

**S5978** FUNKE   No Same as [Add Alert](#)

**Text Versions:** [S 5978](#)

**S5978** FUNKE No Same as

NOT ON FILE Multiple Residence Law

TITLE....Prohibits the short term rental of private dwellings

05/09/17 REFERRED TO HOUSING, CONSTRUCTION AND COMMUNITY  
DEVELOPMENT

---

STATE OF NEW YORK

5978

2017-2018 Regular Sessions

IN SENATE

May 9, 2017

Introduced by Sen. FUNKE -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the multiple residence law, in relation to prohibiting the short term rental of private dwellings

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The multiple residence law is amended by adding a new  
2 section 14 to read as follows:

3 § 14. Prohibited rental. 1. A private dwelling or apartment shall only  
4 be used for permanent residence purposes. For the purposes of this  
5 subdivision, "permanent residence purposes" shall consist of occupancy  
6 of a dwelling unit by the same natural person or family for thirty  
7 consecutive days or more, and a person or family so occupying a dwelling  
8 unit shall be referred to in this subdivision as the permanent occupants  
9 of such dwelling unit. The following uses of a dwelling unit by the  
10 permanent occupants thereof shall not be deemed to be inconsistent with  
11 the occupancy of such dwelling unit for permanent residence purposes:

12 (a) occupancy of such dwelling unit for fewer than thirty consecutive  
13 days by other natural persons living within the household of the perma-  
14 nent occupants, such as house guests, or lawful boarders, roomers or  
15 lodgers; or

16 (b) incidental and occasional occupancy of such dwelling unit for  
17 fewer than thirty consecutive days by other natural persons when the  
18 permanent occupants are temporarily absent for personal reasons, such as  
19 vacation or medical treatment, provided that there is no monetary  
20 compensation paid to the permanent occupants for such occupancy; or

21 (c) to any individual or owner who rents out their private dwelling or  
22 apartment for fewer than thirty consecutive days who earns no more than  
23 twenty-five hundred dollars per annum in total for all such applicable  
24 rental periods.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD03665-01-7

1 2. (a) Notwithstanding the provisions of any other law to the contra-  
2 ry, the application of this section shall not apply to any of the  
3 following:

4 i. a private dwelling or apartment whose permanent resident, family  
5 member, or owner remains in the private dwelling or apartment for the  
6 duration of any rental period, provided however, that such private  
7 dwelling or apartment is in compliance with the standards set forth in  
8 the law for bed and breakfast establishments; or

9 ii. for any rental period lasting less than thirty consecutive days,  
10 provided that a permanent resident, family member, or owner can show  
11 proof of a licensed real estate rental agreement or contract, or  
12 documentation showing proper reporting of tax collections from such  
13 rentals, and the necessary insurance to show proper liability coverage  
14 during such rental periods.

15 (b) For purposes of this section proper reporting of tax collections  
16 shall include applicable state and local occupancy and sales taxes.

17 3. Notwithstanding the provisions of any other law to the contrary,  
18 anyone found in violation of the provisions of this section shall be  
19 subject to a civil penalty of not less than one thousand dollars nor  
20 more than twenty-five thousand dollars for each violation. In addition  
21 to such civil penalty, a separate additional penalty may be imposed of  
22 not more than one thousand dollars for each day that the violation is  
23 not corrected.

24 § 2. This act shall take effect January 1, 2018; provided, however,  
25 that this act shall only apply to a governing body of any county not  
26 wholly included within a city, a city with a population of less than one  
27 million, or a town or village which enacts a local law to adhere to the  
28 provisions of this act.

---

**NEW YORK STATE SENATE  
INTRODUCER'S MEMORANDUM IN SUPPORT  
submitted in accordance with Senate Rule VI. Sec 1**

**BILL NUMBER:** S5978

**SPONSOR:** FUNKE

**TITLE OF BILL:** An act to amend the multiple residence law, in relation to prohibiting the short term rental of private dwellings

**PURPOSE:**

This legislation would regulate and establish standards for short term rentals of private dwellings in New York State, that also requires a level regulatory framework for such rentals and existing bed and breakfast establishments.

**SUMMARY OF PROVISIONS:**

Section 1 would prohibit the rental of private dwellings and apartments for under 30 days statewide, with exceptions that would put units in compliance with standards for hotels, motels, and bed and breakfasts, including: where an owner stays in the short-term rental unit for the duration of the stay; and, where the short-term rental provider can provide proof of a real estate rental agreement or contract, or proper tax collections (sales and occupancy), and proof of liability insurance coverage during the rental period.

The section exempts owners who rent their unit as a short-term rental if the owner earns \$2,500 or less in aggregate annually for all rental periods.

The section creates penalties for each violation of at least \$1,000, but not more than \$25,000, with an additional penalty of up to \$1,000 for each day that the violation is not corrected.

Section 2 authorizes this act to take effect on January 1, 2018, provided that the act shall only apply in counties, cities, towns, or villages that pass a local law to opt in to the legislation.

**JUSTIFICATION:**

The developing sharing economy has led to many different online platforms that affect various industries in New York State. One example is home-sharing, which occurs when short-term rentals are offered on an app or website for fewer than 30 days where the owner may/may not vacate the property during a guest's stay. Further, these online platforms have been proven means of advertising for our regulated hotels, motels, inns and bed & breakfasts in our State. To that end, this legislation seeks to level the playing field between users who market their homes/rooms with the regulated businesses they are in direct competition with. Because of these online platforms, the New York State tourism industry and in turn New York State (via the collection of taxes) is losing critical revenue to short-term rentals.

Currently, short term rental units are largely unregulated in New York. As personal homes and apartments, these units are not held to the same taxes or fire and safety regulations as hotels, motels, or bed and breakfasts. Since these units are not held to the same standards as other lodging options, there is a concern for the guests using these home-sharing services and this bill would provide needed consumer protection.

New York State has become one of the country's top tourist destinations, with many of its attractions located throughout Upstate and on Long Island. These destinations draw millions of visitors annually, creating a need for legitimate lodging options that include home-sharing. This need creates vital jobs statewide, particularly in regions where job growth has been stagnant.

This legislation would level the playing field for the tourism industry, and would provide a regulated setting for short-term rentals and allow for everyone from homeowners to operators to use these online market providers while contributing to and protecting the interests of all New Yorkers as well increasing the overwhelming impact this industry (tourism) has on the state's economy.

**LEGISLATIVE HISTORY:**

This is a new bill

**FISCAL IMPLICATIONS**

None

**EFFECTIVE DATE:**

This act shall take effect on January 1, 2018, provided that the act shall only apply in counties, cities, towns, or villages that pass a local law to opt in to the enactment of this law.