

1 **..Title**  
 2 **Short-term Rental Licenses and Regulations** – For the purpose of clarifying and limiting local  
 3 eligibility requirements for a short-term rental operator’s license; providing definitions; making  
 4 technical corrections; and generally relating to a rental operator’s license.

5 **..Body**

6 **CITY COUNCIL OF THE**  
 7 **City of Annapolis**

8 **Ordinance 32-23**

9  
 10 **Introduced by: Alderman Savidge**  
 11 **Co-sponsored by: Aids. Arnett, O'Neill, Tierney**

12 **Referred to**

13 Economic Matters Committee  
 14 Rules & City Government Committee

15 **AN ORDINANCE** concerning

16 **Short-term Rental Licenses and Regulations**

17 **FOR** the purpose of clarifying and limiting local eligibility requirements for a short-term  
 18 rental operator’s license; providing definitions; making technical corrections; and  
 19 generally relating to a rental operator’s license.

20 **BY** repealing and reenacting with amendments the following portions of the Code of the City  
 21 of Annapolis, 2023 Edition

22 **17.44.040**

23 **17.44.090**

24 **17.44.110**

25  
 26 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY**  
 27 **COUNCIL** that the Code of the City of Annapolis shall be amended to read as follows:

28 **Title 17 – BUILDINGS AND CONSTRUCTION**

29 **Chapter 17.44 - Rental Unit Licenses**

30 **Section 17.44.030 - Rental operator's license types.**

31 **17.44.030 - Rental operator's license types.**

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

- 34  
 35 1. A standard rental operator's license may be applied for and issued for any premises,  
 36 except for bed and breakfast homes, hotels, motels, and inns, rented for occupancy

37 **Explanation:**

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1 or use pursuant to an agreement, written or oral, where the premises is rented for  
2 more than 90 days.

3 2. ~~A short term rental operator's license may be applied for and issued for any premises,  
4 except for bed and breakfast homes, hotels, motels, and inns, rented for occupancy  
5 or use pursuant to an agreement, written or oral. The number of overnight occupants  
6 is subject to the limitations specified in Chapter 17.40. A short term rental operator's  
7 license is not required for premises rented exclusively on only those days each year  
8 coinciding with annual United States Naval Academy graduation ceremonies and  
9 with activities associated with the spring and fall sailboat and powerboat shows held  
10 in the City of Annapolis; or with any other event as specified by resolution of the  
11 City Council.~~

12 3. A bed and breakfast rental operator's license may be applied for and issued for those  
13 premises operating as a bed and breakfast home. A short-term rental operator's  
14 license shall not be required for a bed and breakfast home, irrespective of  
15 advertisement through internet-based hosting platforms that facilitate short-term  
16 guest reservations.

17 4.3. A hotel, motel and inn rental operator's license may be applied for and issued for  
18 those premises operating as a hotel, motel or inn. A short-term rental operator's  
19 license shall not be required for a hotel, motel or inn, irrespective of advertisement  
20 through internet-based hosting platforms that facilitate short-term guest  
21 reservations.

22 4. A short-term rental operator's license shall be applied for and issued under the  
23 criteria listed in Section 17.44.090 of this chapter.

24 B. A rental operator's license fee for each type of rental operator's license shall be as  
25 established by resolution of the City Council annually, which shall be payable in advance  
26 of issuance or renewal of any rental operator's license.

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28 **Title 17 – BUILDINGS AND CONSTRUCTION**

29 **Chapter 17.44 - Rental Unit Licenses**

30 **Section 17.44.090 - Short-term rentals.**

31 ~~A. A licensee may not hold more than one short term rental operator's license. For purposes of  
32 determining that only one rental operator's license is issued per licensee the term licensee  
33 shall include: (1) an individual and any and all legal entities in which the individual has an  
34 ownership or beneficial interest; and (2) separate legal entities that share common owners or  
35 beneficiaries, in whole or in part.~~

36 ~~B. A licensee shall either be a resident of the City or shall employ a local property manager  
37 registered with the City and whom shall be identified on any application required by Section  
38 17.44.040. License holders shall ensure that the identified property manager is available by  
39 telephone at all times in the event of a public health or safety emergency involving the  
40 licensed property.~~

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- 1 C.—A licensee shall provide the Director with written notice of any change to the name and  
2 address of its local property manager no more than five calendar days after any such  
3 change.
- 4 D.—A short term rental operator's license is not transferrable.
- 5 E.—No short term rental operator's license shall be issued or renewed unless the licensee of the  
6 premises is registered with the State Comptroller for the collection of the State's sales and  
7 use tax. A licensee of the premises, if applicable, shall be registered with Anne Arundel  
8 County for the remittance of hotel occupancy taxes if collection and remittance is required  
9 by the Anne Arundel County Code.
- 10 F.—In addition to the requirements of [Section] 17.44.050, no short term rental operator's  
11 license shall be issued or renewed without a Department inspection of all rooms and  
12 dwelling units in the premises without regard to which rooms comprise part of the dwelling  
13 unit or premises being rented, and without a determination by the Department of the  
14 premises' full compliance with Chapter 17.40 and this chapter.
- 15 G.—No short term rental operator's license shall be approved or issued unless it is in accordance  
16 with the rules of any applicable condominium, homeowners, community or other similar  
17 association having authority over the use of the premises, and if consent is required by such  
18 rules, it shall be provided to the Director in the manner required by the bylaws of such  
19 association. Failure to adhere to the rules of any applicable association shall be a basis for  
20 revocation of a short term rental operator's license.
- 21 H.—In addition to the requirements of Chapter 17.40 and this chapter, the following apply to any  
22 rental of a premises pursuant to a short term rental operator's license:
- 23 1.—No licensee shall rent a dwelling unit or the entire premises pursuant to a short term  
24 operator's license:
- 25 a.—Without there being at least one occupant over the entire rental term that is over  
26 the age of twenty one years;
- 27 b.—For greater than ninety days to any single tenant; and
- 28 c.—Without publishing in a conspicuous manner the short term rental operator's  
29 license number in all written and electronic advertising and listing of the  
30 availability of the dwelling unit or premises for short term rental, including on  
31 internet based hosting platforms that facilitate short term guest reservations.
- 32 2.—The licensee renting a dwelling unit or premises pursuant to a short term rental  
33 operator's license shall maintain records indicating the names, addresses, and phone  
34 numbers of all tenants during the term of the license, which shall be made available  
35 to the Director upon request.
- 36 I.—The licensee renting a dwelling unit or the entire premises pursuant to a short term rental  
37 operator's license shall ensure that the entire premises, including but not limited to any  
38 licensed dwelling unit, is in compliance with all applicable laws and codes of the City and  
39 the State of Maryland, including building, residential maintenance, electrical and plumbing

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1 ~~codes, and applicable laws, regulations and guidance concerning smoke detectors, carbon~~  
 2 ~~monoxide detectors and lead based paint. No short term rental operator's license shall be~~  
 3 ~~issued until the premises is in full compliance with all applicable laws and codes.~~

4 ~~J. A licensee renting a dwelling unit or the entire premises pursuant to a short term rental~~  
 5 ~~operator's license is not subject to the lease term requirements of Subsections B. and D.~~  
 6 ~~of Section 18.04.010 of the Code.~~

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

8 B. **Licensee requirements.**

9 1. Applicants for a short-term rental license in the City of Annapolis are prohibited  
 10 from listing the property on short-term hosting platforms without first obtaining  
 11 a short-term rental license.

12 2. The licensee shall complete a City application, which will be considered only  
 13 after all questions are completed.

14 3. An application for a short-term rental license shall identify the Property Owner,  
 15 Property Manager, Homeowner- or Property-Association, and Hosting Platforms  
 16 as follows:

17 a. **Property Owner/License Holder.**

18 i. The property owner shall be the license holder; and

19 ii. A property owner is a person as defined in Section 17.44.110 of  
 20 this chapter

21 iii. The property owner's name, current residential address, mobile and  
 22 home phone numbers, and email address as listed with the  
 23 Maryland State Department of Assessments and Taxation (SDAT).

24 b. **Property Manager.**

25 i. The property manager's name, current office address, mobile  
 26 phone number, office phone number and email address, if  
 27 applicable; and

28 ii. Written notice of any change to the property manager's name and  
 29 address no more than five calendar days after any such change.

30 c. **Condominium, homeowners, community or other similar associations.**

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

34 d. **Hosting Platforms.**

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

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

6 (1) Their alias; and

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

8 (3) Their contact information.

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

14 **C. License Restrictions.**

15 1. A licensee shall be allowed one short-term license.

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

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

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

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

23 a. Bed and breakfast home; or

24 b. Hotels; or

25 c. Motels; or

26 d. Inns.

27 4. No licensee shall rent a dwelling unit or the entire premises pursuant to a short-  
28 term operator's license:

29 a. Without there being at least one occupant over the entire rental term who is  
30 over the age of 21 years; and

31 b. For greater than 90 days to any single tenant.

32 5. The number of overnight occupants is subject to the limitations specified  
33 in Chapter 17.40 of this title.

34 6. The licensee renting a dwelling unit or premises pursuant to a short-term rental  
35 operator's license shall maintain records indicating all tenants' names, addresses,

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1 and phone numbers during the license term, which shall be made available to the  
 2 Director upon request.

3 7. A short-term rental operator's license is not transferrable.

4 8. The licensee shall be registered with the State Comptroller to collect the State's  
 5 sales and use tax.

6 9. The licensee shall be registered with Anne Arundel County for the remittance of  
 7 hotel occupancy taxes if the Anne Arundel County Code requires collection and  
 8 remittance.

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

11 1. Reside in the City and provide proof of City residency; or

12 2. Have a primary office located in the City of Annapolis at a commercial address  
 13 and provide proof of occupancy; and

14 3. Be available, or have a designee available, by telephone at all times in the event  
 15 of a public health or safety emergency involving the licensed property; and

16 4. Be identified on any application required by Section 17.44.040 of this title  
 17 regarding rental operator's license **applications and renewals.**

18 **E. Building Code Compliance and Inspections.**

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

22 a. Building; and

23 b. Residential maintenance; and

24 c. Electrical and plumbing codes; and

25 d. Applicable laws, regulations and guidance concerning smoke detectors,  
 26 carbon monoxide detectors and lead-based paint.

27 2. The Department shall inspect (per Section 17.44.050 of this title) all rooms and  
 28 dwelling units in the premises before issuing the license for the short-term rental.

29 3. Short-term rental operator's license shall be issued once the premises is in full  
 30 compliance with all applicable laws and codes.

31 **F. Exceptions.**

32 1. A licensee renting a dwelling unit or the entire premises pursuant to a short-term  
 33 rental operator's license is not subject to the lease term requirements of  
 34 Subsections B and D of Section 18.04.010 of the city code.

35 2. A short-term rental operator's license is not required for premises rented exclusively  
 36 on days coinciding with:

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- 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 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 directly or indirectly associated with use of the property as a Short Term Rental.
- c. Fraud, misrepresentation, 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.

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## **17.44.110 Definitions.**

- ~~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.

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

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

7 6. "Nuisance" means the following:

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

10 i. Significantly affects other residents of the neighborhood;

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

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

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

19 ~~D~~7. "Owner" means any person who alone, jointly, or severally with other individuals holds  
20 legal or equitable title to any premises.

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

23 "Person" means:

24 a. An individual; or

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

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

29 ~~F~~9. "Premises" means only those types of dwellings, dwelling units, bed and breakfast  
30 homes, hotels, motels, and inns listed in Section 17.44.010 that are required to be  
31 licensed pursuant to this chapter.

32 ~~G~~10. "Rental operator's license" means a license required pursuant to Section 17.44.010 for a  
33 premises.

34 11. "Short-term licensee" means a person who:

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

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1 b. Is either:

2 i. A resident of the City; or

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

5 b. Meets this chapter's licensee requirements; and

6 c. Is not an owner of any other short-term license property.

7 ~~H~~12. "Tenant" means a person who pays rent or other consideration for the temporary use or  
8 occupation of another's premises under a lease or similar arrangement.

9 13. "Short-term rental" means a residential dwelling unit serving as a temporary tourist  
10 home for no more than 90 consecutive days for any single tenant where a host receives  
11 monetary compensation for such occupancy. A short-term rental provider shall not  
12 combine time limits for short-term rentals.

13 ~~I~~14. "Unlicensed premises" means premises that is required to be licensed pursuant to Section  
14 17.44.010, but for which a valid rental operator's license has not been obtained or  
15 renewed.

16 ~~J~~15. For purposes of this chapter, any terms not defined in this section shall have the meanings  
17 specified in Chapters 17.04 and 17.40.

18  
19 **SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE**  
20 **ANNAPOLIS CITY COUNCIL** that this ordinance shall take effect upon passage.

21  
22 **SECTION III: AND BE IT FURTHER ESTABLISHED** that the Department, within 90 days  
23 of enactment, shall promulgate such rules and regulations as are necessary and proper for the full  
24 implementation of this Ordinance and shall maintain application records on an online public  
25 platform.  
26

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