STATE OF NEW YORK

7941

2023-2024 Regular Sessions

IN ASSEMBLY

August 4, 2023

Introduced by M. of A. NOVAKHOV -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the general business law in relation to prohibiting hotels, motels and lodging establishments from selling prepaid rooms to another person in certain circumstances

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Legislative intent. The legislature finds that many hotel reservations are prepaid in advance. Failure to check in on the first night of a prepaid reservation can result in lost revenue for the hotel and inconvenience for other guests. Some hotels have been known to sell a prepaid room to a second person if the original guest fails to check in, causing confusion and potential legal issues.

§ 2. The general business law is amended by adding a new section 210 to read as follows:

§ 210. Prepaid hotel reservations. 1. (a) Any hotel, motel or lodging establishment shall be prohibited from selling a prepaid room to a second person if the original guest fails to check in on the first night of the originally scheduled reservation. If a reservation is scheduled for seven days or longer, any hotel, motel or lodging establishment shall be prohibited from selling a prepaid room to a second person if the original guest fails to check in on the first, second or third night of the originally scheduled reservation.

(b) It shall be required that any guest with a prepaid reservation at a hotel, motel or lodging establishment who will not be checking in on the first night of such reservation shall provide notice, by telephone or electronic mail, to such hotel, motel or lodging establishment of such late check-in. If such notice is not provided by the guest pursuant to this paragraph, the provisions of paragraph (a) of this subdivision shall not apply and such hotel, motel or lodging establishment where the prepaid reservation was made shall have the right to cancel such reser-

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD11409-02-3

vation after twenty-four hours, unless the guest contacts such hotel, motel or lodging establishment and cancels such reservation.

2. It shall be prohibited for any hotel, motel or lodging establishment in any booking contract or agreement between such hotel, motel or lodging establishment and a guest to include any provision that allows such hotel, motel or lodging establishment to cancel a reservation, charge a cancellation fee and rent out the reserved room to another person when such reservation has been fully prepaid.

3. Any hotel, motel or lodging establishment that violates the requirements of this section shall be responsible for any actual damages, or a fine of five hundred dollars, whichever amount is greater, per violation. A hotel, motel or lodging establishment charged with a violation pursuant to this section shall have the right to appeal such violation in a court of competent jurisdiction.

§ 3. The division of consumer protection shall establish regulations and guidelines for the implementation of this act, including but not limited to the definition of a hotel, motel or lodging establishment.

§ 4. This act shall take effect immediately and shall apply to all hotels, motels and lodging establishments in the state of New York.