



Legislation Details (With Text)

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**File created:** 8/28/2023      **In control:** City Council

**On agenda:** 3/11/2024      **Final action:** 4/8/2024

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

**Sponsors:** Rob Savidge, Ross Arnett, Karma O’Neill, Elly Tierney

**Indexes:** Economic Matters Committee, Rules and City Government Committee

**Code sections:**

**Attachments:** 1. O-32-23 First Reader, 2. O-32-23 Legislative Summary, 3. O-32-23 Staff Report - updated (2/2/24), 4. O-32-23 Fiscal Impact Note, 5. O-32-23 Amendment 1 - O’Neill, 6. O-32-23 Amendment 2 - O’Neill, 7. O-32-23 Amendment 3 - Arnett, 8. O-32-23 Amendment 4 - Finlayson (Rules Committee), 9. O-32-23 Amendment 5 - Tierney, 10. O-32-23 Signed (b&w), 11. O-32-23 Signed (color)

Date	Ver.	Action By	Action	Result
3/15/2024	1	Rules and City Government Committee	Recommend Favorably-Amendment	Pass
3/11/2024	1	City Council	postpone	Pass
2/12/2024	1	City Council	postpone	Pass
2/2/2024	1	Rules and City Government Committee	no action taken	Pass
12/5/2023	1	Housing and Human Welfare Committee	postpone	Pass
12/1/2023	1	Rules and City Government Committee	postpone	Pass
10/6/2023	1	Rules and City Government Committee	postpone	Pass
10/3/2023	1	Economic Matters Committee	recommend favorably	Pass
9/26/2023	1	City Council	declare the public hearing closed	
9/11/2023	1	City Council	adopt on first reader	
9/11/2023	1	City Council	refer to Annapolis Education Commission	
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**Short-term Rental Licenses and Regulations** - For the purpose of clarifying and limiting local eligibility requirements for a short-term rental operator’s license; providing definitions; making technical corrections; and generally relating to a rental operator’s license.

CITY COUNCIL OF THE  
**City of Annapolis**

**Ordinance 32-23**

**Introduced by: Alderman Savidge**

Co-sponsored by: Aids. Arnett, O'Neill, Tierney

Referred to

Economic Matters Committee  
Rules & City Government Committee

AN ORDINANCE concerning

Short-term Rental Licenses and Regulations

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

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

17.44.040

17.44.090

17.44.110

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 17.44.030 - Rental operator's license types.

17.44.030 - Rental operator's license types.

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

1. A standard rental operator's license may be applied for and issued for any premises, except for bed and breakfast homes, hotels, motels, and inns, rented for occupancy or use pursuant to an agreement, written or oral, where the premises is rented for more than 90 days.
2. A short-term rental operator's license may be applied for and issued for any premises, except for bed and breakfast homes, hotels, motels, and inns, rented for occupancy or use pursuant to an agreement, written or oral. The number of overnight occupants is subject to the limitations specified in Chapter 17.40. A short-term rental operator's license is not required for premises rented exclusively on only those days each year coinciding with annual United States Naval Academy graduation ceremonies and with activities associated with the spring and fall sailboat and powerboat shows held in the City of Annapolis; or with any other event as specified by resolution of the City Council.
3. A bed and breakfast rental operator's license may be applied for and issued for those premises operating as a bed and breakfast home. A short-term rental operator's license shall not be required for a bed and breakfast home, irrespective of advertisement through internet-based hosting platforms that facilitate short-term guest reservations.
43. A hotel, motel and inn rental operator's license may be applied for and issued for those premises operating as a hotel, motel or inn. A short-term rental operator's license shall not be required for

a hotel, motel or inn, irrespective of advertisement through internet-based hosting platforms that facilitate short-term guest reservations.

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

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

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## Title 17 - BUILDINGS AND CONSTRUCTION

### Chapter 17.44 - Rental Unit Licenses

#### Section 17.44.090 - Short-term rentals.

- A. ~~A licensee may not hold more than one short-term rental operator's license. For purposes of determining that only one rental operator's license is issued per licensee the term licensee shall include: (1) an individual and any and all legal entities in which the individual has an ownership or beneficial interest; and (2) separate legal entities that share common owners or beneficiaries, in whole or in part.~~
- B. ~~A licensee shall either be a resident of the City or shall employ a local property manager registered with the City and whom shall be identified on any application required by Section 17.44.040. License holders shall ensure that the identified property manager is available by telephone at all times in the event of a public health or safety emergency involving the licensed property.~~
- C. ~~A licensee shall provide the Director with written notice of any change to the name and address of its local property manager no more than five calendar days after any such change.~~
- D. ~~A short-term rental operator's license is not transferrable.~~
- E. ~~No short-term rental operator's license shall be issued or renewed unless the licensee of the premises is registered with the State Comptroller for the collection of the State's sales and use tax. A licensee of the premises, if applicable, shall be registered with Anne Arundel County for the remittance of hotel occupancy taxes if collection and remittance is required by the Anne Arundel County Code.~~
- F. ~~In addition to the requirements of [Section] 17.44.050, no short-term rental operator's license shall be issued or renewed without a Department inspection of all rooms and dwelling units in the premises without regard to which rooms comprise part of the dwelling unit or premises being rented, and without a determination by the Department of the premises' full compliance with Chapter 17.40 and this chapter.~~
- G. ~~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, and if consent is required by such rules, it shall be provided to the Director in the manner required by the bylaws of such association. Failure to adhere to the rules of any applicable association shall be a basis for revocation of a short-term rental operator's license.~~
- H. ~~In addition to the requirements of Chapter 17.40 and this chapter, the following apply to any rental of a premises pursuant to a short-term rental operator's license:~~
- ~~1. 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 that is over the age of twenty-one years;~~

- b. ~~For greater than ninety days to any single tenant; and~~
  - e. ~~Without publishing in a conspicuous manner 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.~~
2. ~~The licensee renting a dwelling unit or premises pursuant to a short-term rental operator's license shall maintain records indicating the names, addresses, and phone numbers of all tenants during the term of the license, which shall be made available to the Director upon request.~~
- I. ~~The licensee renting a dwelling unit or the entire premises pursuant to a short-term rental operator's license shall ensure that the entire premises, including but not limited to any licensed dwelling unit, is in compliance with all applicable laws and codes of the City and the State of Maryland, including building, residential maintenance, electrical and plumbing codes, and applicable laws, regulations and guidance concerning smoke detectors, carbon monoxide detectors and lead-based paint. No short-term rental operator's license shall be issued until the premises is in full compliance with all applicable laws and codes.~~
- J. ~~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 Code.~~

**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 first 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.**
    - 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.**

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

**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 shall be allowed one short-term license.
2. For purposes of determining that only one rental operator's license is issued per licensee, the term licensee shall include:
  - 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.
3. 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.
4. 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.
5. The number of overnight occupants is subject to the limitations specified in Chapter 17.40 of this title.
6. 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.

7. A short-term rental operator's license is not transferrable.
8. The licensee shall be registered with the State Comptroller to collect the State's sales and use tax.
9. 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. 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 commercial 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.

**E. 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.

**F. 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:
  - 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.
- ~~B~~4. "Licensee" means a person who obtains a rental operator's license from the City as described in Section 44.090 of this Title
- ~~C~~5. "Local Property Manager" means a person who acts as the legally authorized representative and agent of a licensee and who has a primary residence or office at a physical location in the City that is appropriately licensed to allow the operation of a business and that is correctly registered as an active business entity in Maryland.
- 6. "Nuisance" means the following:
  - a. An act or condition knowingly created, performed, or maintained on private property that constitutes a local code violation and that:
    - i. Significantly affects other residents of the neighborhood;
    - ii. Diminishes the value of neighboring property and is harmful to public health, safety, or welfare of neighboring residents; or obstructs the reasonable use of other property in the

neighborhood;

- b. A property where the tenant, owner, or other occupant has been found in violation of tax provisions of Chapter 6.04 of the city code about the property; or
- c. A property to which police or other law enforcement agencies have responded to complaints or calls for service three or more times within 90 days.

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

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

"Person" means:

- a. An individual; or
- b. Any legal entities where the individual has an ownership or beneficial interest; and
- c. Any separate legal entities that share common owners or beneficiaries in whole or part.

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

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

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

- a. Has applied for and received a license to operate a short-term rental under the requirements of this chapter; and
- b. Is either:
  - i. A resident of the City; or
  - ii. A non-resident of the City who employs an Annapolis-based property manager; and
- b. Meets this chapter's licensee requirements; and
- c. Is not an owner of any other short-term license property.

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

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

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

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

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

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