

Homesharing in New York

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TL;DR

New York State law currently prohibits New York City residents in multiple-dwelling buildings from renting their entire apartments for fewer than 30 days. Despite this, homesharing through online platforms for fewer than 30 days is common for New York visitors and residents. This wide use of homesharing despite the prohibition underscores a need for new laws that allow responsible homesharing while addressing reasonable policy concerns.

Summary

New York State law currently prohibits homesharing, including through online platforms such as Airbnb, of entire residential apartments located in buildings with three or more units (the rule does not apply, for example, when residents rent a vacant bedroom while they still reside in the apartment).¹ This prohibition on homesharing, or renting of a residential apartment for fewer than 30 days, only applies to buildings located in New York City.² In 2010, the state passed legislation to strengthen this law, with an eye towards eliminating illegal hotels. Last year, in an effort to discourage homesharing, the state increased fines for violators of the existing law.

Despite New York's homesharing prohibition, platforms that enable homesharing are popular and widely used by visitors and New Yorkers alike. In 2017, 2.6 million visitors stayed with hosts in New York State, with 1.8 million of those staying in New York City alone. In addition, more than 3 million outbound guests from New York used Airbnb to travel domestically and abroad.

Opponents of homesharing platforms have expressed concerns about the impact on the hotel industry, alleged threats homesharing abuses present for affordable housing, or reluctance by building owners and/or residents about the use of apartments in their building for homesharing.

Despite this opposition, the wide use of homesharing platforms suggests the need for legislation that would allow for reasonable homesharing practices while addressing valid concerns about the practice and limiting the potential for abuse. Efforts are currently underway to identify legislative solutions to reasonably legalize homesharing in New York.

¹ NYS MDL § 4(8)(a).

² NYS MDL § 3(1) (specifically, the prohibition applies only to cities with a population greater than 325,000, which only includes New York City).

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These solutions include some of the following ideas:

- Limiting hosts to list only one apartment;
- Requiring hosts to register with New York City;
- Providing a way for neighbors to register complaints; and
- Imposing a tax on homesharing transactions.

Legislation allowing homesharing in NYC would open up the state to new revenue streams from the taxes collected on these transactions. Analysis of the fiscal impact of this proposal estimates an additional \$100 million in annual revenue from homesharing services including Airbnb.

Pending Legislation

Last year, Brooklyn Assembly member Joe Lentol introduced bill [A-7520](#), a bill designed to permit more homesharing rentals. The bill would amend the New York State Multiple Dwelling Law and tax law in order to legalize responsible homesharing while enabling regulators to target enforcement of those who turn permanent housing into illegal hotels. The bill does this by including the following provisions:

- Limit individuals to a single, entire-home listing in New York City on homesharing platforms through the “One Host, One Home” provision.
- Prohibit short-term rentals in public housing and limit short-term rentals in rent-stabilized housing by prohibiting hosts in rent-stabilized units from exceeding the annual legal rent for each respective unit.
- Require registration by short-term rental hosts.
- Require insurance on every listing.
- Require 24/7 customer support for hosts, guests, and neighbors affected by short-term rentals on platforms like Airbnb.
- Enforce a “three strikes” policy that would bar hosts from renting a property as a short-term rental if he or she repeatedly violates city and/or state regulations.
- Allow homesharing platforms like Airbnb to collect and remit city and state taxes on behalf of hosts..

The bill remains in the Senate Housing Committee under review. We will provide updates on this specific bill and support efforts to ensure New York adopts a more tech-friendly, and reasonable, approach on this issue.

On June 7, 2018, NYC City Council Members Carlina Rivera and Laurie Cumbo introduced [a bill](#) to regulate homesharing companies and hosts alike. The bill as written would require homesharing companies to release the names and primary residences of rental hosts to the Mayor’s Office of

Special Enforcement. Failure to report and/or reporting errors would result in fines of \$5,000 to \$25,000 per listing.

Impact on Members

The New York tech ecosystem has a rich history of strengthening the relationships and innovation amongst businesses and the community. New York tech companies are responsible for more than 326,000 jobs in New York City. That number stands poised to grow, but that growth is not a given. Companies need to know that NYC is ready to work with them. As New York's elected officials balance the necessity of emerging tech industries, it is crucial they do not risk burying potential innovation and entrepreneurship. Proposed City Council legislation and accounts like Comptroller Stringer's "Impact of Airbnb on NYC Rents" report provide such risk.

New York's elected officials should work on comprehensive approaches to responsible homesharing that allow New Yorkers to continue to explore innovative opportunities. If New York fails to embrace homesharing, we will put our city at risk of becoming inhospitable to the growing tech economy. New York is already behind many states, including Vermont, Connecticut, and Pennsylvania, and many cities, including New Orleans, Philadelphia, and Berkeley, in allowing homesharing and, in turn, realizing resulting tax benefits. On the other hand, legislation like that currently pending in NYC City Council would send an anti-tech message to entrepreneurs looking to start their businesses in New York.