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|  | **The Council of the City of New York****Finance Division****Latonia McKinney, Director****Fiscal Impact Statement****Proposed Intro. No: 2309-A****Committee**: **Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to requiring registration for short-term rentals  | **Sponsor:** Council Member Kallos, Rivera, Rosenthal, Reynoso, Gibson, Powers, Ayala, Brannan, Gennaro, Moya, Adams, Dromm, Levine, Salamanca, Holden, Dinowitz, Treyger, Koslowitz, Riley and Feliz |

**Summary of Legislation:** Proposed Intro. No. 2309-A would require applicants seeking to rent out rooms in Class A dwelling units for fewer than 30 consecutive daysas short-term rentals, to register with the Mayor’s Office of Special Enforcement (OSE) and obtain a registration number before being permitted to rent out rooms in such a manner. Booking services would also be required to obtain a registration from OSE and to verify the short-term rental registration number of any accommodation before listing it on their service. In addition, OSE would create and maintain an electronic system that a booking service may use to verify whether a short-term rental registration has been issued for a dwelling unit or housing accommodation in the City.

**Effective Date:** This local law would take effect 12 months after it becomes law, except that the provisions regarding penalties and enforcement would take effect 16 months after it becomes law, and OSE may take such actions as are necessary for its implementation, including the promulgation of rules, before such dates.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2024

**Fiscal Impact Statement:**

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|  | **Effective FY23** | **FY Succeeding Effective FY24** | **Full Fiscal Impact FY24** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $1,460,000 | $1,320,000 | $1,320,000 |
| **Net** | $1,460,000 | $1,320,000 | $1,320,000 |

**Impact on Revenues:** It is estimated that there would be no impact on revenues resulting from the enactment of this legislation. While the legislation permits the relevant agency to establish a fee to charge and collect from a booking service for use of such system, it is currently unknown how much, if any, fees for registration would be imposed by the agency. While the legislation permits the collection of penalties for violations of the law, this estimate assumes compliance with the law.

**Impact on Expenditures:** It is estimated that the enactment of this legislation would result in City-tax levy expense costs of approximately $1.5 million in Fiscal 2023 and $1.3 million in Fiscal 2024 and the outyears. The Fiscal 2023 expense costs include a prorated Personal Services (PS) costs of $510,000 for thirteen additional headcount positions associated with administration, management, investigation, and maintenance, as well as Other Than Personal Services (OTPS) costs of $950,000 for IT needs and maintenance. For Fiscal 2024 and the outyears, expense costs include PS costs of $1.02 million for thirteen headcount positions and OTPS costs of $300,000 for IT needs and maintenance. Because the bill requires the administering agency to create and maintain an electronic system that a booking service may use to verify whether a short-term rental registration has been issued, it is likely that there would be additional capital costs associated with the implementation of this local law. However, that amount any capital cost is undetermined at this time.

**Source of Funds to Cover Estimated Costs:** General Fund

**Source of Information:** New York City Council Finance Division

 Mayor’s Office of Legislative Affairs

**Estimate Prepared by:** John Basile, Senior Financial Analyst

**Estimate Reviewed by:** Chima Obichere, Unit Head

 Noah Brick, Assistant Counsel

**Legislative History:** This legislation was first introduced to the Council as Intro. No. 2309 on May 12, 2021 and referred to the Committee on Housing and Buildings (Committee). A hearing was held by the Committee on September 13, 2021 and the bill was laid over. The legislation was subsequently amended and the amended version, Proposed Intro. No. 2309-A, will be considered by the Committee on December 8, 2021. Upon a successful vote by the Committee, Proposed Intro. No. 2309-A will be submitted to the full Council for a vote on December 9, 2021.

**Date Prepared:** December 6, 2021