

## O-40-26

### Establishing a 12-Month Moratorium on New Short-Term Rental Licenses

#### AMENDMENT 6 - Savidge

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#### Amendment Summary:

Amendment 6 makes several changes in the Whereas clauses to clarify and add details.

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#### MOTION:

- A. On page 1, in lines 1 and 14, after "New" insert "Non-owner-occupied" and in lines 2 and 15, after "for" insert "non-owner-occupied".
- B. On page 1, in line 24, after "tourism", strike "and have also impacted residential neighborhoods, public safety, public health and housing options" and insert ", and there is a need to ensure they are properly regulated to reduce potential neighborhood impacts."
- C. On page 1, in line 33, insert "WHEREAS, In 2025, the City Council passed O-14-25 that implemented the City of Annapolis 2040 Comprehensive Plan's recommended actions, calling for the Council to '[a]mend the policies regulating Short Term Rentals to prioritize local ownership and occupancy for a strategy for housing affordability and neighborhood preservation';"
- D. After the Whereas section in Motion B, insert "WHEREAS, O-14-25 was significant and monumental in adopting code that will reduce the density of non-owner occupied short-term rentals on streets with over 10% density, but did not regulate non-owner occupied short-term rentals outside of those areas;"
- E. On page 2, strike lines 1 through 5 and in line 1 insert "WHEREAS, Non-compliant short-term rentals prevent us from achieving and fully implementing the policy goals embodied in the City Code's short-term rental regulation;"

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**Explanation:** ~~Strikethrough~~ indicates matter stricken from existing law.  
Underlining & blue - amendment

- F. On page 2, in line 8, after "rentals" strike, "regulatory compliance with respect to unlicensed short-term rentals and avoiding the adverse effects of short-term rentals on neighborhoods and housing options;" and insert "and ensuring attainment of our adopted short-term rental policy goals to reduce density and to provide more affordable long-term rentals;"
- G. On page, in lines 14 & 15, strike "a critical and necessary opportunity to implement new City Code enforcement provisions, determine a more accurate status and impact of short-term rentals city-wide, and" and after "Council" insert "to".
- H. On page 2, strike lines 24 through 35, and insert the following:
- "a. Draft, review, and adopt further enhancements to our short-term rental regulations that balance property rights with community interests;
  - b. Review the short-term rental compliance program with the Departments to identify any needed additional resources for inclusion in the FY27 budget;"
- I. On page 3, in line 2, strike "for the due consideration, implementation and assessment of recently adopted resolutions, and necessary to consider additional actions or potential amendments further, as and if recommended by the mandated assessment." and insert "to allow the consideration of compliance enhancements for inclusion in the FY27 budget, and to allow for additional time to analyze any potential impact of non-owner occupied short-term rentals outside areas with less than 10% short-term rental density, that were not covered by O-14-25."

## *As the changes would look in the legislation:*

### **Establishing a 12-Month Moratorium on New Non-owner-occupied Short-Term Rental Licenses**

**FOR** the purpose of establishing a moratorium on the issuance of new licenses for non-owner occupied short-term rentals for a period of 12 months from the effective date of this ordinance.

**WHEREAS,** City Code 17.44 et seq., sets forth the current legal requirements for obtaining a short-term rental license, and this Code provision has recently been enacted with terms that are in the early stages of implementation, interpretation and enforcement;

**WHEREAS,** Short-term rentals have proliferated in the City of Annapolis in recent years in support of robust tourism, and there is a need to ensure they are properly regulated to reduce potential neighborhood impacts ~~and have also impacted residential neighborhoods, public safety, public health and housing options;~~

**WHEREAS,** In 2025, the city council passed O-14-25 that implemented the City of Annapolis 2040 Comprehensive Plan's recommended actions, calling for the Council to "[a]mend the policies regulating Short Term Rentals to prioritize local ownership and occupancy for a strategy for housing affordability and neighborhood preservation";

**WHEREAS,** O-14-25 was significant and monumental in adopting code that will reduce the density of non-owner occupied short-term rentals on streets with over 10% density, but did not regulate non-owner occupied short-term rentals outside of those areas;

**WHEREAS,** The City of Annapolis 2040 Comprehensive Plan anticipates improving residential housing options while maintaining the character and sustainability of residential neighborhoods and has recognized the potential negative impact of unregulated short-term rentals in achieving those objectives and recommended that short-term rentals be further regulated;

**WHEREAS,** The City of Annapolis has identified substantial and ongoing non-compliance with short-term rental licensure requirements as noted in the August 19, 2025, City Planning and Zoning Annual Report on Short-Term Rentals, which estimates licensure non-compliance to be 49.5% of all short-term rentals operating in the City;

~~**WHEREAS,** Non-compliant short-term rentals and potentially excess short-term rentals may impact affordable housing options, undermine residential neighborhoods,~~

~~undermine other important commercial activities related to other licensed hospitality and housing rentals, and negatively impact community harmony and equity, public safety and public health;~~

**WHEREAS,** Non-compliant short-term rentals prevent us from achieving and fully implementing the policy goals embodied in the City Code's short-term rental regulation;

**WHEREAS,** There is significant community interest in assuring short-term rental regulatory compliance with respect to unlicensed short-term rentals and ensuring attainment of our adopted short-term rental policy goals to reduce density and to provide more affordable long-term rentals;

**WHEREAS,** A temporary moratorium on new short-term rental licenses will allow the City Administration and City Council ~~a critical and necessary opportunity to implement new City Code enforcement provisions, determine a more accurate status and impact of short-term rentals city-wide, and~~ to consider potential amendments to strengthen current City law;

**WHEREAS,** The City of Annapolis Charter, Article III, Section 2, authorizes the City Council to take actions to regulate land use, issue licenses, advance public safety and public health and protect general well-being, including implementing temporary moratoriums;

**WHEREAS,** The purpose of this moratorium is to provide the Annapolis City Council with adequate time to:

- ~~a. Conduct a comprehensive study of the impacts of short-term rentals on residential neighborhoods, housing availability and affordability, and community character;~~
- ~~b. Review and analyze short-term rental regulations adopted by other jurisdictions;~~
- ~~c. Evaluate the effectiveness of current zoning and land use regulations as they relate to short-term rentals;~~
- ~~d. Hold public hearings and gather input from residents, property owners, and other stakeholders;~~
- ~~e. Draft, review, and adopt comprehensive short-term rental regulations that balance property rights with community interests and the preservation of residential neighborhoods;~~
- a. Draft, review, and adopt further enhancements to our short-term rental regulations that balance property rights with community interests;
- b. Review the short-term rental compliance program with the Departments to identify any needed additional resources for inclusion in the FY27 budget;

**WHEREAS,** This ordinance does not affect special events that have been approved by the City Council, such as the annual Spring and Fall sailboat and powerboat shows held in Annapolis, as well as any other special events designated by a resolution from the City Council.; and

**WHEREAS,** The City Council finds that a temporary moratorium of 12 months is necessary and reasonable to allow the consideration of compliance enhancements for inclusion in the FY27 budget, and to allow for additional time to analyze any potential impact of non-owner occupied short-term rentals outside areas with less than 10% short-term rental density, that were not covered by O-14-25 ~~for the due consideration, implementation and assessment of recently adopted resolutions, and necessary to consider additional actions or potential amendments further, as and if recommended by the mandated assessment.~~

**SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL** that:

1. No new licenses for short-term rentals shall be issued by any department or agency of the City of Annapolis for a period of 12 months following the effective date of this ordinance.
2. This moratorium shall not apply to the renewal of existing and valid short-term rental licenses issued prior to the effective date of this ordinance, so long as such license holder is in full legal compliance at the time of renewal.
3. Any application for a new short-term rental license submitted but not yet approved prior to the effective date of this ordinance shall not be processed or approved during the moratorium period.
4. This moratorium shall not apply to "Owner-Occupied" units, which are defined for the purposes of this moratorium as follows:
  - a. The record owner of the property must reside primarily at the licensed property;
  - b. The owner must physically occupy the licensed property for at least six out of twelve months during the licensed period;
  - c. The owner has provided documentation to show residency at the licensed property in the form of:
    - i. Driver's license and vehicle registration; and
    - ii. Proof of property ownership as designated by the State Department of Assessments and Taxation.
  - d. If the owner is in active military status, an appropriate identification document issued by the U.S. military showing current residency.

5. The City Manager or their designee shall present to the City Council findings and any recommended changes to the City Code no later than 60 days prior to the expiration of the moratorium.

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