



Gimme Shelter: New York Local Law 18



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New York Local Law 18, the so-called “Anti-Airbnb Law,” was enacted by the New York City Council on January 9, 2023. The new law – which took effect March 6, 2023 – is aimed at reducing undesirable short-term rentals in the city, making it illegal for owners to operate short-term rentals unless the unit is registered with the Mayor’s Office of Special Enforcement (the “OSE”). The law only applies to Class A multiple dwelling units like apartments designed to be permanent residences, exempting Class B multiple dwelling units like hotels designed for transient lodging. As the moniker indicates, the law also affects booking services like Airbnb, Vrbo, Sonder, etc. by making it illegal for them to facilitate short-term rentals for unregistered units or those no longer in good standing. The law provides for fines of up to \$5,000 (\$1,500 for booking services) per infraction. Enforcement of Local Law 18 will begin in July of this year.

Registration

While registering may seem like a simple administrative task, applicants will quickly find that the registration requirements are quite stringent. The first requirement applies to the applicant itself. They must be a natural person who permanently occupies the unit and is either (i) the owner of the unit, or (ii) a tenant of the unit that can certify that they are not prohibited from operating a short-term rental under the terms of their lease. If the applicant satisfies the first requirement, then the applicant needs to submit its application which must (i) describe the area(s) of the unit available for occupation, (ii) certify that the unit is in compliance with applicable zoning, housing maintenance and city construction codes, and (iii) where a booking service is employed, the applicant must provide the name of the service along with the uniform resource locator. In addition, to submit the application, the applicant must pay a \$145 application fee.

After the application is submitted, the OSE will notify the owner of record and then verify that the unit (i) does not have outstanding violations under applicable city

codes, (ii) is classified to be used as a short-term rental, and (iii) is not in a building that appears on the prohibited building list.

Booking Services

When facilitating short-term rentals, booking services must use the designated electronic verification system to verify that (i) the unit is associated with the rental registration number, (ii) the uniform resource locator is associated with the rental registration number, and (iii) the host and physical location matches the information provided by the verification system. Once verified, the verification system will provide a unique confirmation number. Each month, booking services must submit a monthly report to the OSE describing the booking service's public uniform resource locator and the respective unique confirmation number provided by the verification system for each transaction.

Reporting

For all registered units, the OSE will make the following information available via a designated website: (i) registration number, (ii) uniform resource locators associated with such registration, (iii) address and unit number (including latitude and longitude), (iv) status of the registration, and (v) expiration date of the registration.

Each year, the administering agency will generate a report with (i) the number of active registrations, (ii) the number of short-term registration applications and renewals, (iii) the average time to process applications and renewals, (iv) a summary of reasons for rejected applications or renewals, and (v) the total amount of penalties imposed and collected.

Proponents of Local Law 18 point out that short-term rentals undermine existing zoning requirements and pose security and use and enjoyment concerns for surrounding neighbors. In their eyes, the law serves to crack down on illegal short-term rentals by requiring booking services and owners to comply with existing requirements. On the other hand, opponents claim the law will hurt small business and drastically reduce the number of short-term rentals available to tourists. Owners claim the law unfairly restricts their ability to use their property. With the new law in effect and enforcement actions to begin July 1, only time will tell if Local Law 18 can make illegal short-term rentals fade away, leaving tourists to get shelter – somewhere else.