

Home Sharing 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, home sharing through online platforms for fewer than 30 days is common for New York visitors and residents. This wide use of home sharing despite the prohibition underscores a need for new laws that allow responsible home sharing while addressing reasonable policy concerns.

UPDATE

On April 28, 2017, Brooklyn Assembly member Joe Lentol introduced bill [A-7520](#), a bill designed to permit more Airbnb-type rentals. The bill would amend the New York State Multiple Dwelling Law and tax law in order to legalize responsible home sharing 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 single, entire home listings in New York City on home sharing 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 home sharing platforms like Airbnb to collect and remit city and state taxes on behalf of hosts—an estimated [\\$90M annually](#) in NYS from Airbnb alone

Currently, the bill is being referred to the Housing Committee, where it will be reviewed. We will provide updates on this specific bill and support the current efforts to ensure that New York adopts a more tech-friendly, and reasonable, approach on this issue.

Impact on Members

Home sharing impacts members in direct and indirect ways. Most obviously, home sharing platforms like Airbnb could conduct business in New York based on more realistic and reasonable laws. Although tech companies that are not home sharing platforms would not be directly impacted, authorizing legislation would eliminate the potential negative perception about New York's attitude towards technology.

BACKGROUND

New York State law currently prohibits home sharing, 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 of home sharing, 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 home sharing that occurs through home sharing websites, the State increased fines for violators of the anti-home sharing law.

Despite New York's home sharing prohibition, platforms that enable home sharing are popular and widely used by visitors and New Yorkers alike. In 2015, more than 1.3 million visitors stayed with hosts in New York City through home sharing websites. In addition, in 2016, nearly 2.3 million New Yorkers stayed with hosts through Airbnb to visit locations outside of and within the state of New York.

Opponents of home sharing platforms are motivated by several factors including concerns about the impact on the hotel industry, threats home sharing abuses present for affordable housing, or reluctance by building owners and/or residents about the use of apartments in their building for home sharing.

Despite this opposition, the wide use of home sharing platforms suggests the need for legislation that would allow for reasonable home sharing practices while addressing valid concerns about the practice and limiting the potential for abuse. Efforts are currently underway by Tech:NYC and members like Airbnb to identify legislative solutions to reasonably legalize home sharing in New York City.

These solutions include some of the following ideas:

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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- 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 home sharing transactions.

Legislation allowing home sharing 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 estimate an additional \$90 million in annual revenue.