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To: Members of the New Jersey General Assembly

From: Raymond Cantor, Vice President of Government Affairs

Date: January 7, 2022

Re: NJBIA's Objections to Assembly Bill No. 6246 - Concerning hotel sales and service disruptions

On behalf of the New Jersey Business & Industry Association I am voicing our objections to Assembly Bill No. 6246 concerning hotel sales and service disruptions. We have three main concerns: 1) this bill is not needed to protect employee rights; 2) it harms needed flexibility to keep these businesses viable; and 3) it needlessly regulates the day-to-day operations of hotels. I will address each briefly.

Bill not needed - Employees already have protections from layoffs under the WARN Act which gives them 90-days' notice and mandatory severance. Why is more needed for this industry? Also, employees can avail themselves of collective bargaining to gain more rights.

Business Flexibility - This bill would make it difficult for a hotel operation to manage its employees and retain the best staff because it requires layoffs be done by seniority and requires all "satisfactory" employees be retained. Additionally, it appears that while the bill references a 90-day "transition period" it also seems to lock in employee benefits and wages beyond that. Further, new owners of a hotel will want to use their own wage and benefit packages, especially if part of a larger chain. Why should new hotels in that chain be subject to mandatory, different packages.

Day-to-day operations - The bill requires a host of communications and actions whenever an undefined "service disruption" occurs at a hotel. How a hotel responds to its customers in these situations should be a matter of business practice not legislative mandates. What is the essential problem the Legislature is trying to solve that would necessitate such a level of operational interference?

Given these concerns we ask that you vote "no" to this legislation until they are addressed. Thank you.