

O-17-25**Limiting Short-term Rentals per Blockface****AMENDMENT 3 – ALD. SAVIDGE**

Amendment Summary:

Amendment 3 strikes the short-term rental blockface provisions and replaces them with an entirely new section that would create a lottery system for issuing short-term rental licenses.

MOTION:

1. On page five, strike lines 22 through 33, and on page 6 strike lines 1 through 6.
2. On page five, on line 22 insert the following:
 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.

Explanation: ~~Strikethrough~~ indicates matter stricken from existing law.
 Underlining indicates a change to the City Code.
 Underlining & black - copyediting or reformatting of existing Code section
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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).
 - 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.

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As the changes would look in the Ordinance:

Part 1

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 section applies only to non-owner-occupied short term rental.~~
- ~~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.~~
- ~~d. Blockfaces with fewer than ten residential units shall be limited to one short term rental per blockface.~~
- ~~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)(c) 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.~~~~
- ~~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.~~

Part 2

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.

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- 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.
- 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.
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