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AAHOA Members Testify in Support of New Jersey Bill Advancing Fair Franchising Principles



TRENTON, NJ, March 21 – Members of the Asian American Hotel Owners Association testified in support of [New Jersey Assembly Bill 1958](#), which advances several key components of [AAHOA's 12 Points of Fair Franchising](#) to sustain a mutually beneficial relationship between Franchisors and Franchisees.

The Assembly Commerce and Economic Development Committee reported the bill out of Committee with amendments. Six members voted yes, zero members voted no, and three members abstained. About 30 AAHOA Members attended the hearing and several offered testimony.

AAHOA, the largest hotel owners association in the world, has been at the forefront of advocating for fair franchising standards that protect hotel owners' investments, safeguard a mutually beneficial relationship with hotel brands, and promote the hospitality industry and top-notch guest experiences. [AAHOA Members own 45.4% of New Jersey hotels](#), representing 46,124 rooms.

"As the largest hotel owners association, representing the exclusive interests of America's

hotel owners, AAHOA showed up in New Jersey to testify in support of amendments to the legislation to improve the franchise model,” said AAHOA Chairman Nishant (Neal) Patel. “I’m heartened by the strong show of support by AAHOA Members who came to Trenton to speak on behalf of our industry.”

Last May, a [contingent of AAHOA Members testified](#) in favor of the bill in front of the New Jersey Assembly Judiciary Committee.

“Multiple major hotel franchises are helping to pave the way for fair franchising that is both fair and free – free from arbitrary and undisclosed fees, free from one-sided terms and conditions, and free from anti-competitive procurement rules,” said AAHOA President and CEO Laura Lee Blake. “As a state that is home to thousands of hard-working entrepreneurs, including immigrants from around the world, New Jersey can be an example to the rest of the country in supporting franchising practices that allow hotel owners to achieve the American dream.”

“Yesterday, there was a strong showing of testimony and support from our local members concerning the most important principles of this bill, which we have been underscoring from the beginning,” said Bharat Patel, AAHOA Vice Chairman. “The Committee heard us and voted to pass this bill with the changes we had identified. We thank the New Jersey Assembly Members for understanding our concerns, and we look forward to continuing to work together to address these important issues.”

Assembly Bill 1958 has four key provisions that support fair franchising practices:

- Franchisors and Hotel Brands should not require hotel owners to purchase goods and services only from mandated vendors if the same goods and services of comparable quality are available from other sources at competitive prices.
- If a Franchisor or Hotel Brand receives commissions / rebates from a vendor based on purchases by the Franchisee hotel owners, then such commissions / rebates must be fully disclosed and returned to the Franchisee hotel owners for the betterment of the system.
- New franchise fees should not be unilaterally added that were not previously disclosed in the Franchise Disclosure Document (FDD) without prior approval from the FACs or the Franchisee hotel owners.
- AAHOA shall not support the Hotel Franchisors or Brands selling loyalty points for a profit without providing reasonable compensation for the hotel owners.

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About AAHOA

AAHOA is the largest hotel owners association in the world, 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.