



# Legislative Summary

O-17-25

## Limiting Short-term Rentals per Blockface

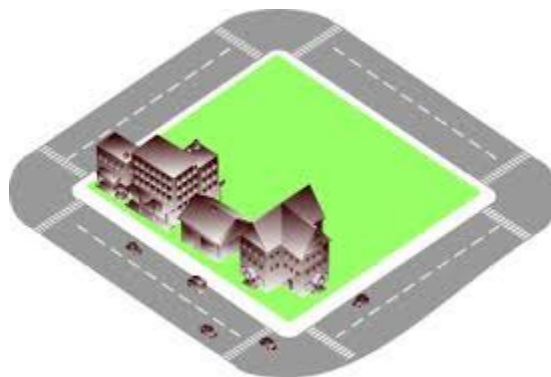
The City of Annapolis Office of Law created this summary for the use of Annapolis City Council members during their consideration of the legislation.

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### Bill Summary

O-17-25 would limit the number of short-term rentals on each city blockface to 10% of the residences on that side of the block. Only one short-term rental will be allowed if a blockface has ten or fewer short-term rentals. Current license holders will be permitted to renew their licenses as long as they meet the requirements, but no new licenses will be issued until the number of short-term rentals on that side of the block falls below 10%. When new licenses are available, they will be issued on a first-come, first-served basis.

A blockface is one side of a City block. In the image below, the buildings represent one blockface. Each side of the block is a different blockface.





## *Background*

The City of Annapolis implemented short-term rental laws in January 2020 with the adoption of ordinance O-12-19. This legislation clearly distinguished the difference between "short-term rental of residential dwellings" and other types of rentals, such as Bed and Breakfasts, hotels, and month-to-month or yearly rental properties in residential areas.

In Annapolis, there is a tradition of exempting homes from city rental requirements during special events, such as the Naval Academy's Commissioning Week, and this exemption is still in effect. However, in 2020 -- ten years after the launch of Airbnb, short-term rentals gained popularity throughout the year particularly in the Historic District, which put pressure on neighborhoods -- the City Council took action. Short-term rentals are now required to be licensed and inspected.

In November 2020, the City Council adopted a resolution, R-61-20, directing City staff to stop issuing short-term rental licenses in C1 (conservation residence) and C1-A (special conservation residence) zoning districts, the residential areas surrounding the Historic District, unless the STR is owner-occupied.

The City Council approved O-32-23 in February 2023, additional measures to tighten the regulations after finding a growth in corporate short-term rentals and assorted other methods being implemented to get around the Annapolis law limiting short-term rentals to one license per homeowner and other regulations.

In 2025, the City included in its comprehensive plan, titled "Annapolis Ahead: Comprehensive Plan 2040," the concern that the increasing number of short-term rentals may negatively impact the City's unique neighborhoods, particularly in Historic Downtown, Eastport, and Inner West Street.

Several cities across the U.S. have begun to further limit short-term rentals. For example, New Orleans has implemented a policy that caps the number of short-term rentals at one per square block in residential areas. In February 2025, the U.S. District Court for the Eastern District of Louisiana upheld this law in the case of *Melissa Hignell et al. versus the City of New Orleans*.



## Details

All of **Section 17.44.090** includes subtitle bolding for easier search to find specific portions of the law.

### **17.44.090(D)(1)**

- Limits short-term rentals per blockface, one side of a city block.
- The number is capped at 10% of the residential units per blockface
- If a blockface has fewer than 10 residential units, that street can have only one short-term rental.
- If a blockface exceeds the 10% threshold, no more short-term rental licenses may be issued until the number falls below the cap.
- Existing license holders may continue renewing if they meet the other regulations.

### **17.44.090(D)(2)**

- New license requests will be accepted but issued on a first-come, first-served basis as long as all the legal requirements are met.

### **17.44.110(2)**

- This section provides the chapter's definitions and explains that "blockface" means one side of a city block.