

## Friday Fast Facts September 22nd, 2023

## **Farrell Fritz Long Island Land Use and Zoning Blog**

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## Goodbye to Airbnb in NYC?

By Michael Webb on September 12, 2023 POSTED IN AIRBNB, LOCAL LAW, SHORT-TERM RENTALS

The initial phase of New York City Local Law 18, also known as the Short-Term Rental Registration Law, went into effect in New York City on Tuesday, September 5th, 2023. Enforcement of Local Law 18 is expected to significantly reduce the number of illegal, short-term rental listings – i.e. listings for less than thirty (30) consecutive days – available in New York City, especially on major online booking platforms such as Airbnb and VRBO.

Under the New York City Multiple Dwelling Law, it is illegal to rent out your apartment and/or home for less than 30 consecutive days, except in very limited circumstances. For a short-term rental to be legal under the Multiple Dwelling Law, (i) no more than two (2) paying guests may be hosted at a single time, (ii) the host must maintain primary occupancy and reside in the dwelling unit during the stay, and (iii) the paying guests must have access to all parts of the listing, what is referred to as a "common household."

Local Law 18, adopted by New York City on January 9, 2022, requires all legal, short-term rental listings to be registered with the Mayor's Office of Special Enforcement ("OSE"), and prohibits hosts from processing transactions for short-term rental listings that are not validly registered with the OSE. Local Law 18 also requires online booking platforms to verify – via an electronic system maintained by OSE – that a short-term rental listed on its online platform is validly registered with OSE and has a valid short-term rental registration number assigned by the OSE. Online booking platforms and individual hosts are subject to civil penalties under Local Law 18 for any transaction where a fee is charged or received, directly or indirectly, by the online booking platform and/or host for an unregistered short-

term rental listing.

A host and/or building owner can register a legal, short-term rental listing, by submitting an application through New York City's Short-Term Rental Registration Portal (<u>https://strr-portal.ose.nyc.gov/s/?language=en\_US</u>), along with a nominal, non-refundable application fee. Registration applications for short-term rental listings must be for units legally approved for residential use and covered by a valid Certificate of Occupancy, or similar occupancy document. The OSE has discretion to deny an application if its review of applicable building records discloses uncorrected violations issued by the Department of Buildings, Department of Housing Preservation and Development and/or the FDNY which relate to dangerous conditions for occupants. The OSE will not approve any applications where more than two (2) paying guests may be hosted at a single time, where the host does not maintain primary occupancy and actually reside in the dwelling unit during the stay, or if the paying guests do not have access to all of the dwelling unit.

Building owners – including co-op and condo boards, corporations, mangers or agents – are permitted to elect to have their building placed on a separate "Prohibited Buildings" list maintained by OSE. To opt-in, a building owner can submit an application through the Short-Term Rental Registration Portal to have their building placed on the "Prohibited Buildings" list. Local Law 18 requires OSE to deny any registration applications and/or requests for any buildings (and units in any buildings) that appear on the "Prohibited Buildings" list. To be included on the "Prohibited Buildings" list, a building owner must certify that the leases and/or other occupancy agreements for all of the units in the building contain express language prohibiting short-term rentals.

Notably, Local Law 18 exempts all Class B multiple dwellings – typically buildings such as, hotels, boarding houses, rooming houses, and dormitories. Class B dwellings are exempt from Local Law 18 registration requirements, and owners of Class B multiple dwellings are not required to submit an application though the Short-Term Rental Registration Portal. Similarly, online booking platforms are not required to report transactions appearing on a list of exempt, Class B multiple dwellings maintained by the OSE and publicly available online.

According to the OSE, the main thrust of the initial enforcement phase of Local Law 18, "...will focus on collaborating with booking platforms to ensure they are using the city's verification system, that all verifications are occurring correctly, and that the platforms stop processing unverified transactions."



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