



NEW YORK STATE SENATOR

Thomas K. Duane

Testifying before the City Council in Support of Increased Fines for Illegal Hotel Operators

THOMAS K. DUANE December 13, 2011

On December 13, I presented testimony before the New York City Council's Committee on Housing and Buildings regarding Introduction 404, which relates to the fines for illegal conversions from permanent residences to hotels. I have been working, along with advocates and my colleagues in government, for close to a decade to combat these "illegal hotels" which create hazardous conditions for short-term visitors and permanent residents alike. In 2010, the New York State Legislature passed legislation that I co-sponsored that clarified that Class A multiple dwelling residential buildings may only be used as long-term residential housing. Then-Governor David Paterson signed this bill into law and it went into effect on May 1, 2011. Regrettably, despite the new law, illegal hotels continue to proliferate in my district and across the city.

Under the current fine structure, a building's owner may be assessed a one-time fine of \$800 regardless of how many illegal hotel units he or she operates. Considering that illegal hotel rooms may rent out for several hundred dollars a night, and there are often multiple rooms being used in this fashion, an \$800 fine is a laughable punishment that a landlord could easily write off as a cost of doing business. By allowing fines to be issued for every unit used illegally, with compounding fines for repeat offenses, Introduction 404 would establish penalties that are sufficient to compel lawful conduct. I applaud Council Members Gale

Brewer and Speaker Christine Quinn for this bill and am hopeful that the Committee and ultimately the Council will pass this vital piece of legislation. Please see my testimony attached.