



City of Annapolis
Signature Copy
O-17-25



Limiting Short-term Rentals per Blockface

For the purpose of limiting the number of short-term rentals in the City to 10% of the residences in a blockface; defining blockface; and generally dealing with short-term rentals in the City of Annapolis.

CITY COUNCIL OF THE
City of Annapolis

Ordinance 17-25

Introduced by: Alderman Huntley

Referred to: Economic Matters Committee, Rules and City Government Committee

AN ORDINANCE concerning

Limiting Short-term Rentals per Blockface

FOR the purpose of limiting the number of short-term rentals in the City to 10% of the residences in a blockface; defining blockface; and generally dealing with short-term rentals in the City of Annapolis.

BY repealing and reenacting with amendments the following portions of the Code of the City of Annapolis, 2025 Edition:

17.44.090

17.44.110

WHEREAS, The City of Annapolis seeks to balance the growing popularity of short-term rentals (STRs) with the preservation of neighborhood character, residential quality of life, and housing availability; and

WHEREAS, Host Compliance, a service used by the City of Annapolis to monitor short-term rentals, finds 92% of the STRs in Annapolis are an entire single-family home being rented, and since 2021, when Host Compliance

has tracked STRs within Annapolis, total listings of STRs has grown by 27.5% as shown by the comprehensive plan graph below; and

WHEREAS, The City's comprehensive long-term plan on City development and services, "Annapolis Ahead: Comprehensive Plan 2040," has found that short-term rentals are already impacting the City's unique neighborhoods, specifically Historic Downtown, Eastport, and Inner West Street (*pages 188-189*) and recommends that the City Council, "Amend the policies regulating for Short-Term Rentals (STR's)... for housing affordability and neighborhood preservation."; and

WHEREAS, The City of Annapolis finds that limiting the concentration of STRs within residential blocks is necessary to mitigate the "Hotelization" of neighborhoods, in which a high concentration of STRs shifts a neighborhood's character from primarily residential to a more commercial, tourism-focused environment, eroding the qualities that make it desirable for long-term residents; and

WHEREAS, The Maryland Code expressly states, "The legislative body of a municipality may adopt ordinances to:

- (1) assure the good government of the municipality;
- (2) protect and preserve the municipality's rights, property, and privileges;
- (3) preserve peace and good order;
- (4) secure persons and property from danger and destruction; and
- (5) protect the health, comfort, and convenience of the residents of the municipality." -- (Md. Local Government Code Ann. § 5-202); and

WHEREAS, Local governmental authorities in Maryland are expressly authorized to adopt, implement, review, and enforce standards for land use, zoning, and historic preservation of areas and structure per the following Maryland Code sections:

- Local Government Article § 5-212 Legislative authority -- State policy for regulation of development;

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- Land Use Article, Division I Single-Jurisdiction Planning and Zoning;
- Local Government Code Ann. § 5-211 Legislative authority — Building regulations; and

WHEREAS, In *Melissa Hignell, et al. versus City of New Orleans*, a federal judge ruled that the City of New Orleans can limit short term rental permits to one per blockface, stating, *"The City's stated purpose is to seek preservation of permanent housing stock, balance economic opportunity, reduce negative effects on availability of affordable housing, create a level playing field, ensure sufficient tax revenue collection, mitigate disruptive effects that unmonitored STRs can have on neighborhoods, and protect the livability and quality of life of the City's residential neighborhoods."* -- (Page 19 Of *Melissa Hignell, et al. Versus City of New Orleans*, United States District Court Eastern District of Louisiana, Civil Action No. 19-13773);

SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that the Code of the City of Annapolis shall be amended to read as follows:

Title 17 - BUILDINGS AND CONSTRUCTION

Chapter 17.44 - Rental Unit Licenses

Section 17.44.090 - Short-term rentals.

- A. **Definitions.** See Section 17.44.110 of this chapter.
- 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 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.**

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

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- 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.
5. Short-term rental operator's licenses shall not be issued for:
- a. Bed and breakfast home; or
 - b. Hotels; or
 - c. Motels; or
 - d. Inns.
6. 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.
7. The number of overnight occupants is subject to the limitations specified in Chapter 17.40 of this title.
8. 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.
9. A short-term rental operator's license is not transferrable.
10. The licensee shall be registered with the state comptroller to collect the state's sales and use tax.
11. 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. Short-term Rental Limits.

1. ~~Limits per Blockface.~~

- ~~a. To promote a fair distribution of short-term rental permits, the number of short-term rental licenses for each blockface will be limited.~~
- ~~b. This subparagraph shall apply to non-owner-occupied short-term rentals.~~
- ~~b.c. No short-term rental licenses shall be issued once the number of short-term rentals on a block reaches 10% of the residential units on that block.~~
- ~~c.d. Blockfaces with fewer than ten residential units shall be limited to one short-term rental per blockface.~~

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~~d.e. If the number of short-term rentals on a blockface exceeds the 10% limit or the limit pursuant to § 17.44.090(D)(1)(e) above, existing short-term rental licensees may continue to reapply as long as they:~~

~~i. meet the criteria outlined in this chapter, and~~

~~ii. their license is issued under the same name as the original licensee.~~

~~e.f. No new short-term rental licenses will be issued until the percentage of short-term rentals on the blockface falls below 10%.~~

~~2. **Licenses Issued on a First-Come, First-Served Basis.** Short-term rental licenses will be issued in the order they are received after all requirements are met by the licensees.~~

1. Applicability & Exemptions.

a. This section applies only to short-term rentals that are not owner-occupied.

b. Owner-occupied short-term rentals are exempt from blockface caps and may renew without any restrictions.

c. Short term rentals during the Boat Shows and Commission Week shall be exempt from this section.

2. Blockface Caps.

a. On any blockface, the total number of non-owner-occupied short-term rental licenses shall not exceed 10% of the residential units on that blockface.

b. On blockfaces with fewer than ten residential units, a maximum of one non-owner-occupied short-term rental license may be issued or renewed.

3. Phase-in of License Lottery System.

On blockfaces that exceed the 10% cap, the following phase-in and lottery launch shall apply.

a. **Phase-In Renewals.** Non-owner-occupied licenses may be renewed up to November 1, 2027 regardless of the cap, but the Director of Planning and Zoning shall not issue licenses that extend beyond November 1, 2027.

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- b. **End of Phase-In.** As of November 1, 2027, the Director of Planning and Zoning shall not process any short-term rental license renewals that would result in a blockface exceeding its applicable limit.
- c. **Lottery Commencement.**
 - i. At the close of the Phase-In period, the waiting list for each over-cap blockface shall become the initial lottery pool.
 - ii. Only applicants in good standing—that is, those with no outstanding violations or fees—shall be eligible.
 - iii. **Lottery phases and priority.** The lottery shall be done in phases based upon the following tiers:
 - (1) Tier I: Properties seeking renewals that are owned by Annapolis or Anne Arundel County residents;
 - (2) Tier II: Properties seeking new permits that are owned by Annapolis or Anne Arundel County residents; and
 - (3) Tier III: Properties seeking renewals that are owned by person(s) outside of Annapolis and Anne Arundel County.
 - iv. Licenses awarded through the lottery shall be granted by a random, public lottery among eligible waiting-list applicants according to the priority tiers in the previous section.

4. Transfer of Permits.

- a. Any non-owner-occupied short-term rental license on a blockface exceeding its cap shall be non-transferable.
- b. Transfer, sale, or assignment of the property or license shall cause the short-term rental license to expire at term's end.

5. New Licenses Issued Under the Blockface Cap.

- a. **License Lottery.**
 - i. New licenses shall be issued by lottery from the waiting list for any blockface that is below its capacity after November 1, 2027, pursuant to §17.44.090 (D)(3).

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- ii. If there are more applicants than available slots, licenses shall be granted in the following order: first from Tier 1, then from Tier 2, and finally from Tier 3 through a lottery system.

- b. License Limit. No new non-owner-occupied licenses shall be issued once a blockface reaches its cap.

DE. 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 principal 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.

EF. 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
 - 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.

FG. 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:

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- a. Annual United States Naval Academy graduation ceremonies;
- 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.

GH. 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 as determined by the Director 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 City Manager or their designee directly associated with use of the property as a short-term rental.
 - c. Fraud, misrepresentation, or false statement in the application or supporting documents shall be grounds for immediate revocation or denial of the short-term rental license.
 - d. Any property that has been the subject of three verified nuisance violations as determined by the Director of Planning and Zoning or the Annapolis Police Department (APD) shall be denied a license or may have it revoked.
 - i. The owner or their property manager must have been notified of each nuisance complaint.
 - ii. The Director of Planning and Zoning shall be the arbitrator of valid nuisance complaints.
- 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.
- 3. Fines.** In addition to possible revocation or denial of the short-term rental license authorized in Section 17.44.030, failure to abide by this section, § 17.44.090, shall result in fines as set by annual resolution of the City Council.

HI. Annual Report Required.

- 1. The Director shall provide the City Council with an annual report on short-term rentals in the City of Annapolis and the impact of short-term rentals on the City and its neighborhoods.
- 2. The report shall include, but is not limited to:

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- a. A map containing the location of short-term rental property in the City;
- b. Statistics on the number of short-term rentals, including new rental permits over the past year, increases or decreases;
- c. Analysis of the impact short-term rentals are having on the City;
- d. Recommendations on any City Code changes regarding short-term rentals; and
- e. Other information the Director deems appropriate to help the City Council set policy on short-term rentals.

Title 17 - BUILDINGS AND CONSTRUCTION
Chapter 17.44 - Rental Unit Licenses
Section 17.44.110 - Definitions.

Between "Applicant" and "Host" definitions, insert the definition for "Blockface" and renumber accordingly.

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.

1. "Applicant" means someone who executes the forms required for obtaining a rental operator's license pursuant to this chapter.
2. ~~"Blockface" means one side of a city block; a collection of side-by-side lots along one side of one block of land that faces a street between two cross streets.~~

"Blockface" means one side of a street between two consecutive features intersecting that street.

- a. The features can be other streets or boundaries of standard geographic areas.
 - b. In areas with irregular features that do not directly meet the definition, the blockface shall be determined by the Director of Planning and Zoning.
23. "Host" means any person who is the licensee of a primary residence and offers a dwelling unit, or portion thereof, for short-term rental.

SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that this ordinance shall take effect upon passage.

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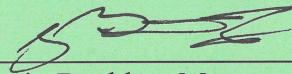
ADOPTED this 13th day of October 2025.

Aye: 6 Mayor Buckley, Alderman Huntley, Alderman Schandelmeier,
Alderman Gay, Alderman Savidge, and Alderman Arnett

Aye: 2 Alderwoman O'Neill and Alderwoman Finlayson

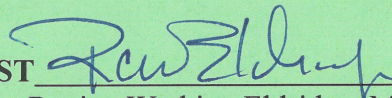
Absent: 1 Alderwoman Pindell Charles

THE ANNAPOLIS CITY
COUNCIL

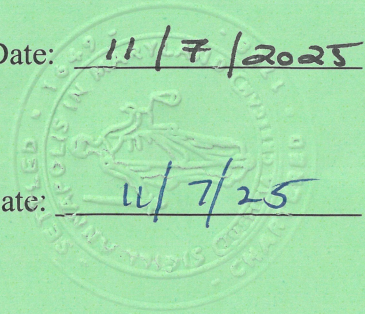

Gavin Buckley, Mayor

Date: 11/7/2025

ATTEST


Regina Watkins-Eldridge, MMC,
City Clerk

Date: 11/7/25



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