

O-32-23

Short-term Rental Licenses and Regulations

AMENDMENT 4 – CHAIR FINLAYSON (on behalf of the Rules Committee)

- 1) On page 4, strike lines 31 through 33 and in line 31 insert: "
 - i. No short-term rental operator's license shall be approved or issued unless it is in accordance with the rules of any applicable condominium, homeowners, community or other similar association having authority over the use of the premises.
 - ii If consent is required by such rules, it shall be provided to the Director in the manner required by the bylaws of such association. " -- *Requires proof that an association has approved of the STR if such a condition is required*
- 2) On page 5, line 15, after "1." insert "A licensee must be a resident of the City or be a property manager that meets the standards in Subsection 17.44.090(D) of this chapter" And renumber accordingly. -- *This clarifies that a short term rental licensee and property manger have to be local.*
- 3) On page 5, line 15, after "A licensee shall be allowed one short-term license." insert ", which shall apply to only one dwelling unit". -- *This is to prevent a loophole where someone owning multiple buildings on a property could rent all of them as STRs with one license.*
- 4) On page 5, after "dwelling unit", insert a new paragraph, "A licensee shall not post any signage on the property indicating its use or availability as a short-term rental, unless otherwise approved by the Director." And renumber accordingly -- *This is to make it clear that we don't want signage in our neighborhoods advertising STRs, unless following relevant sign regs and approved by the City.*
- 5) On page 6, in line 12, strike "commercial" and replace with "principal". -- *changes requirements for property managers.*
- 6) On page 7, in line 10, after "revocation", insert ", as determined by the Director," -- *The intension here is to make it clear this is something an appointed official (or designee) will need to determine.*
- 7) On page 7, in line 14, after "Any", insert "material". -- *This is an attempt to better define adverse effect.*
- 8) On page 7, in line 19, after "safety" insert ", as determined by the City Manager or their designee,". -- *Lets the City Manager decide who enforces these provisions*

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- 9) On page 7, in line 17, remove "or indirectly" -- *The original may be too vague.*
 - 10) On page 7, in line 19, remove "and inaccuracies" and insert "or" before "false" and remove the comma.
 - 11) On page 8, in line 8, remove "knowingly". -- *This seems like it could lead to issues.*
 - 12) On page 8, in line 9, delete "local". -- *The original text doesn't seem necessary to specify local as it would be implied.*
 - 13) On page 8, in line 7 after "6.", insert the following new paragraph " 'Neighborhood' means, the the purposes of this chapter, an area within one block or a group of residences within 500 feet of each other, whichever is less." And renumber following paragraphs accordingly. -- *This is an attempt at defining 'neighborhood'.*
 - 14) On page 8, in line 11, delete "Diminishes the value of neighboring property". -- *This is really hard to define and I think best if removed.*
 - 15) On page 8, in lines 12-13, delete "or obstructs the reasonable use of other property in the neighborhood". -- *This doesn't seem necessary and is vague.*
 - 16) On page 8, in line 18, strike "90" and insert "180". -- *Responds to concern that 90-days is not a long enough period)*
 - 17) On page 9, in line 6, after "property", insert "in the City". -- *This change makes it clear that we are only limiting ownership of STRs within the City and not outside the City.*
 - 18) On page 9, delete lines 9-12 and replace with the following: "'Short-term rental' means a residential dwelling unit or accessory building that is rented to transient guests for compensation for a period of no more than 90 consecutive days for any single tenant. A short-term rental provider shall not combine time limits for short-term rentals."
 - 19) On page 1, in line 40, before "Provided" insert in bold "**License types.** "; and in line 42, before "A" insert in bold "**Standard Rental License.** "; on page 2, in line 12, before "A " insert in bold "**Bed and Breakfast (B&B) License.** "; in line 17, before "A " insert in bold "**Hotel, Motel, Inn License.** "; in line 22, before "A " insert in bold "**Short-term Rental License.** "; in line 24 , after "B. " insert in bold "**Fees.** ". -- *This adds subtitles in Section 17.44.030.*
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As the change would look in the resolution:

A. Definitions. See Section 17.44.110 of this chapter.

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B. Licensee requirements.

- 1. Applicants for a short-term rental license in the City of Annapolis are prohibited from listing the property on short-term hosting platforms without first obtaining a short-term rental license.**
- 2. The licensee shall complete a City application, which will be considered only after all questions are completed.**
- 3. An application for a short-term rental license shall identify the Property Owner, Property Manager, Homeowner- or Property-Association, and Hosting Platforms as follows:**
 - a. Property Owner/License Holder.**
 - i. The property owner shall be the license holder; and
 - ii. A property owner is a person as defined in Section 17.44.110 of this chapter
 - iii. The property owner's name, current residential address, mobile and home phone numbers, and email address as listed with the Maryland State Department of Assessments and Taxation (SDAT).
 - b. Property Manager.**
 - i. The property manager's name, current office address, mobile phone number, office phone number and email address, if applicable; and
 - ii. Written notice of any change to the property manager's name and address no more than five calendar days after any such change.
 - c. Condominium, homeowners, community or other similar associations.**

~~Proof that any active association with authority over the use of the property as a short term rental consents to the short term rental if the association bylaws require approval.~~

 - i. No short-term rental operator's license shall be approved or issued unless it is in accordance with the rules of any applicable condominium, homeowners, community or other similar association having authority over the use of the premises.**

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ii If consent is required by such rules, it shall be provided to the Director in the manner required by the bylaws of such association.

d. Hosting Platforms.

i. A list of all the licensed platforms the applicant intends to utilize; and

ii. Attestation by the applicant to all the host names listed regarding the property for which the license was obtained, which shall include the following:

(1) Their alias; and

(2) The legal names that correspond to the alias; and

(3) Their contact information.

iii. The licensee or property manager shall publish conspicuously the short-term rental operator's license number in all written and electronic advertising and listing of the availability of the dwelling unit or premises for short-term rental, including on internet-based hosting platforms that facilitate short-term guest reservations.

C. License Restrictions.

1. A licensee must be a resident of the City or be a property manager that meets the standards in Subsection 17.44.090(D) of this chapter.

2. A licensee shall be allowed one short-term license, which shall apply to only one dwelling unit.

3. A licensee shall not post any signage on the property indicating its use or availability as a short-term rental, unless otherwise approved by the Director.

24. For purposes of determining that only one rental operator's license is issued per licensee, the term licensee shall include:

a. An individual and any and all legal entities in which the individual has an ownership or beneficial interest; and

b. Separate legal entities that share common owners or beneficiaries in whole or part.

35. Short-term rental operator's licenses shall not be issued for:

a. Bed and breakfast home; or

b. Hotels; or

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c. Motels; or

d. Inns.

- ~~46.~~ No licensee shall rent a dwelling unit or the entire premises pursuant to a short-term operator's license:
- a. Without there being at least one occupant over the entire rental term who is over the age of 21 years; and
 - b. For greater than 90 days to any single tenant.
- ~~57.~~ The number of overnight occupants is subject to the limitations specified in Chapter 17.40 of this title.
- ~~68.~~ The licensee renting a dwelling unit or premises pursuant to a short-term rental operator's license shall maintain records indicating all tenants' names, addresses, and phone numbers during the license term, which shall be made available to the Director upon request.
- ~~79.~~ A short-term rental operator's license is not transferrable.
- ~~810.~~ The licensee shall be registered with the State Comptroller to collect the State's sales and use tax.
- ~~911.~~ The licensee shall be registered with Anne Arundel County for the remittance of hotel occupancy taxes if the Anne Arundel County Code requires collection and remittance.

D. Property Manager Requirements. For licensees using a property manager, the property manager shall:

1. Reside in the City and provide proof of City residency; or
2. Have a primary office located in the City of Annapolis at a commercial address and provide proof of occupancy; and
3. Be available, or have a designee available, by telephone at all times in the event of a public health or safety emergency involving the licensed property; and
4. Be identified on any application required by Section 17.44.040 of this title regarding rental operator's license ~~applications and renewals.~~

E. Building Code Compliance and Inspections.

1. The licensee shall ensure that the entire premises, including but not limited to any licensed dwelling unit, complies with all applicable City and State laws and codes, including:
 - a. Building; and

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- b. Residential maintenance; and
 - c. Electrical and plumbing codes; and
 - d. Applicable laws, regulations and guidance concerning smoke detectors, carbon monoxide detectors and lead-based paint.
2. The Department shall inspect (per Section 17.44.050 of this title) all rooms and dwelling units in the premises before issuing the license for the short-term rental.
 3. Short-term rental operator's license shall be issued once the premises is in full compliance with all applicable laws and codes.

F. Exceptions.

1. A licensee renting a dwelling unit or the entire premises pursuant to a short-term rental operator's license is not subject to the lease term requirements of Subsections B and D of Section 18.04.010 of the city code.
2. A short-term rental operator's license is not required for premises rented exclusively on days coinciding with:
 - a. Annual United States Naval Academy graduation ceremonies; or
 - b. Annual Spring and Fall sailboat and powerboat shows held in the City of Annapolis or
 - c. Any other special event as specified by the resolution of the City Council.

G. Enforcement and Penalties.

1. Cause for Denial, Suspension, or Revocation.

- a. All of the requirements of this subtitle shall be maintained throughout the license tenure. Failure to do so shall result in the denial of an application for a license or the revocation of a license already issued.
- b. Additional grounds for denial, suspension, or revocation include, but are not limited to:
 - i. Causing a verified nuisance as defined in Section 17.44.110 of this title; or
 - ii. Any ~~material~~ adverse effect on public health, safety, and the general welfare; or
 - iii. Excessive noise or traffic, unruly public behavior, and any threat to public safety as determined by the ~~Chief of Police~~ City Manager or their designee directly or indirectly associated with use of the property as a Short Term Rental.

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c. Fraud, misrepresentation, or false statement and inaccuracies in the application or supporting documents shall be grounds for immediate revocation or denial of the short-term rental license.

2. **Notice to Platforms.** If a short-term rental host license is suspended or revoked, the Department shall notify the licensee in writing of the license suspension or revocation and shall notify all platforms of any suspension or revocation on which the host currently lists.

17.44.110 - **Definitions.** For the purposes of this chapter, the following words and phrases have the meanings indicated; and any terms not defined in this section shall have the meanings specified in Chapters 17.04 and 17.40.

~~A~~1. "Applicant" means someone who executes the forms required for obtaining a rental operator's license pursuant to this chapter.

2. "Host" means any person who is the licensee of a primary residence and offers a dwelling unit, or portion thereof, for short-term rental.

3. "Hosting Platform" means a manner through which a host may offer a dwelling unit, or portion thereof, for short-term rental. A hosting platform includes but is not limited to, an internet-based platform that allows a host to advertise and potentially arrange for temporary occupation of the dwelling unit, or portion thereof, through a publicly searchable website, whether the short-term renter pays rent directly to the host or to the hosting platform.

~~B~~4. "Licensee" means a person who obtains a rental operator's license from the City as described in Section 44.090 of this Title

~~C~~5. "Local Property Manager" means a person who acts as the legally authorized representative and agent of a licensee and who has a primary residence or office at a physical location in the City that is appropriately licensed to allow the operation of a business and that is correctly registered as an active business entity in Maryland.

6. "Neighborhood" means, for the purposes of this chapter, an area within one block or a group of residences within 500 feet of each other, whichever is less.

7. "Nuisance" means the following:

a. An act or condition ~~knowingly~~ created, performed, or maintained on private property that constitutes a local code violation and that:

i. Significantly affects other residents of the neighborhood;

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~~ii. Diminishes the value of neighboring property and is harmful to public health, safety, or welfare of neighboring residents; or obstructs the reasonable use of other property in the neighborhood;~~

b. A property where the tenant, owner, or other occupant has been found in violation of tax provisions of Chapter 6.04 of the city code about the property;
or

c. A property to which police or other law enforcement agencies have responded to complaints or calls for service three or more times within ~~90~~180 days.

~~D~~8. "Owner" means any person who alone, jointly, or severally with other individuals holds legal or equitable title to any premises.

9. ~~"Person" means an individual or any legal entity in which an individual has an ownership or beneficial interest.~~

"Person" means:

a. An individual; or

b. Any legal entities where the individual has an ownership or beneficial interest;
and

c. Any separate legal entities that share common owners or beneficiaries in whole or part.

~~F~~910. "Premises" means only those types of dwellings, dwelling units, bed and breakfast homes, hotels, motels, and inns listed in Section 17.44.010 that are required to be licensed pursuant to this chapter.

~~G~~1011. "Rental operator's license" means a license required pursuant to Section 17.44.010 for a premises.

~~H~~12. "Short-term licensee" means a person who:

a. Has applied for and received a license to operate a short-term rental under the requirements of this chapter; and

b. Is either:

i. A resident of the City; or

ii. A non-resident of the City who employs an Annapolis-based property manager; and

b. Meets this chapter's licensee requirements; and

c. Is not an owner of any other short-term license property in the City.

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~~H12~~13. "Tenant" means a person who pays rent or other consideration for the temporary use or occupation of another's premises under a lease or similar arrangement.

~~13~~14. "~~Short-term rental~~" means ~~a residential dwelling unit serving as a temporary tourist home for no more than 90 consecutive days for any single tenant where a host receives monetary compensation for such occupancy or accessory building that is rented to transient guests for compensation for a period of not more than 90 consecutive days for any single tenant.~~ A short-term rental provider shall not combine time limits for short-term rentals.

~~H14~~15. "Unlicensed premises" means premises that is required to be licensed pursuant to Section 17.44.010, but for which a valid rental operator's license has not been obtained or renewed.

17.44.030 - Rental operator's license types.

A. **Types of Licenses.** Provided that the premise meets all of the applicable requirements under Chapter 17.40 and this chapter, the Director may issue the following types of rental operator's licenses.

1. **Standard Rental License.** A standard rental operator's license may be applied for and issued for any premises, except for bed and breakfast homes, hotels, motels, and inns, rented for occupancy or use pursuant to an agreement, written or oral, where the premises is rented for more than 90 days.
2. **Bed and Breakfast (B&B) License.** A bed and breakfast rental operator's license may be applied for and issued for those premises operating as a bed and breakfast home. A short-term rental operator's license shall not be required for a bed and breakfast home, irrespective of advertisement through internet-based hosting platforms that facilitate short-term guest reservations.
3. **Hotel, Motel, Inn License.** A hotel, motel and inn rental operator's license may be applied for and issued for those premises operating as a hotel, motel or inn. A short-term rental operator's license shall not be required for a hotel, motel or inn, irrespective of advertisement through internet-based hosting platforms that facilitate short-term guest reservations.

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