

# Top Ten Reasons

## Operating an Inn Is Different from Renting Your Home



ISTOCK.COM

Many of our local Towns have enacted transient rental laws, which establish the minimum rental period that a homeowner can lease their home to a tenant. The Town of Southampton prohibits rentals for a period of 14 days or less, except by a guest at a hotel or motel. Many in the sharing economy believe that such a rule is fundamentally unfair and an invasion on their rights. Many have accused government of simply trying to raise revenue through imposing their hotel tax (in Suffolk County, the tax rate for persons occupying rooms in short-term lodging is 3% of the per-diem rental rate charged for each room). Yet, hotel tax is not the only thing that differentiates a homeowner from an innkeeper. Beyond tax, here are 10 differences in operating an inn from renting a home.

### 1. RECORD KEEPING

Innkeepers are required to keep a register that shows the “name, residence, date of arrival and departure of his guests” for a period of 3 years pursuant to the General Business Law of the State of New York. No such rule exists for renting your home.

### 2. STORING VALUABLES

Innkeepers are liable for the theft of their guests’ valuables (i.e., “money, jewels, ornaments, bank notes, bonds, negotiable securities or precious stones”) but can reduce their exposure to a maximum exposure of \$1,500.00 if innkeepers provide safe deposit boxes in a public and conspicuous place while posting a notice of such availability within the inn. This limited liability provided by the General Business Law of the State of New York does not exist for renting your home.

### 3. SAFETY CHAIN LATCHES

If an innkeeper maintains a duplicate or a master key for a unit, then each unit must be equipped with a safety chain latch. This safety requirement of the General Business Law of the State of New York does not exist for homeowners who offer weekend rentals.

### 4. ADVERTISING ROOM RATES

Homeowners can change their room rates on a whim. Innkeepers are locked into their rates because they are required to post both the minimum and maximum room rate for accommodations at the place maintained for the registration of guests, within each and every rental unit, and on all outside advertising that can be seen from a street, pursuant to the General Business Law of the State of New York. In fact, using the term “and up” following a room-rate is in express non-compliance with the statute for an innkeeper, but not for a homeowner.

### 5. SANITATION; SEWAGE; VENTILATION

The New York State Public Health Law requires every hotel to be well drained and ventilated with requirements for connections to cesspools or sewers (dependent on availability). In fact, the Commission of Health, or any person authorized by such Commission, may “enter any hotel or any part thereof at any reasonable time to inspect and examine the same.” Should the Commission find a violation, the innkeeper is guilty of a misdemeanor. No such rule exists for a homeowner.

(Continued on page 28)



ISTOCK.COM

(Continued from page 24)

## 6. CLEAN LINEN AND TOWELS

Innkeepers are required to “furnish each guest with clean linen or cotton individual towels in each room occupied ... and with clean sheets and pillow slips” pursuant to the Public Health Law of the State of New York. In fact, the sheets have minimum length and width requirements. No such requirement exists for homeowners.

**The next 4 items refer to the New York Multiple Residence Law, which applies to all cities, towns, and villages within the State of New York, except for New York City. Subject to some exceptions, the following 4 provisions from the New York Multiple Residence Law apply to hotels of at least 3 stories in existence on July 1, 1952 and all hotels, regardless of height, erected on or after July 1, 1952.**

## 7. STORAGE COMPARTMENTS

Innkeepers are required to have at least one completely enclosed compartment “for the storage of mattresses, furniture, paints, floor wax, linens, brooms, mops and other such inflammable or combustible paraphernalia incidental to the occupancy and maintenance of the dwelling” pursuant to the New York Multiple Residence Law. To prevent fires, these materials may not be stored in any other part of the building and the compartment must be equipped with an automatic sprinkler or fire-detecting system unless it is located at least 30 feet from the building. No such requirement exists for a homeowner.

## 8. EXIT SIGNS

Innkeepers are required to equip every exit with a sign that complies with specific size and illumination requirements pursuant to the New York Multiple Residence Law. Specifically, the sign must read EXIT “in red letters at least eight inches high on a white background, or vice versa, illuminated at all times during the day and night by a red light of at least 25 watts or equivalent illumination.” Directional signs to the nearest exits must also be used for the areas of the inn where an exit is not visible. No such requirement exists for a homeowner.

## 9. WATCHMAN

Pursuant to the New York Multiple Residence Law, innkeepers of fireproof buildings that have 50 or more “sleeping” rooms with at least 35% of such rooms occupied by guests are required to have at least one employee walk to every part of the building throughout the night from 11 p.m. to 7 a.m. to detect fire and to ensure the overall safety of the occupants. This requirement also applies to innkeepers of non-fireproof buildings (which are generally older buildings) that have 30 or more “sleeping” rooms and a 35% occupancy. This “watchman” requirement does not apply to buildings that have a fire-detecting system or an approved automatic sprinkler system that gives warning to all occupants. No such requirement exists for a homeowner.

## 10. FIRE ALARMS

Innkeepers are required to install and maintain interior fire alarm systems in buildings with 30 or more “sleeping” rooms pursuant to the New York Multiple Residence Law. No such requirement exists for a homeowner. 🏠

*Andrew M. Lieb, Esq., MPH, is the managing attorney of Lieb at Law P.C. and is a contributing writer for Behind the Hedges.*