

A LEGISLATIVE GUIDE: SHORT-TERM RENTALS IN NEW YORK STATE

Assemblymember
Linda B. Rosenthal

Chair of the Assembly Committee on
Housing





HOW IS SHORT-TERM RENTAL DEFINED IN NYS?

- **In areas outside of NYC**, it is illegal to rent a unit(s) in a Class A Multiple Dwelling (contains three or more residential units) for less than 30 consecutive days.
- **In NYC**, it is illegal to rent a unit(s) in a Class A Multiple Dwelling or in a private dwelling unless approved and registered as a short-term rental host with the city.
- **Owner-Occupancy Exception**: It is **legal** to operate a short-term rental if the host remains in the apartment with the tourist/guest.

EVOLUTION OF SHORT-TERM RENTALS IN NEW YORK STATE AND CITY

- Short-term rentals became more prevalent in NYC in the mid-2010s; blurs the line between commercial and residential uses.
- The NYS Attorney General found that between the years **2010 and 2014, a total of 497,322 short-term rentals reservations were booked through Airbnb in 35,354 unique units.** The AG found that more than 40% of those units were advertised by hosts who had more than one unit on Airbnb.
- A McGill University study published in 2017 found that short-term rentals facilitate prevalence of “ghost hotels.”
- That same McGill study found that **Airbnb removed 7K to 13.5K units of housing from the market.**
- UCLA model found that **Airbnb raised long-term rents in NYC by 1.4%.** That amounted to a \$560-\$580 rent increase on the UWS.

LEGISLATIVE EFFORTS AT THE STATE LEVEL

- **Assemblymember Rosenthal's 2016 Illegal Advertisement Law:** First-in-the-nation law that banned Airbnb and other home-sharing platforms from advertising illegal units on their sites.
 - **Law also requires landlords to provide tenants with an annual lease rider re: short-term rental rules.** NYC tenants can be evicted for breaking their lease and/or creating a nuisance by renting their units.
 - The law levies fines of up to \$1,000 for the first offense and up to \$7,500 for third and every subsequent offense.
- **Creation of State Registry/Tax Collection:** In 2024, the NYS Legislature passed two laws that went into effect on March 1, 2025, regulating the short-term rental industry.
 - Short-term rental platforms are required to collect and remit to the NYS State Department of Tax and Finance both the local and state sales tax (4%). Tax and Finance will remit those receipts to counties.
 - **Authorizes counties to establish a county-wide short-term rental registry.** Creating the registry allows counties to collect the hotel/motel occupancy tax. The registry also provides counties with STR address locations, length of stay and the number of guests.

LEGISLATIVE EFFORTS IN NEW YORK CITY

- **Mayor's Office of Special Enforcement was created by Executive Order in 2006.** The agency protects New Yorkers from unregulated industries. In addition to other issues, OSE is tasked with investigating reports of illegal short-term rentals.
- **Local Law 18: Short-Term Rental Registration Law:** Requires STR hosts to register their unit with OSE and prohibits STR service platforms from processing transactions for unregistered hosts, including in one-and-two-family homes.
 - **The legislation requires OSE to maintain a Prohibited Buildings List**, mandates that hosts be present and limits number of guests in a unit.
 - Since booking platforms are unable to process unregistered hosts, there are currently only 3K active short-term rental registrations in NYC. There were approx. 38K before the law went into effect.
 - **Airbnb sued NYC in 2023 over Local Law 18**, claiming it was a defacto ban on STR. Case was dismissed.
 - In 2025, NYC used Local Law 18 to file a lawsuit against a commercial operator that continued to advertise illegal STR stays in 10 apartments.

PENDING LEGISLATION: AFFORDABILITY OR CASH COW

- **Intro 1107**: Proposed legislation in the NYC Council that scales back Local Law 18 by allowing owners of one-and-two-family homes to rent their entire homes without being present.
 - Advocates claim this measure is needed to ease the affordability crisis and would expand Airbnb offerings in the outer boroughs.
 - According to a report published by the Community Service Society of NY, approx. **894K New Yorkers live in one-and-two-family homes and about 45% of those tenants do not have leases**. They are also generally not protected by rent regulation or Good Cause Eviction.
 - The same study found that rolling back regulations on these properties would dramatically increase their Net Present Value (NPV), which will invite speculation.

SHORT-TERM RENTAL CONSEQUENCES FOR TENANTS & HOUSING STOCK

- **Imperial Court**

- Building on the West Side of Manhattan with almost 300 units.
- Landlord began running a commercial hotel, creating quality of life issues for existing, long-term tenants.
- Lobby became a lounge for guests, tenants could not reach management because they were either checking in or tending to guests, short-term guests ran through hallways, tried to break into apartments, stole property from communal kitchens.
- Organized tenants for a year, presented a case to the Mayor's Office of Special Enforcement.
- City investigated and found that 99 affordable units were being used for short-term rentals. Landlord was fined \$290K by the city and they agreed to stop using the premises as a hotel.

- **Croman**

- One of NY's most notorious landlords; went to prison for financial crimes and had to establish \$8M restitution fund for tenants he harassed.
- Owns about 140 properties in NYC. Tenants reported to my office that he was operating short-term rentals in affordable units, which created disruptions and removed rent regulated units from housing market during affordability crisis.
- Organized the tenants/wrote to state housing agency requesting audit of properties. State found he deregulated dozens of rent regulated units to use them as rentals. He was fined \$514K by the state.

- **Undercover Investigation**

- Conducted a sting operation in 2015; identified hosts with multiple listings and rented entire home on Airbnb site.
- Uncovered Airbnb in buildings with gov't subsidies and company that was renting 200 individual rental units.