models. The following sections briefly describe only some of the main points and issues addressed at LAS this year.

Online Booking Scams

As technology advances and online travel bookings grow, the risk of running into a scam is reportedly high. Obviously, hoteliers and brands are doing the best they can to educate guests on how to successfully book their stay, while also protecting their reservations, information, and ultimately their experience at a property. It is understood that fraudulent websites and call centers posing as the hotel, without the consumer knowing, have led to the guest not being assigned to a room type they were expecting, their private information being stolen, a lost or cancelled reservation, the loss of a down payment, extra or hidden fees charged to their account, or forfeiting their reward loyalty points. The Stop Online Booking Scams Act would help protect these consumers from scams by prohibiting websites from pretending to be a certain hotel. With this bill, these websites would need to prominently display that they are not affiliated with the hotel in question and are in fact a third party. This would help to increase consumer confidence in the hotel industry's legitimate booking channels.

Americans with Disabilities Act Drive-By Lawsuits

The widely supported Americans with Disabilities Act (ADA) has protected people with disabilities for over 25 years within the hotel industry. This act ensures that guests and employees alike are able to access and positively experience hotel facilities and amenities. In recent years, a growing number of lawsuits, reportedly over 11,000, have been filed under the ADA that target businesses. These so-called "drive-by" lawsuits occur when lawyers aim to extort settlements from business owners. In many instances, these suits are filed against hotels when neither the lawyer or their clients have ever been to the hotel. Legislation titled as the ADA Education and Reform Act aims to provide a defined period of time for the hotel owner to address an ADA violation before a lawsuit can move forward. Hotel business owners expressed their concerns on the Hill, asking Congress to act and help eliminate predatory litigation, while still protecting the ADA.

Transparency for Commercial Short-Term Rentals

Hotels play a vital role in supporting local economies. In fact, the AHLA reported that over $170 billion is generated in federal, state, and local taxes, not including all the additional money and taxes being accumulated through guest spending within a community. As short-term rentals grow in popularity, commercial operators are being provided a platform to offer and run illegitimate and unregulated hotels. It has become a full-time business for many and the rentals are not being held to the same accountability and taxing measures as hotels. Guest safety is often compromised and the owners are able to dodge full tax payments. While no federal legislation presently exists, the industry is asking that a level playing field be provided and that the government ask for transparency from short-term rental companies regarding commercial activity on their platforms.

In Closing

Regardless of one's role in the hospitality industry, or political affiliation, it is important to be knowledgeable of the issues affecting the industry. Being well versed in the potential effect of legislation and regulation on hotels is important when considering return on investment and value. We hope this article has shed light on how hoteliers and lodging

professionals are hoping to shape our industry’s future. We encourage all Americans that are associated with our industry to be informed about our issues and exercise our constitutional rights to "peaceably assemble" and "petition the Government."