

Airbnb Gets Off Easy in San Francisco. Hosts? Not So Much

By Joshua Brustein

Airbnb is now officially legal in San Francisco, on terms that solve most of the company's legal problems while adding new responsibilities on people who use the site.

The peer-to-peer accommodation service had been running afoul of the city's ban on residential rentals of less than 30 days, a law intended to keep landlords from turning apartments into hotels. San Francisco's Board of Supervisors [lifted that ban for people renting out their permanent homes](#), defined as the space they inhabited at least 275 days the previous year. In other words: Airbnb hosts.

A sizable minority of the listings on the site will remain illegal come February, when the new law goes into effect. By definition, San Francisco is capping the number of legal rentals to one per host, since you can only have one permanent rental. But almost a third of the listings on Airbnb come from people who offer more than one property, according to [an analysis by the San Francisco Chronicle](#). Serial renting is also banned, with the number of days someone can rent his entire apartment limited to 90 per year. There are no such restrictions on renting out an extra bedroom in a place you're living.

Airbnb is comfortable with these limitations. The new law "will give regular people the right to share the home in which they live and make it fair to share in San Francisco," the company said in a statement.

A major victory for Airbnb came with the city's rejection of an amendment that would have required paying back taxes for rentals over the past several years. But perhaps most important is that Airbnb won't be asked to police its own network. Every technology company, from Google ([GOOG](#)) to Napster ([NAPS](#)), has at one point claimed to be a neutral connector that shouldn't be held liable for the misbehavior of its users. San Francisco is accepting that argument from Airbnb. It wouldn't be hard for the company to track who was listing more than one apartment or to limit hosts from renting out their apartments for more than 90 days per year. But all Airbnb will actually need to do is notify hosts about the new law and collect taxes, something it had already started doing at the beginning of this month.

Hosts will face a few new requirements. They will need a business license and a permit from the city, at the cost of \$50, and will have to keep two years of records showing they haven't been using the site too frequently. For people used to doing little more than filling out an online listing form and hiding a key in the mailbox, filling out applications at a city agency isn't going to seem like much fun. It remains to be seen how stringently this will be enforced, given that the previous law was largely ignored and the government office in charge of following up on complaints has [inadequate resources and is already backlogged](#). And even those hosts who aren't in violation of the new law could still face trouble from landlords who object to their tenants subleasing apartments.

Airbnb can now turn its legal efforts fully to New York, which also has an illegal hotel law that covers much of the activity on the website. "Every city is different, and we are working with leaders around the world on rules that work for them," says Nick Papas, an Airbnb spokesman. Airbnb would be overjoyed if New York adopted the rules passed in San Francisco as a starting point for its own law.