



NEW YORK STATE SENATOR

Liz Krueger

Statement on the Illegal Hotel Law, Airbnb, and the Nigel Warren Case

LIZ KRUEGER May 22, 2013

| ISSUE: **HOUSING**

Sen. Krueger released the following statement in response to **recent developments** regarding the illegal hotel law and Airbnb. Sen. Krueger sponsored **the 2010 law** that enables New York City to take enforcement action against illegal hotel operations and illegal short-term rentals in residential multiple dwellings.

The illegal hotel law and the city's complaint-driven enforcement system were both designed to target large, ongoing illegal hotel operations, and it's rare that someone like Mr. Warren gets fined, unless the illegal stays occur frequently and neighbors make multiple complaints. That said, Mr. Warren may have bigger problems than his illegal hotel fine -- separate and apart from the illegal hotel law, the rules of the condo Mr. Warren has been renting prohibit this kind of activity, and Mr. Warren may have just given his landlord grounds to evict him.

The real problem here is the devil-may-care attitude companies like Airbnb have taken toward the legal consequences for their users. Whether it's laws like New York's, or it's the basic terms of use of a potential user's apartment, companies like Airbnb or Flipkey are recruiting private citizens into their business model without sufficiently warning them that it may not be legal and could even lose them their homes. That's pathologically irresponsible.

New York's law deals with a serious problem -- our city's chronic residential housing shortage has reached a crisis level. The bulk of listings on Airbnb and similar services in New York City are not individuals or small entrepreneurs renting out one or two rooms from time to time to supplement their

income -- they are large, ongoing illegal business enterprises taking residential apartments entirely out of the market and using them as unsafe, illegal hotel rooms. This is bad for visitors, who don't get proper services, safety, or security in these illegal accommodations, and bad for New Yorkers, who are suffering under a housing shortage and can't afford to have residential apartments illegally taken out of the market.

I am open to discussing good-faith efforts to improve our law, but the only proposals that have been put forward so far would gut the law, making it practically unenforceable and leaving New Yorkers without any recourse against illegal hotel operations compromising the safety and security of their homes.

Background:

- Jason Clampet, Skift.com, "Is Airbnb illegal in New York? Definitely not, but many of its hosts break the law."