

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: April 14, 2025

TO: Honorable Members of the City Council

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No. 14-1371-S13
Assignment No. 24-12-0871

SUBJECT: Living Wage Ordinance (LWO) and Hotel Worker Minimum Wage Ordinance (HWMO) Reports

SUMMARY

At its meeting on December 11, 2024, Council adopted a Motion (Attachment A) that requested the City Attorney to prepare an ordinance to raise wages for Airport workers covered by the Living Wage Ordinance (LWO) and hotel workers covered by the Hotel Worker Minimum Wage Ordinance (HWMO) to \$30 an hour by 2028, as well as establishing an hourly health benefit payment of \$8.35.

The Motion also instructed the Chief Legislative Analyst (CLA), with the assistance of the City Attorney and other relevant departments, to report on the following: 1) limiting subcontracting for hotel housekeeping, reporting information regarding the New York hotel policy proposal; 2) alternative policy recommendations for businesses that lease space from a hotel; 3) different options to administer the LWO health benefit payment waiver provision, including how the State of California and City allow employees to opt-out of employer provided benefits; 4) process changes that would streamline and/or eliminate unnecessary hotel permitting requirements, permit renewals, or regulations, and identify duplicative Los Angeles regulations not found in other cities in Los Angeles County; and 5) annual impacts of the LWO and HWMO wage increases on tourism industries and airport businesses.

This report responds to items 1 through 4 above following discussions with stakeholders from the American Hotel and Lodging Association (AHLA), the Hotel and Lodging Association of Los Angeles (HALA), the West Hollywood Chamber of Commerce, and multiple individual hotel operators in the Los Angeles region (Attachment B). Annual reporting would commence one year after implementation of the Ordinance.

New York City’s “Safe Hotels Act” requires that hotel operators directly employ specific types of employees and provide training to identify human trafficking, among other regulations. Requiring the direct employment of room attendants precludes hotel housekeeping subcontracting. Details concerning the newly passed law, which include the number and types of impacted hotels, are provided below.

Our Office has included multiple options for Council consideration that address the large labor cost increases for businesses that rent or lease space from a hotel or employers that contract

temporary services. Among these potential changes are exempting businesses that lease space from a hotel and revising the definition of “Hotel Worker” to require a minimum number of hours at the business site.

The current LWO does not provide a clear incentive to obtain a health benefit payment waiver, as employees are not compensated when they receive the waiver from the Bureau of Contract Administration (BCA). According to the California Department of Human Resources, the State provides a taxable subsidy of approximately \$150 per pay period for employees who seek a waiver of State-provided health benefits because they receive health benefits from another source. The City provides up to \$50 per pay period (\$100 per month) in taxable income for eligible employees under similar circumstances.

With regard to incentivizing hotel production and permitting, hotel stakeholders identified by the Hotel Association of Los Angeles were overwhelmingly critical of the Responsible Hotel Ordinance (RHO), Measure ULA, and the Hotel Worker Protection Ordinance (HWPO), which they argued has substantially reduced worker productivity and has disincentivized hotel investment in the City. While the RHO can be amended through Council action, Measure ULA and the HWPO cannot because they originated as initiative petitions that can only be amended through a ballot measure.

BACKGROUND

This report refers to four different City Ordinances that are summarized below:

- The Hotel Worker Minimum Wage Ordinance (HWMO), which sets a minimum wage for individuals employed in hotels with 60 or more rooms;
- The Living Wage Ordinance (LWO), which sets a minimum wage for individuals employed at, or serving, businesses at Los Angeles International Airport (LAX);
- The Hotel Worker Protection Ordinance (HWPO), which requires employers to provide room attendants with panic buttons and entitles room attendants to additional pay for work performed beyond a daily designated square footage amount; and
- The Responsible Hotel Ordinance (RHO), which no longer exempts hotels from Conditional Use Permits (CUP) in certain areas and requires the building of affordable replacement housing for hotel developments.

The Motion adopted by Council on December 11, 2024, requested the City Attorney to prepare an Ordinance that would incrementally raise the minimum wage for the LWO and HWMO to \$30 an hour by 2028 and provide an hourly health benefit value of \$8.35. It also instructed our Office to examine issues related to said revisions. The City Attorney has transmitted the Ordinance under separate cover.

The Motion instructed our Office to examine options for limiting hotel housekeeping subcontracting, including collecting data on New York City’s “Safe Hotels Act,” which was recently signed into law. The law introduces several new regulations related to worker and

consumer safety and hotel operations, but some important aspects of the law are not operational and will not be in full effect for over a year.

The Motion also instructed our Office to examine alternative policy recommendations for businesses that lease space from a hotel. The current definition of “Hotel Worker” applies broadly to all workers currently employed or working at the site of a hotel, including those hired for temporary services or those employed at businesses separate from the hotel establishment. Thus, the policy options for Council consideration include revising the definition of “Hotel Worker”; exempting tipped employees from the pending increases; and granting a more generous exemption from the wage increases for employers with leased space that demonstrate financial hardship.

Our Office also describes the current system used by the City and State that incentivizes employees to seek a waiver of health benefits when they receive such benefits from another source, which suggests alternative ways to administer the LWO healthcare waiver provision. Options include small cash in lieu payments to workers who demonstrate they receive healthcare coverage from another source such as their spouse or the U.S. Department of Veterans Affairs.

Finally, the Motion instructed our Office to seek stakeholder feedback to identify duplicative or overly burdensome regulations related to hotel construction that are specific to Los Angeles but not found in other cities in Los Angeles County. Hotel industry stakeholders overwhelmingly discussed the Responsible Hotel Ordinance (RHO), Measure ULA also known as the “Mansion Tax,” and the Hotel Worker Protection Ordinance (HWPO) as policies that are nonstandard across the County. Whereas the RHO can be revised unilaterally through Council action, the HWPO and Mansion Tax cannot because both were adopted as initiative petitions.

New York City Public Law 104

New York City Public Law (PL) 104, also known as the “Safe Hotels Act,” was signed into law on November 4, 2024 (Attachment C). The motivation for PL 104 originated from numerous public safety issues reported to the New York Police Department (NYPD), ranging from human trafficking and prostitution to murder. Up until the passage of the law, hotels in New York City were not licensed, which proponents argued allowed for the proliferation of noncompliant employers and illicit activity in hotels and motels in low-income areas.

The law introduced several new regulations related to worker and consumer safety and hotel operations, such as:

- Requiring hotels with 100 rooms or more to directly employ all “core” hotel employees, defined to include housekeeping personnel, front desk staff, and door and bell attendants.
- Requiring hotel operators to supply core employees with panic buttons and to provide training to help staff identify human trafficking.
- Requiring hotels to maintain 24-hour front desk coverage, with overnight coverage permitted by security personnel in certain circumstances.

- Precluding hotel bookings for durations less than four hours, except for hotels located within one mile of airports.

PL 104 requires that hotels obtain operating licenses with the city’s Department of Consumer and Work Protection (DCWP). Criteria for obtaining a license with the DCWP include proving that the operator has adequate health and safety standards, as defined in the law, and that operators provide staff with panic buttons, demonstrate minimum staffing requirement capabilities, and demonstrate the direct employment provisions noted above. Licenses are not assignable except for transfers to operators that have notified the DCWP of the impending transfer.

Prior to the revocation of a license, the DWCP commissioner shall notify the licensee of anticipated revocation in writing and afford the licensee thirty days from the date of notification to correct the condition. The DWCP commissioner has substantial discretion to determine whether the notice to correct has been fulfilled; PL 104 states that the licensee must prove “to the satisfaction of the commissioner that the condition has been corrected” in order to keep their license.

The New York City Independent Budget Office (IBO) estimates the following number and types of hotels will be affected by PL 104:

Hotels	Median Average Daily Rate (ADR) per Room	Rooms
255	\$229	53,685

As shown in Figure 1, a total of 255 hotels across New York City will be impacted by the recently passed law. Of the 255 hotels that are assumed to be impacted by the newly passed law, 102 (40 percent) are independently owned and are offering limited-service amenities. Affected hotels are heavily concentrated in Manhattan: of the 255 affected hotels, 175 (68 percent) are located in Manhattan, with the remaining 80 hotels divided amongst Brooklyn, Staten Island, Queens, and the Bronx.

The 53,685 rooms covered by the newly passed law represent 40 percent of New York City’s total hotel room stock of 133,294.

As noted above, PL 104 relies heavily on findings generated through public safety and consumer and worker safety concerns communicated to the New York City council by law enforcement, community stakeholders, and workers. The direct employment provisions of PL 104 preclude the subcontracting of hotel housekeeping by requiring workers that perform housekeeping duties—room attendants and maids—to be directly employed by the hotel employer. Direct employment refers to a relationship between an employer and an employee in which there is no intermediary in such relationship (Attachment C). The licensing of hotels through the DWCP allows for New York City to exert oversight over hotels that may subcontract housekeeping because of the discretion granted the DWCP commissioner in the revocation of operating licenses.

If Los Angeles were to adopt a similar policy to that of New York City, it is advisable that Los Angeles Police Department (LAPD) be heavily involved in gathering any evidence of widespread illicit activity at hotels and motels. City officials would need findings of illicit activity to justify the expansion of police power to regulate hotels. As such, LAPD would be the entity most likely responsible for permitting and enforcement of public safety hazards such as human trafficking sites and prostitution rings.

As part of the Responsible Hotel Ordinance (RHO), which became effective on July 1, 2024, hotel operators, short-term rentals, and other similar establishments were required to submit permit applications within three months to remain operational. In response to this Ordinance, on July 11, 2024, the Board of Police Commissioners communicated to Council that “Because of the infeasibility of the full implementation of the RHO, the Police Commission cannot and will not issue permits, enforce the police permit requirement, or investigate complaints related to compliance with the RHO (C.F. 22-0822-S2).” As of this date no other office dedicated to the implementation of the RHO has been established.

It is unclear if the City will be able to incorporate much of the provisions noted in the subcontracting requirements of PL 104 without developing a licensing process for hotel operators. If the City wishes to proceed with establishing the necessary findings, it is advisable that Council designate a department responsible for enforcing licensing for hotel operators in the City. The usage of New York City’s police power to enforce the subcontracting provision relies heavily on the promotion of public safety because many hotels in New York City endangered hotel workers and members of the surrounding community. Developing an analogous proposal to limit subcontracting using the LAPD’s police power through a licensing program would potentially require similar findings to justify the expansion of police power such as illicit activity and worker and/or community endangerment.

Alternative Policy Recommendations for Hotels with Leased Spaces

Hotel industry stakeholders are supportive of an exemption or “carve out” for workers that perform services at the hotel site that are not employed by the hotel to perform the core functions of the hotel business and may also be a separate business from the hotel. The current definition of “Hotel Worker” is defined broadly to prevent misclassification of employees and as a result captures every worker at a hotel, including independent service contractors and facility lessees. This definition, therefore, could be revised to address some of the concerns communicated by industry stakeholders. Our Office has therefore compiled a list of potential policy options for Council consideration below.

Commercial Lessee Exemption

According to the American Hotel and Lodging Association (AHLA), there are 110 hotels in Los Angeles with 60 or more rooms with a restaurant on the premises. A survey conducted by the Hotel Association of Los Angeles (HALA) that sampled a subset of these properties indicates that there are at least 1100 individuals employed in hotel food and beverage outlets across the City. The survey also indicates that the overwhelming majority of hotel restaurants are owned and operated by the hotels, and are thus not commercial lessees or separate businesses. Although no information regarding wages were provided, hotel industry stakeholders indicated that many

workers in these occupations earn approximately the HWMO wage rate of \$20.32 and receive additional gratuities income.

Council may consider providing an exemption to businesses that are commercial lessees of hotel spaces that are separate businesses from the hotel. Under current law, a business that leases space in a hotel, such as a restaurant, is obligated to pay the HWMO wage rate of \$20.32 an hour, but an identical restaurant in a neighboring commercial lot will be subject to the Citywide Minimum Wage Ordinance rate of \$17.28 an hour, creating a potential competitive disadvantage for the business owner operating in the hotel. This exemption could include requiring the proposed business to demonstrate they are a commercial lessee of the hotel and do not share profits with the hotel.

If Council pursues this approach, the Ordinance could be modified so that the new wage increases only apply to employees who do not work at businesses operating as commercial lessees.

Extend Hardship Exemption or Modify Employment Threshold

LAMC Section 186.09 currently provides a 1-year exemption for employers who demonstrate that compliance with the HWMO would, in order to avoid bankruptcy, reduce its workforce by more than 20 percent or curtail its Hotel Workers' hours by more than 30 percent. City staff have communicated to our Office that no employer has ever filed for this exemption since its inception in 2014.

Industry stakeholders have communicated that the current thresholds for proving they qualify for a hardship exemption—either laying off 20 percent of its current workers or reducing workers' hours by 30 percent—are too high. In order to allow for more employers to apply for hardship exemptions, the Council may consider reducing the thresholds required to qualify for the exemption. For example, Council may amend LAMC Section 186.09 to allow employers with leased spaces to qualify for the hardship exemption if they demonstrate a reduction in employee hours of 15 percent or layoffs comprising 10 percent of its current workforce, instead of the current thresholds of 30 and 20, respectively.

Another potential option Council may consider for businesses that lease space from a hotel is revising LAMC Section 186.09 to increase the current exemption time to two years for businesses acting as commercial lessees, which would allow businesses more time to incorporate the labor cost increases into their operations.

Alter Definition of Hotel Worker

LAMC Section 186.01 (F) defines a "Hotel Worker" as the following:

Any individual whose primary place of employment is at one or more Hotels and who is employed directly by the Hotel Employer,¹ or by a Person who has contracted with the

¹ LAMC Section 186.01 (E) defines a "Hotel Employer" as a Person who owns, controls and/or operates a Hotel in the City, or a Person who owns, controls and/or operates any contracted, leased or sublet premises connected to or operated in conjunction with the Hotel's purpose, or a Person who provided services at the Hotel.

Hotel Employer to provide services at the Hotel. "Hotel Worker" does not include a managerial, supervisory or confidential employee.

Thus, the HWMO currently covers individuals temporarily employed by hotels or individuals who are contracted for services at a hotel. Workers are defined broadly in the HWMO in order to prevent against potentially exploitative behavior such as employee misclassification. This definition is also used by Santa Monica, Long Beach, and West Hollywood.

One potential definitional change to LAMC Section 186.01 (F) that Council may consider is to add an additional clause that *also* requires the hired individual to work an average of five (5) hours a week for four (4) weeks at one (1) or more hotels, which would be consistent with the "Hotel Employee" definition in the City of Oakland.² Inserting this additional clause, therefore, would allow hotels to hire workers that are contracted for temporary positions working fewer than 20 hours a month without paying the wage required by the HWMO. The threshold of five hours a week for four (4) weeks at one (1) or more hotels could be modified to fit Council priorities and to prevent misclassification.

A second potential option Council may consider is the revision of LAMC Section 186.01 (F) to alter the current definition to only include specific occupational categories such as room attendants, front desk services, security personnel, and other staff performing the "core" functions of the hotel. If Council pursues this approach, however, many workers currently covered by the HWMO that earn \$20.32 an hour would be subject to the Citywide Minimum Wage Ordinance (MWO) of \$17.28, a pay decrease of \$3.04. In order to avoid a potential pay cut to many hotel employees, the Ordinance could be drafted so that the new wage increases only apply to specific categories of employees, or that the proposed wage increases are delayed until the Citywide minimum wage reaches the hourly HWMO wage rate of \$20.32 an hour. This would create two different types of hotel workers with two different wage rate increase schedules.

Labor representatives have voiced strong concerns with this proposal, as it could lead to an increase in worker misclassification.

Delayed Implementation for Leased Space Employees

Hotel stakeholders have communicated to our Office that restaurant and other related food and beverage services operating within hotels overwhelmingly lose money. Restaurants and other eateries are provided as an amenity to customers but the additional pending wage increases will allegedly force many hotels to close restaurants because of their insolvency. Our Office has requested internal data from hotel operators to evaluate the profitability of restaurants and other leased space, but has not yet received any information.

If Council chooses, the HWMO could be implemented so as to delay the wage increases for workers employed in leased hotel spaces an additional year, such as those working at restaurants or bars inside hotel space. This action would create two different wage increase schedules for the HWMO, similar to how the Citywide Minimum Wage Ordinance (MWO) allowed employers with 25 or fewer employees additional time to absorb the wage increases (C.F. 14-1371).

² Oakland Municipal Code Section 5.93.010

LWO Health Benefit Waiver

Section 10.37.15 (e) of the LWO allows employees to waive their employer-sponsored health insurance if they can prove to BCA they have obtained coverage through another source, such as Medicare, the U.S. Department of Veteran Affairs, or their spouse. Workers that submit an employee benefits waiver application are only entitled to the LWO hourly wage. BCA benefit waiver applications state that employees who waive their employer-sponsored insurance are not entitled to the higher hourly rate without health benefits. The current wage rate for Airport workers with employer-provided health insurance is currently \$19.28, whereas the current wage rate for Airport workers without employer-provided health insurance is \$25.23.

Workers employed by the State of California are entitled to cash in lieu amounts based on their membership in either Consolidated Benefits (CoBen) or FlexElect. CoBen applies to employees in Bargaining Units 2, 7, 8, 16, 17, 18, and 19, and employees who do not have collective bargaining rights under the Dills Act, known as “excluded employees,” who are generally designated as managerial, confidential, and supervisory employees. If an employee covered by CoBen elects to waive their health benefits, they are entitled to the below cash in lieu amounts. Employees do not receive any CoBen compensation if they decline dental coverage only. CoBen cash in lieu benefits are shown below:

- \$155 if the employee declines both the state-sponsored health and dental plans; and
- \$130 if the employee declines only the state-sponsored health plan

FlexElect applies to employees in Bargaining Units 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 20, and 21. If an employee covered by FlexElect chooses to waive their health or dental benefits, they are entitled to the following cash in lieu amounts:

- \$128 if the employee declines health benefits;
- \$12 if the employee declines dental benefits; and
- \$140 if the employee declines health and dental benefits

All amounts above are considered taxable income and are distributed to employees each pay period. Most State employees are paid once per month at the beginning of each month. The State Controller’s Office estimates that as of February 2025, 8,499 employees who are covered by CoBen and 15,411 employees who are covered by FlexElect have opted for the cash in lieu subsidy. The 23,910 employees receiving cash in lieu represents approximately 10 percent of the State’s workforce.

Los Angeles City employees can also opt for cash in lieu of medical coverage if they have insurance through another source. Full-time employees receive an additional \$50 in taxable income each pay period at a maximum of \$100 per month. Half-time employees receive \$25 per pay period at a maximum of \$50 per month.

If Council chooses, the City could allow employers who provide health benefits to workers covered by the LWO or HWMO to provide a cash in lieu option. If Council chooses to adopt an approach similar to the State or City, this would entitle workers who receive the healthcare

waiver to receive a taxable subsidy in an amount specified in the Ordinance. This proposed amount could be a flat amount similar to the State and the City or be tied to an hourly value.

Hotel Production Incentives

The incentives outlined below were gathered from conversations with dozens of hotel industry stakeholders across the Los Angeles region. Many stakeholders argued for a streamlined permitting process, as the time to build hotels is substantial and can vary widely. Once an entitlement is granted, permitting and inspections can inflate costs for businesses, which disincentivizes investment and future development or expansions. Multiple hotel industry stakeholders further communicated to our Office they have abandoned expansions at their current hotels due to the high costs of operating within the City.

Industry representatives interviewed by our Office were overwhelmingly critical of the Hotel Worker Protection Ordinance (HWPO) and the Responsible Hotel Ordinance (RHO), both of which were identified as laws that should be revised to incentivize future development and investment in the City. The RHO could be revised through Council action, whereas the HWPO cannot because it was passed by Council following an initiative petition and would therefore require a ballot measure to amend or repeal.

Responsible Hotel Ordinance

Council initiated the process for the RHO on November 1, 2023 through a Motion in response to a citizen-led ballot initiative (C.F. 22-0822-S2). The initiative was sponsored by Unite Here Local 11. It addressed land use and replacement housing requirements for hotel developers, provided a program for unhoused individuals using vacant hotel rooms, and established police permit requirements for hotels. Hotel industry representatives and Unite Here Local 11 collaborated on a compromise Ordinance to replace the ballot measure, which eventually resulted in the adoption of the RHO on December 1, 2023, with an operative date of July 1, 2024.

Prior to the adoption of the RHO, land use regulations required a Conditional Use Permit (CUP) for proposed hotels within 500 feet of a residential or agricultural zone, and located anywhere outside of a Regional Center, which was defined as Downtown, Hollywood, and Century City. CUPs are approved by the Zoning Administrator, and that action was appealable to the City Planning Commission (CPC). The RHO expands the CUP requirement, and no longer exempts hotels located in Regional Centers. The RHO also broadens the scope of findings of approval that consider the following: market demand for new hotels, the impact of the hotel development project employees on the demand in the City for housing, public transit, childcare, and other social services as a result of new hotel employees. The availability of existing affordable and rent-stabilized housing are also taken into consideration when granting the discretionary permit, among other findings.

The RHO also introduced a one-for-one residential replacement obligation for new hotel developments when housing units are converted or demolished during the five-year period preceding the application approval. Replacement units may be provided onsite or within the proximity of the project site in the form of new construction of residential dwelling units or acquisition and rehabilitation of existing market-rate residential dwelling units. Households or

individuals that meet qualifying income thresholds and facing displacement due to the conversion or demolition of residential dwelling units are given priority for the first right of refusal, followed by individual employed by the Hotel development project.

The RHO also includes a voluntary housing program that provides vacant hotel guest rooms for unhoused individuals or families. The Housing Department was tasked with establishing a program to place unhoused individual or families in vacant hotel guest rooms at hotels that voluntarily participate in the program.

Hotel industry stakeholders argue for the elimination of the new CUP requirements that provide additional administrative costs to hotel development, as the application fee for a CUP requiring CPC consideration is \$26,248. Replacement housing requirements were also identified as a disincentive for hotel development; hotel industry representatives communicated to our Office that hotels are amenities frequented by tourists and some local individuals. Providing affordable housing, therefore, is beyond the purview of services provided by hotels.

Council may modify the RHO by eliminating the new CUP requirements so that many hotels can be built by-right, which is usually a faster and less expensive process, or by altering the existing one-to-one housing replacement requirements that have been heavily critiqued by hotel industry stakeholders.

Hotel Worker Protection Ordinance

The HWPO went into effect in August 2022 and mandates a large number of changes to working conditions for hotel employees across the City, such as a requirement that hotel employers equip certain employees with personal security devices, workload limitations that prevent room attendants from servicing beyond a specific amount of square footage in an eight-hour workday or be paid double compensation, and daily room sanitizing and cleaning requirements.

LAMC Section 182.03 (A) states that for hotels with between 45 and 59 guest rooms, a hotel employer shall not require a room attendant to perform room cleaning amounting to a total of more than 4,000 square feet of floor space in any eight-hour workday, unless the hotel employer pays the room attendant twice the room attendant's regular rate of pay for each and every hour worked during the workday. Hotels with 60 or more guest rooms have a room cleaning square foot maximum of 3,500 before an employer is required to pay the room attendant twice their regular rate of pay. These limitations apply to any combination of spaces, including guest rooms, meeting rooms, and other rooms within the hotel and apply regardless of furniture or amenities present in such rooms. These workload requirements do not apply to hotels with fewer than 45 guest rooms.

LAMC Section 182.03 (D) requires guest rooms be cleaned each night they are occupied unless the occupant informs the hotel that they do not wish to be disturbed. This daily servicing requirement also does not apply to hotels with fewer than 45 guest rooms.

Industry stakeholders communicated to our Office that the above components of the HWPO have dramatically reduced worker productivity and are nonstandard across the hotel industry. If

Council sought to modify any section of the HWPO, it would need a ballot measure that would require a vote of Los Angeles registered voters.

Mansion Tax

Measure ULA was approved by Los Angeles voters in November 2022 and added Section 21.9.2(b) to the Los Angeles Administrative Code (LAAC), which is commonly referred to as the “Mansion Tax.” This LAMC Section covers transactions that occur on or after April 1, 2023, applies a 4 percent tax increase for deeds valued over \$5 million and less than \$10 million, and a 5.5 percent tax for deeds valued \$10 million or greater.

The Office of Finance estimates that the Mansion Tax has generated approximately \$600 million in revenue between May 2023 and February 2025. Approximately 40 percent of revenue has come from the sale of single-family residential homes, while 30 percent of revenue has originated from commercial property transfers.

Industry stakeholders communicated strong opposition to the Mansion Tax, with many arguing it disincentivizes investment in Los Angeles.

Because Measure ULA was adopted by initiative petition, Council is unable to amend the sections of the law related to the assessment of the taxes in the context of hotel construction. LAAC Section 22.618.8(a)(1) grants Council narrow authority to amend Measure ULA if the amendments further the mission of providing affordable housing, funding housing production, and establishing a Citizens Oversight Committee in the City. Council is unable to adjust the existing tax structure approved by voters. No amendments to Measure ULA have been adopted by Council as of April 2025.

A report released in April 2025 by the Lewis Center for Regional Policy Studies at University of California, Los Angeles, indicates that Measure ULA appears to be reducing higher-value real estate sales in Los Angeles, such as hotels and commercial properties. The report suggests a number of potential reforms, which include amending Measure ULA to incorporate marginal tax rates, exempting recently reassessed properties, and exempting any property that isn’t a single-family residential home.

NEXT STEPS

The options discussed above are policy matters for Council consideration. The Council may choose to revise the LWO and HWMO based on the information in this report. Instructions such as the following would need to be adopted in order to effectuate any potential revisions to the LAMC.

1. Request the City Attorney to prepare a revised HWMO that:
 - a. Provides a delayed wage rate schedule for hotel lessees with businesses separate from those of the Hotel; or

- b. Allows hardship waivers granted by the Bureau of Contract Administration (BCA) to be valid for an additional year, up from the current time of one (1) year, for employees located in businesses acting as commercial lessees; or
 - c. Allows hardship waivers to be granted by BCA if employers with leased space demonstrate the new wage increases would lead to layoffs accounting to 15 percent of their workforce or 10 percent of their employees' hours; or
 - d. Adds an additional clause subsequent to the current definition of "Hotel Worker" that also requires a given employee work an average of five (5) hours/week for four (4) weeks at one (1) or more hotels; or
 - e. Identify the specific occupational categories covered by the HWMO to include housekeepers, front desk employees, bell and door staff, and any other employee classifications Council chooses to be impacted by the wage increases
2. Request the City Attorney to prepare a revised LWO that requires employers to provide cash in lieu in an amount equivalent to that used for City and/or State employees for workers that receive a health benefit payment exemption

The Council may also choose to implement changes to current policy that hotel industry stakeholders have identified as impediments to development and investment. The following options, which have been crafted with extensive industry input, may serve to incentivize development and additional hotel industry investment. If Council proceeds, it is advisable that input from relevant City departments be consulted to evaluate the potential impacts of such changes.

1. Request the City Attorney to draft an amendment to LAMC Section 51.38 (1) that revises the one-to-one housing replacement provision to require fewer replacement units be built subsequent to the development of affordable units; or
2. Request the City Attorney to draft an amendment to Chapter 1 and Chapter 1A [New Zoning Code of the LAMC] to exempt proposed hotel development projects from the Conditional Use Permit (CUP) process if the proposed developed is within 500 feet of a "Regional Center"; or
3. Consider a ballot measure to revise LAMC Section 182.03 (A) to either repeal the square footage requirement, exempt certain property from being included in square footage requirements, or amend other sections as determined by Council; or
4. Consider a ballot measure to revise LAAC Section 21.9.2(b) to either repeal, reduce, or collect additional tax on property deeds that exceed \$5 million; or

5. Consider a ballot measure to revise LAAC Section 21.9.4 et al. to also exempt recently reassessed properties or exempt all properties not considered single-family dwelling units.



Henry Flatt
Analyst

Attachments:

- A. Substitute Motion adopted by Council on December 11, 2024
- B. Hotel Industry Stakeholder Contact List
- C. New York City Public Law 104

SUBSTITUTE MOTION

SUBSTITUTE 661

I MOVE that the Council adopt the following recommendations:

1. APPROVE Recommendation Nos. 1.c, 2.e, 2.f, 2.g and 3 contained in the Chief Legislative Analyst (CLA) report dated September 5, 2024, attached to Council file No. 14-1371-S13.
2. REQUEST the City Attorney to prepare a revised LWO and HWMO that:
 - a. Raises the hourly wage as follows:
 - i. \$22.50 an hour on July 1, 2025
 - ii. \$25.00 an hour on July 1, 2026
 - iii. \$27.50 an hour on July 1, 2027
 - iv. \$30.00 an hour on July 1, 2028
 - b. Provides a health payment of \$8.35 an hour, on July 1, 2025. The health care benefit payment for Hotel workers shall be applied in the same manner as applied to Airport workers under the LWO, including that if an Employer's hourly health benefit payment is less than that required under this article, the difference shall be paid to the Employee's hourly wage LAAC Sec. 10.37.3(a3).
 - c. On July 1, 2026, and annually thereafter, the healthcare benefit payment provided shall be adjusted by the percentage equal to the percentage increase, if any, in the California Department of Managed Healthcare's Large Group Aggregate Rates report, as measured from January to December of the preceding year. The DAA shall announce the adjusted rates on April 1st and publish a bulletin announcing the adjusted rates, which shall take effect on July 1st of each year.
 - d. Adds a hardship exemption clause to the LWO for concessionaires with 50 or fewer employees at LAX under a lease in effect at the time of the passage of the ordinance, applicable only to the proposed amendments and to the HWMO, similar to the Hotel Worker Protection Ordinance Los Angeles Municipal Code Section 182.04(b) and (c). The ordinance rate at the time of the application, will remain in effect for employers who qualify for the hardship exemption.
 - e. Requires the following criteria be met before an Employee or Employee's representative can file a civil action for a violation of LWO or can file a complaint or civil action alleging a violation of the HWMO:
 - i. The Employee or Employee's representative provides written notice to the Employer of the provisions of the LWO/HWMO alleged to have been violated and the facts to support the alleged violations; and
 - ii. The Employer does not, within 30 days from receipt of the written notice, take action to cure the alleged violations.

DEC 11 2024 DEC 11 2024

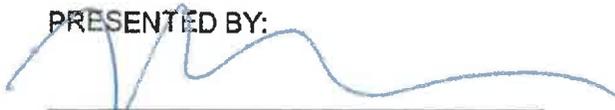
ORIGINAL

MFB

3. INSTRUCT the CLA, with assistance of the City Attorney, to report within 60 days on limiting subcontracting for hotel housekeeping, including collecting data for findings and information on the New York policy proposal; and, REQUEST the City Attorney to draft an ordinance, based on the report.
4. REQUEST the Los Angeles World Airports in coordination with the Economic and Workforce Development Department to report within 45 days with recommendations on business assistance programs for concessionaires at the airport, including assistance for Disadvantaged Business Enterprises (DBEs), Local Business Enterprises (LBEs), and financially distressed concessionaires. The assistance should include options for rent relief, modifications to hours of operations, facade improvements, permit fee refunds, technical assistance, and assistance securing low interest loans.
5. REQUEST CLA in coordination with the City Attorney to report within 45 days on alternative policy recommendations for businesses including but not limited to restaurants, spa or retail businesses that lease space from a hotel.
6. INSTRUCT the Bureau of Contract Administration (BCA), the City Administrative Officer (CAO); and REQUEST the City Attorney, to report within 45 days with regard to the necessary personnel and budgetary resources to enforce the LWO and HWMO.
7. INSTRUCT BCA to report back within 90 days with a plan to implement the Public Housekeeping Training Ordinance by December 2025.
8. INSTRUCT CLA, with assistance of the BCA and the City Attorney, to report in 45 days with recommendations on alternative ways to administer the healthcare waiver provision in LAAC Sec. 10.37.15(e), specifically looking to see how the State of California and the City allows its employees to opt-out of the healthcare benefit provided by an employer. This report should include an evaluation of providing flex cash to an employee that already has an insurance policy of equal value from another source.
9. INSTRUCT the Chief Legislative Analyst in consultation with the Planning Department, Department of Building and Safety, Los Angeles Police Department, and any other relevant departments, to report with recommendations, within 45 days, that would incentivize hotel production and hotel permitting in the City, including but not limited to exploring and providing recommendations on streamlining and/or eliminating unnecessary hotel permitting requirements, permit renewals, or regulations within the City of Los Angeles.
 - Identification of duplicative, unnecessary, or overly burdensome regulations that the City of Los Angeles currently imposes which are not standard across the other 87 cities in Los Angeles County.
 - The preparation of this report shall include input from stakeholders, hotel operators, and representatives from the hotel industry to ensure that all perspectives are considered.
10. INSTRUCT the Chief Legislative Analyst, in consultation with the Department of Tourism and Department of Finance, City Administrative Officer, Los Angeles World Airports and other relevant departments, to report back annually until 2028 to assess the impact they have had on the hotel and tourism industries and airport businesses. This report should include, but not be limited to, jobs loss, number of hotels opened and closed, analysis of the findings made in the BEAR report dated September 5, 2024, impact to the City's Transient Occupancy Tax (TOT), impacts to workers' financial stability, including testimony by workers and an overall evaluation of the economic impact of the wage increases.

11. RECEIVE and FILE Amending Motions 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23H and 23I, 23J^{and 23K} attached to Council file No. 14-1371-S13, introduced in the Council meeting of November 20, 2024 and 66 L and 66M introduced in the Council meeting of December 11, 2024.

PRESENTED BY:

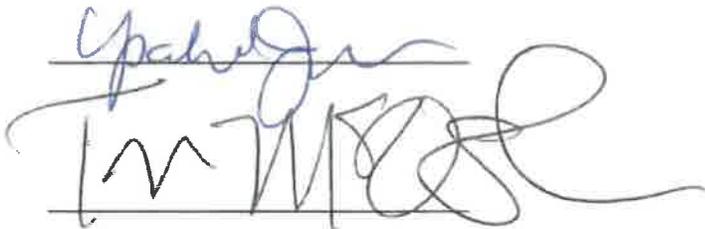


MARQUEECE HARRIS-DAWSON
Councilmember, 8th District



CURREN D. PRICE, JR.
Councilmember, 9th District

SECONDED BY:



ORIGINAL

The Chief Legislative Analyst (CLA) contacted the following hotel industry stakeholders in responding to Motion (C.F. 14-1371-S13) instruction item #9:

- Mark Davis, President & Chief Executive Officer, Sun Hill Properties Inc.
- Kara Bartelt, General Manager, Hoxton
- Javier Cano, General Manager, Ritz-Carlton/JW Marriott/LA Live
- Robbie Nasser, General Manager, Omni Hotel
- Steve Choe, General Manager, Moxy and AC Hotels
- Mark Beccaria, Principle, Hotel Angelino
- Bonny Kirin-Perez, Managing Director, The Westin Bonaventure
- Mark Sokol, Owner, Hotel Erwin
- Kande Anderson, Dual General Manager, Los Angeles Airport Marriott Hotel and Renaissance LAX
- Jeff Ragonese, General Manager, Hilton Los Angeles Airport
- Ray Patel, Owner, Welcome Inn Eagle Rock
- George Unseld, General Manager, Hotel Per La
- Adam Burke, President and Chief Executive Officer, LA Tourism & Convention Board
- Aaron Taxy, Hollywood Chamber of Commerce
- Chad Maender, LAX/Coastal Chamber of Commerce
- Fred Tayco, Executive Director, San Diego County Lodging Association
- Alex Bastin, Hotel Council of San Francisco
- Genevieve Morrill, Chief Executive Officer, West Hollywood Chamber of Commerce
- Mike Waterman, Chief Executive Officer, Visit Anaheim
- Misty Bond, Executive Director, Destination Irvine
- Janet Zaluda, Chief Executive Officer, Marina Del Rey Tourism Board
- Vijay Dandapani, President & Chief Executive Officer, Hotel Association of New York City
- Nick Rimedio, General Manager, La Peer Hotel
- Mark Eberwein, General Manager, SLS Hotel
- Greg Guthrie, General Manager, Hotel Maya
- Silvano Merlo, General Manager, Courtyard Downtown Long Beach
- John Thompson, General Manager, Westin Long Beach
- Charlie Lopez-Quintana, Vice President & Managing Director, Shutters on the Beach & Hotel Casa Del Mar
- Hee-Won Lim, Vice President/General Manager, Pacific Palms Resort
- Jason Riederer, Vice President, State and Local Government Affairs, American Hotel and Lodging Association

**LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2024**

No. 104

Introduced by Council Members Menin, Hudson, De La Rosa, Abreu, Feliz, Won, Banks, Schulman, Krishnan, Lee, Gutiérrez, Moya, Brannan, Gennaro, Williams, Ung, Ossé, Zhuang, Joseph, Powers, Sanchez, Bottcher, Avilés, Restler, Dinowitz, Nurse, Mealy, Louis, Ayala, Rivera, Cabán, Hanif, Riley, Salaam, Brewer, Salamanca, Brooks-Powers, Narcisse, Farías and Ariola (in conjunction with the Queens and Manhattan Borough Presidents).

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to licensing hotels

Be it enacted by the Council as follows:

Section 1. Chapter 2 of title 20 of the administrative code of the city of New York is amended by adding a new subchapter 38 to read as follows:

SUBCHAPTER 38

HOTELS

§ 20-565 Definitions. As used in this subchapter, the following terms have the following meanings:

Airport hotel. The term “airport hotel” means a hotel within one mile of either LaGuardia airport or John F. Kennedy international airport.

Continuous coverage. The term “continuous coverage” means 24 hours a day on any day that the hotel is occupied by a guest.

Core employee. The term “core employee” means any employee whose job classification is related to housekeeping, front desk, or front service at a hotel. Such classifications include, but

are not limited to, room attendants, house persons, and bell or door staff. Such classifications shall not include: laundry and valet employees; concierge, reservation agents and telephone operators; engineering and maintenance employees; specialty cleaning employees, including marble polishers, crystal lighting cleaners, aquarium cleaners, night cleaners and exterior window washing; parking employees; security employees; life guards; spa, gym and health club employees; minibar employees; audio-visual employees; and cooks, stewards, bartenders, servers, bussers, barbacks, room service attendants or other employees who primarily work in the food or beverage service operations of the hotel regardless of whether such employees are directly employed by the hotel operator or by another person.

Directly employ. The term "directly employ" or "direct employment" means a relationship between an employer and an employee in which there is no intermediary in such relationship.

Employee. The term "employee" means any person covered by the definition of "employee" set forth in subdivision 5 of section 651 of the labor law or by the definition of "employee" set forth in subsection (e) of section 203 of title 29 of the United States code and who is employed within the city. Notwithstanding any other provision of this section, the term "employee" does not include any person who is employed by (i) the United States government; (ii) the state of New York, including any office, department, independent agency, authority, institution, association, society or other body of the state, including the legislature and the judiciary; or (iii) the city or any local government, municipality or county or any entity governed by section 92 of the general municipal law or section 207 of the county law.

Employer. The term "employer" means any person or entity covered by the definition of "employer" set forth in subdivision 6 of section 651 of the labor law or any person or entity covered

by the definition of "employer" set forth in in subsection (d) of section 203 of title 29 of the United States code. Notwithstanding any other provision of this section, the term "employer" does not include (i) the United States government; (ii) the state of New York, including any office, department, independent agency, authority, institution, association, society or other body of the state including the legislature and the judiciary; or (iii) the city or any local government, municipality or county or any entity governed by section 92 of the general municipal law or section 207 of the county law.

Front desk. The term "front desk" means on-site staff in a hotel that are available to assist guests who may check-in or reserve a guest room.

Guest room. The term "guest room" means a room, including an interconnected room or a suite, made available or used by a hotel for transient occupancy by guests, but does not include a room not available or used for transient occupancy, including but not limited to, a single room occupancy unit and a residential unit.

Hotel. The term "hotel" means a building, as defined in section 12-10 of the New York city zoning resolution, or part of such building, which is legally authorized to have guests occupy guest rooms.

Hotel operator. The term "hotel operator" or "operator" means any person who owns, leases, or manages a hotel and is in control of the day-to-day operations of such hotel, including employment of natural persons who work at such hotel, by virtue of their ownership, management agreement, lease, or other legal construct.

Hotel owner. The term "hotel owner" or "owner" means the owner or owners of the hotel.

Human trafficking. The term “human trafficking” shall mean an act or threat of an act that may constitute sex trafficking, as defined in section 230.34 of the penal law, child sex trafficking, as defined in section 230.34-a of the penal law, accomplice to sex trafficking, as defined in section 230.36 of the penal law, or labor trafficking, as defined in sections 135.35, 135.36, and 135.37 of the penal law.

Large hotel. The term “large hotel” means a hotel with more than 400 guest rooms.

Occupied guest room. The term “occupied guest room” means that a guest room has been reserved by a guest.

Overnight. The term “overnight” means the work shift containing the hours between 12:00 am and 2:00 am.

Panic button. The term “panic button” means a help or distress signaling system a natural person may activate in order to alert a security guard, or other appropriate on-site natural person who is available to provide immediate on-scene assistance that such person is in danger, and which provides such security guard, or other appropriate on-site natural person the location of such person.

Person. The term “person” shall have the same meaning as the term “person” in section 1-112, except that such term shall not include the city of New York, the state of New York, and the federal government or any other governmental entity, or any individual or entity that has an agreement with any such governmental entity to manage real property on behalf of such governmental entity.

Security guard. The term “security guard” means a natural person who is registered to work as a security guard under article 7-a of the general business law.

Small hotel. The term “small hotel” means a hotel with less than 100 guest rooms.

Transient. The term “transient” means use for less than 30 days.

§ 20-565.1 Hotel license issuance and renewal; application; fee. a. It shall be unlawful to operate a hotel without a license. Where no license has been obtained, there shall be a rebuttable presumption that an owner of a hotel is the operator of such hotel.

b. A license issued pursuant to this subchapter shall be valid for a term of two years. The fee for such license shall be \$350.

§ 20-565.2 Issuance, denial, renewal, suspension and revocation of license. a. A license to operate a hotel shall be granted in accordance with the provisions of this title.

b. To obtain or renew a hotel license, a hotel operator shall file an application in such form and detail as the commissioner shall prescribe, and shall furnish the commissioner with the following:

1. The name, address, contact phone number, and electronic mail address of such hotel operator;

2. Such information as the commissioner shall require to establish that the operator has adequate procedures and safeguards to ensure compliance with this subchapter, including compliance with the staffing requirements of subdivisions a and b of 20-565.4, the safety requirements of subdivision b of 20-565.5, the guest room cleanliness standards of subdivision c of 20-565.5, the direct employment provisions of 20-565.6, and the panic button provisions of 20-565.7. The provisions of this paragraph shall be satisfied by a collective bargaining agreement that expressly incorporates the requirements of this subchapter. Such satisfaction shall continue for the longer of the duration of the collective bargaining agreement or ten years from date of the

application, provided that the hotel shall notify the commissioner if such agreement is modified to remove the incorporation of the requirements of this subchapter. Nothing in this subchapter shall be deemed to diminish the rights, privileges, or remedies of any employee under any collective bargaining agreement; and

3. Such other information as the commissioner may require.

c. A Hotel license shall not be assignable, except for transfers made in accordance with section 22-510, provided that such successor hotel operator notify the commissioner of the transfer, provide all the information required by paragraph 1 of subdivision b of section 20-565.2, and makes all required submissions to the department prior to the expiration of the predecessor's license, provided further than nothing here shall excuse noncompliance with the provisions of this subchapter.

d. A licensee who has submitted the application forms and fees required to renew their license pursuant to this subchapter shall be permitted to operate a hotel until they receive a determination from the commissioner. Failure by the commissioner to make a determination prior to the expiration date of an applicant's license shall not be cause to cease operation of a hotel.

e. Prior to any revocation, the commissioner shall first notify the licensee of an anticipated revocation in writing and afford the licensee thirty days from the date of such notification to correct the condition. The commissioner shall notify the licensee of such thirty-day period in writing. If the licensee proves to the satisfaction of the commissioner that the condition has been corrected within such thirty-day period, the commissioner shall not revoke such license. The commissioner shall permit such proof to be submitted to the commissioner electronically or in person. The licensee may seek review by the commissioner of the determination that the licensee

has not submitted such proof within fifteen days of receiving written notification of such determination.

f. Neither the existence of service disruptions as defined in section 20-850 nor any remedied violations pursuant to section 20-851 shall constitute a basis for the commissioner to fail to approve, deny, suspend, revoke or fail to renew a license hereunder.

§ 20-565.3 Display of license; inspections. a. Each licensee shall conspicuously display a true copy of the license issued pursuant to this subchapter in publicly visible areas of the hotel where other legally required notices may be displayed.

b. In accordance with applicable law and rules, the commissioner may inspect a hotel for violations of this subchapter and rules promulgated thereunder.

§ 20-565.4 Service requirements and prohibitions. a. Front desk staffing. 1. Except as provided by paragraph 2 of this subdivision, a hotel operator must schedule at least one employee to provide continuous coverage of a front desk.

2. During an overnight shift, in lieu of such front desk staff, an operator of a hotel may schedule a security guard who is able to assist guests and has undergone human trafficking recognition training in accordance with this subchapter.

3. The staff required pursuant to paragraphs 1 and 2 of subdivision a of this section must be available to confirm the identity of guests checking in to such hotel.

b. Security guards. 1. Each hotel must maintain safe conditions for guests and hotel workers.

2. An operator of a large hotel must schedule at least one security guard to provide continuous coverage on the premises of such hotel while any guest room in such hotel is occupied.

c. Guest room cleanliness. 1. An operator of a hotel must maintain the cleanliness of guest rooms, sanitary facilities, and hotel common areas.

2. An operator of a hotel must provide every guest room with clean towels, sheets, and pillowcases prior to occupancy by a new guest.

3. Upon request by a guest, an operator of a hotel must replace the towels, sheets, and pillowcases of an occupied guest room.

4. An operator of a hotel must clean an occupied guest room and remove trash daily unless a guest affirmatively declines such cleaning and trash removal services. Hotels may not impose any fee or collect any charge for daily room cleaning nor offer any discount or incentive to forgo daily room cleaning.

d. Prohibition against short duration bookings. An operator of a hotel, other than an airport hotel, may not accept reservations for a guest room for a duration of less than 4 hours.

e. Prohibition against facilitating human trafficking. An operator of a hotel may not permit the premises of such hotel to be used for the purposes of human trafficking.

§ 20-565.5 Direct employment. a. Direct employment required for core employees. A hotel owner of a hotel other than a small hotel must directly employ all core employees, except as provided in this section.

b. A hotel operator must provide a human trafficking recognition training in accordance with section 205 of the general business law to core employees. A hotel operator must provide human trafficking recognition training to a new core employee within 60 days of employment.

c. Except for hotel owners of small hotels, contracting to any third parties for core employees, including staffing agencies or other contractors or subcontractors, is not permitted except that a

hotel owner may retain a single hotel operator to manage all hotel operations involving core employees at a hotel on the hotel owner's behalf, which includes employment of core employees of the hotel by the hotel operator. Where a hotel owner retains a hotel operator in accordance with this subsection, a hotel owner need not be a direct employer of core employees. § 20-565.6

Panic buttons. A hotel operator must provide panic buttons to core employees, at no cost to any such employee, whose duties involve entering occupied guest rooms.

§ 20-565.7 Retaliatory actions by hotels; prohibition. a. A hotel operator shall not take any retaliatory action against an employee, including but not limited to a core employee, for taking any of the actions described in paragraphs 1 through 3 of this subdivision:

1. discloses, or threatens to disclose to a supervisor or to a public body any specific activity, policy, or practice of such hotel operator that the employee reasonably and in good faith believes is in violation of this chapter or that the employee reasonably and in good faith believes poses a substantial and specific danger to the public health or safety; or

2. provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any such activity, policy, or practice by such hotel operator; or

3. objects to, or refuses to participate in any such activity, policy, or practice provided that such hotel employee has a reasonable, good faith belief that such activity, policy or practice subjects such employee to unusually dangerous conditions which are not normally part of such employee's job.

b. Any person alleging a violation of the provisions of this section may bring a civil action, in accordance with applicable law, in any court of competent jurisdiction.

c. Such court may order compensatory, injunctive and declaratory relief, and reasonable attorney's fees and costs.

d. A civil action under this section shall be commenced within six months of the date the person knew or should have known of the alleged violation.

e. A person filing a civil action under this section shall simultaneously serve notice of such action and a copy of the complaint upon the department. Failure to so serve a notice shall not adversely affect any person's cause of action.

§ 20-565.8 Enforcement and penalties. a. A hotel operator who violates or causes another person to violate a provision of this subchapter or any rule promulgated pursuant to such subchapter, in addition to any other applicable penalties provided in this title, shall be subject to a civil penalty as follows:

1. for the first violation, a civil penalty of \$500;

2. for the second violation issued for the same offense within a period of two years of the date of the first violation, a civil penalty of \$1,000;

3. for the third violation issued for the same offense within a period of two years of the date of the first violation, a civil penalty of \$2,500; and

4. for the fourth and any subsequent violations issued for the same offense within a period of two years of the date of the first violation, a civil penalty of \$5,000.

b. A proceeding to recover any civil penalty pursuant to this section shall be commenced by the service of a summons or notice of violation by the department, which shall be returnable to the office of administrative trials and hearings or any other tribunal designated to conduct such proceedings.

§ 2. Subdivision a of section 20-565.5 of the administrative code of the city of New York, as added by section one of this local law, shall have no effect on an enforceable agreement between a hotel operator or a hotel owner, as such terms are defined in section 20-565 of such code, and a contractor executed prior to the effective date of this local law, provided such agreement terminates on a date certain.

§ 3. It shall be unlawful for a hotel owner or hotel operator, as defined in section 20-565 of the administrative code of the city of New York, as added by section one of this local law, to enter into an agreement that would violate subdivision a of section 20-565.4 of such code, as added by section one of this local law.

§ 4. This local law takes effect 180 days after it becomes law, except as provided below:

i. subdivision a of section 20-565.5 of the administrative code of the city of New York, as added by section one of this local law, takes effect in 180 days with regard to an agreement entered into on or after such effective date, provided, however, with regard to any agreement executed prior to such effective date that does not terminate on a date certain, such subdivision takes effect on December 1, 2026, and provided, further, that, with regard to any agreement executed prior to such effective date that terminates on a date certain, such subdivision takes effect 30 days after the date on which such agreement terminates or expires; and

ii. section three of this local law takes effect immediately and expires and is deemed repealed 180 days after such date.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on October 23, 2024 and approved by the Mayor on November 4, 2024.

MICHAEL M. McSWEENEY, City Clerk, Clerk of the Council.

CERTIFICATION OF CORPORATION COUNSEL

I hereby certify that the form of the enclosed local law (Local Law No. 104 of 2024, Council Int. No. 991-C of 2024) to be filed with the Secretary of State contains the correct text of the local law passed by the New York City Council and approved by the Mayor.

MARTHA ALFARO, Acting Corporation Counsel.