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AAHOA Statement on A1958 Hearing Before the New Jersey Assembly Judiciary Committee

Princeton, NJ, May 22 – The Asian American Hotel Owners Association (AAHOA), the world’s largest hotel owners association, supports Assembly Bill 1958 to make welcomed changes to New Jersey Franchise Practice Act for the hospitality industry.

More than 30 experienced hotel owners and leaders from the hospitality industry and AAHOA, who have worked with hotel franchises and have experience in the hotel industry spanning decades, gathered in New Jersey State Assembly for introduction of Assembly Bill 1958 on Thursday, May 12, 2022. Several AAHOA Members from the Mid Atlantic region also shared their personal experiences related to provisions of the bill during the hearing.

The legislation has been sponsored by Assemblyman Raj Mukherji (District 33, Hudson), Robert J. Karabinchak (District 18, Middlesex), and Ronald S. Dancer (District 12, Burlington, Middlesex, Monmouth, and Ocean) and cosponsored by William W. Spearman (District 5, Camden and Gloucester).



This bill makes major changes to the New Jersey Franchise Practices Act, specifically for the hospitality industry. Some of these changes, to name a few, include the restriction of non-competes for longer than six months, prohibits requiring a relocation or capital investment greater than \$25,000 more than once every five years unless hotel franchisors can establish a return on the investment, requires a franchisor that receives “any rebate, commission, kickback, services, other consideration or anything of value” to fully disclose them to the franchisee and turn them over to the franchisee, puts restrictions on mandatory sourcing of goods or

resources, and prohibits suspending, restricting, or preventing access to franchise services.

The Assembly Judiciary hearing was attended by prominent hotel owners and leaders from AAHOA, including Mid Atlantic Regional Director Mahendra (MZ) Patel, Past Chair Bhavesh Patel (2017-2018), and President & CEO Laura Lee Blake.

During the hearing, Blake reiterated that AAHOA Members coming together to convey their support shows they care about what is happening in New Jersey because it's one of the few ways to bring franchisors to the table to finally get some answers to questions they've been asking for years.

"Our participation demonstrates to our members and the industry at large that AAHOA is concerned about what owners are facing, and we are here to voice concerns and advocate for change because the current systems in place are not working," she said. "New Jersey hotel owners carried the day, and the passage of this bill out of Committee was a truly great start to the new day we are building for AAHOA."



For decades, AAHOA has been a pioneer in mentoring and guiding hotel owners. While there are many organizations that assert they are representing the interests of hotel owners overall, they principally serve as the voice of the franchisors. AAHOA is unique in that it is the only organization dedicated solely to serving the best interests of, and acting as the foremost advocate for, America's hotel owners.

“It truly is a new day for AAHOA, a new start for our organization, and I am proud of our team's efforts in New Jersey and for standing up for America's hotel owners,” said AAHOA Chairman Neal Patel. “As they say, action speaks louder than words – by participating, speaking out, and sharing our personal stories, AAHOA demonstrated that we are the one and only voice for America's hotel owners.”

According to a 2021 [Oxford Economics research study](#), New Jersey AAHOA Members own 45.4% of the hotels in the state, employ more than 72,000 workers, contribute \$7.3 billion to the state's GDP, and pay more than \$2 billion in federal, state, and local taxes.

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About AAHOA

AAHOA is the largest hotel owners association in the nation, with Member-owned properties representing a significant part of the U.S. economy. AAHOA's 20,000 members own 60% of the hotels in the United States and are responsible for 1.7% of the nation's GDP. More than one million employees work at AAHOA member-owned hotels, earning \$47 billion annually, and member-owned hotels support 4.2 million U.S. jobs across all sectors of the hospitality industry. AAHOA's mission is to advance and protect the business interests of hotel owners through advocacy, industry leadership, professional development, member benefits, and community engagement.