

# **New York begins effort to help startups navigate regulations**

April 24 2015, byJennifer Peltz

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Technology startups and New York authorities will get each other's input on dealing with regulations under an initiative the state attorney general and New York City's chief lawyer announced Friday.

Attorney General Eric Schneiderman, city Corporation Counsel Zachary Carter and some law schools are working together on what Schneiderman called the first startup law clinic to boast expertise from government authorities.

"This will help new companies navigate our regulatory system, but it will also provide insights to the state and local government about outdated or overly cumbersome rules, and trends that we need to be aware of," Schneiderman said at a Fordham University School of Law conference on the sharing economy. It's a term for some tech companies that connect customers and providers of accommodations, transportation and other services.

But tech companies can't simply expect officials to scrap any regulations that impose limitations on their businesses, said Schneiderman, who has both clashed and compromised with prominent sharing-economy players.

"The sharing economy holds enormous potential to be a dramatic agent of positive change," and government is "a critical part of the equation," he said.

New York City has grown as a tech startup hub in recent years, boasting Kickstarter, Tumblr and Etsy among other companies based here.

The new program could help fledgling firms get over regulatory hurdles and start thinking about them earlier, said Julie Samuels, the executive director of Engine, a group that advocates for startups.

"When a startup is a couple of people sitting around in someone's apartment, coming up with an idea, you don't always think of the regulatory landscape," let alone have the money to hire lawyers, she said. "We want startups to engage because if you wait until it's too late, it's much, much harder to deal with these issues."

Some sharing-economy startups have found themselves under scrutiny by New York's government.

Schneiderman issued a report last fall saying that nearly three-quarters of Airbnb rental listings in New York City violated city or state laws restricting short-term rentals. San Francisco-based Airbnb has said it has removed many listings that violated laws and urges its hosts to know and follow them.

Schneiderman also examined Uber's surge pricing, or raising its app-hailed taxis' fares when demand is high. The practice brought a chorus of complaints when fares shot up during some storms a couple of years ago.

Amid Schneiderman's investigation, San Francisco-based Uber agreed last summer to limit fare increases during emergencies. Schneiderman called the agreement a model of "effective collaboration" between government and technology companies.

Uber and Airbnb representatives didn't immediately respond to inquiries

about the new initiative. Schneiderman's office won't advise individual companies but can be a sounding board for regulatory issues and ideas.

Besides Fordham, the project involves Brooklyn Law School and Yeshiva University's Cardozo School of Law.

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Citation: New York begins effort to help startups navigate regulations (2015, April 24) retrieved 9 April 2024 from <https://phys.org/news/2015-04-york-effort-startups.html>

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