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UPDATE: NYC's New Short-Term Rental Registration Law Goes Into Effect September 5, 2023

Stephen Lasser · Monday, September 18th, 2023

As we previously reported, the rules implementing NYC's Local Law 18 "Short-Term Rental Registration Law," were published by the Mayor's Office of Special Enforcement ("OSE") on February 3, 2023 and were slated to go in to effect on July 1, 2023. However, Airbnb and three (3) local hosts filed separate lawsuits against OSE and NYC in the New York Supreme Court seeking to annul these rules and initially obtained a temporary restraining order. These lawsuits now have been dismissed and the Short-Term Rental Registration Law [Local Law 18 (LL18)] and its rules went into effect on September 5, 2023 [Final Rules].

The new rules require, among other things, that anyone seeking to rent out housing in a multiple dwelling of three (3) units or more in NYC for fewer than 30 consecutive days register with the OSE, obtain a registration number, and display that registration number on their listing. Registered hosts are required to include their short-term rental registration number on all advertisements and offers for the short-term rental and to conspicuously post and maintain, within the dwelling unit, a diagram of normal and emergency exit routes and their short-term rental registration certificate. A registrant is further required to retain records of their short-term rental transactions and provide such records to OSE upon request. Registration is not permitted if there are uncorrected violations that might endanger occupants of such units or if the units are in buildings on a "Prohibited Buildings List," as discussed more fully below.

Another key aspect of Local Law 18 is that it creates entire categories of accommodations that cannot be registered as short-term rentals. Specifically, apartments cannot be used as short-term rentals if they are (1) rent controlled, (2) rent stabilized, including any property subject to RPTL 421-a regulations, (3) subject to Mitchell Lama regulations, (4) part of New York City Housing Authority housing, or (5) a property in receipt of a subsidized mortgage and under New York City Department of Housing Preservation and Development supervision, such as HDFCs.

Further, Local Law 18 gives condo and co-op boards and other residential building owners the power to place their buildings on the "Prohibited Buildings List." Thus, where a board or a building owner has determined that short-term rentals are not allowed and has registered the building on the Prohibited Buildings List, OSE will refuse to register any apartment in such building and must notify a building owner of the submission of any registration application for an apartment therein; this gives co-op or condo boards and building owners the chance to take action against the applicant before an apartment is rented on a short-term basis.

Where a residential condo or co-op building is not registered on the Prohibited Buildings List, Local Law 18 requires condo unit owners and co-op shareholders to certify that they are the legal owner or tenant of the unit, hosting does not violate the terms of their proprietary lease or by-laws, and the apartment complies with all applicable legal requirements for short-term occupancy, including construction codes.

Please feel free to contact Lasser Law Group, PLLC for more information on Local Law 18 and its implementation. NKourland@LasserLG.com; (212) 376-3205.

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