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Mayor Fulop Leads on Sharing Economy, Jersey City To Be First in the Tri-State Area to Officially Allow Airbnb

Agreement will raise \$1 million in city revenues, allow residents to use popular home-renting platform seamlessly

JERSEY CITY- **Mayor Steven M. Fulop** and **Ward E Councilwoman Candice Osborne** announced a proposal today that would allow Jersey City residents to share their homes on Airbnb. The measure would make Jersey City the first city in the Tristate area to formally embrace the popular home-renting platform by permitting city homeowners and certain lessees to rent their home for less than 30 days. Airbnb has also agreed to charge and collect the standard hotel tax on their rentals in the city.

The announcement comes as the debate about the sharing economy continues to draw more and more chatter from lawmakers and politicians, including the presidential candidates.

“In Jersey City, we embrace the future – and that’s what companies like Airbnb are: the future,” said Mayor Fulop, “Airbnb is incredibly popular and growing rapidly, and while some people might have concerns about the sharing economy upending old ways of doing business, the best way to address those concerns is by engaging with these companies, not pretending they do not exist. In the words of Bill Clinton, “You have to make change your friend.” And that’s what we’ve done here by working with Airbnb.”

The proposal is Jersey City’s latest effort to the sharing economy. Last month, Mayor Fulop launched a CitiBike bikeshare in the city, with over 350 bikes and 35 stations. Airbnb itself is already widely used in city, as well. As of this morning, 300+ Jersey-City properties were available for rent on the platform.

"We are grateful for the opportunity to work with the City Council and Mayor Fulop to develop thoughtful home sharing rules that will help middle class families in Jersey City," said Max Pomeranc, Regional Head of Public Policy at Airbnb. "This new law would generate more revenue for Jersey City and help countless families who share their homes and use the money they earn to pay the bills."

The agreement makes it so that residents renting their home on Airbnb’s platform would not be responsible for dealing with potential tax issues. Instead, Airbnb would be responsible for charging and collecting the standard six-percent hotel tax in Jersey City. This is estimated to increase city revenues

by roughly \$1 million a year – or a 14% percent increase in hotel-tax revenue.

Airbnb brings also much needed tourism capacity to the city’s 13 hotels and has the potential to draw tourism dollars to parts of the city where they are rarely seen. According to the company, 74% Airbnb users stay outside the main hotel district – and 40% of their dollars are spent in the neighborhood where they stay.

“Airbnb is going to let Jersey City expand its tourism industry and draw even more visitors from all over the world – all while allowing residents to take advantage of the popular platform,” said Councilwoman Candice Osborne, “Mayor Fulop deserves applause for leading on this.”

In addition to allowing residents to rent homes for less than 30 days, the measure, which will be added to the City Council’s agenda for Wednesday’s meeting, includes several commonsense protections. It would prohibit homeowners and renters from “changing the character of the neighborhood.” It would also limit the number of properties one user could rent on the platform to five, so as to prevent the formation of informal “Airbnb hotels.”

As for the safety of the homes, Airbnb guarantees one-million-dollars’ worth of protection in the property is damaged by the renters. As part of Airbnb’s commitment to helping create a safe and trusted community, Airbnb will reimburse hosts up to \$1,000,000 in the rare case that a guest causes damage to a host’s home.

All media inquiries should be directed to Ryan Jacobs, Communications Director to Mayor Steven M. Fulop at 201-547-4836 or 201-376-0699. ////