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Governor Cuomo Signs New York Airbnb Bill

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On October 21st New York Governor Andrew Cuomo signed into law the bill that was passed earlier in the year by the State Senate and Assembly, making it illegal to advertise rentals of less than 30 days of unoccupied apartments as short-term rentals on websites like Airbnb. Specifically, the new law makes it illegal to post a short-term rental on websites like Airbnb that violates the New York City Multiple Dwelling law. The penalty under the new law for advertising such short-term rentals ranges from \$1,000 for first-time offenders up to \$7,500 for third and subsequent violations.

The New York City Multiple Dwelling law already prohibits rentals in New York City that are under 30 days if residents are not present, but did not prohibit the listings for such rental activity on websites like Airbnb.

Airbnb has vigorously opposed the legislation, and has attempted to cleanse out its New York City listing by over 2,200 listings as of July, which appear to be hosts with multiple listings.

Many in the hotel industry, who are losing valuable tourism dollars from short-term rental on websites like Airbnb, favored passage of this bill, arguing among other factors that these units are held accountable to the safe regulatory environment in areas such as fire and safety.



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Airbnb immediately filed a lawsuit in Manhattan federal court, asking the court to declare the law as unconstitutional and for the court to block New York State and New York City from enforcing the new law. In its complaint, Airbnb claims the law violates the company's First Amendment rights of free speech, as well as the protection it is afforded under the Communication Decency Act of 1996.

This is not the end of legislative actions regarding short-term rentals, as Airbnb has also filed a lawsuit against the city of San Francisco, against a new ordinance which took effect in July requiring all hosts to register with the city. If hosts have not registered the fine can be up to \$1,000 per day to the website company. In addition, other jurisdictions are looking into regulating these types of platforms.

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