



Legislation Details (With Text)

**File #:** O-7-21      **Version:** 1      **Name:**

**Type:** Ordinance      **Status:** Failed

**File created:** 3/4/2021      **In control:** City Council

**On agenda:** 7/12/2021      **Final action:** 7/21/2021

**Title:** Short Term Rental Licenses - Conservation Districts - For the purpose of requiring special exception approval for a new non owner-occupied short term rental license in the R2-NC, C1, and C1-A conservation residence districts; requiring special exception approval for the transfer of any existing non owner-occupied short term rental license in the R2-NC, C1, and C1-A conservation residence districts; providing definitions; providing for the waiver of special exception approval for certain individuals; and generally related to short term rental licenses.

**Sponsors:** Elly Tierney, Rob Savidge

**Indexes:** Planning Commission, Rules and City Government Committee

**Code sections:**

**Attachments:** 1. O-7-21 First Reader, 2. O-7-21 R2-NC, C1, and C1 A Map, 3. O-7-21 Staff Report - Amended 4-6-21, 4. O-7-21 Fiscal Impact Note, 5. O-7-21 Staff Report to PC, 6. O-7-21 PC Findings and Recommendations, 7. O-7-21 Amendments 1-4 - Tierney

| Date      | Ver. | Action By                           | Action                                        | Result |
|-----------|------|-------------------------------------|-----------------------------------------------|--------|
| 7/26/2021 | 1    | City Council                        | adopt on second reader                        | Pass   |
| 7/26/2021 | 1    | City Council                        | amended                                       | Fail   |
| 7/26/2021 | 1    | City Council                        | adopt on second reader                        | Fail   |
| 7/12/2021 | 1    | City Council                        | postpone                                      | Pass   |
| 7/6/2021  | 1    | Rules and City Government Committee | recommend unfavorably                         | Pass   |
| 7/6/2021  | 1    | Rules and City Government Committee | Recommend Favorably-Failed for lack of second |        |
| 6/14/2021 | 1    | City Council                        | declare the public hearing closed             | Pass   |
| 3/8/2021  | 1    | City Council                        | adopt on first reader                         | Pass   |
| 3/8/2021  | 1    | City Council                        | refer to Annapolis Education Commission       |        |
| 3/8/2021  | 1    | City Council                        | refer to Annapolis Education Commission       |        |
| 3/8/2021  | 1    | City Council                        | adopt on first reader                         | Pass   |

**Short Term Rental Licenses - Conservation Districts -** For the purpose of requiring special exception approval for a new non owner-occupied short term rental license in the R2-NC, C1, and C1-A conservation residence districts; requiring special exception approval for the transfer of any existing non owner-occupied short term rental license in the R2-NC, C1, and C1-A conservation residence districts; providing definitions; providing for the waiver of special exception approval for certain individuals; and generally related to short term rental licenses.

CITY COUNCIL OF THE  
City of Annapolis

Ordinance 7-21

**Introduced by: Alderwoman Tierney**  
**Co-sponsored by: Alderman Savidge**

**Referred to**  
**Planning Commission**  
**Rules and City Government**  
**180 day Rule:** \_\_\_\_\_

**AN ORDINANCE** concerning

**Short Term Rental Licenses**

**FOR** the purpose of requiring special exception approval for a new non owner-occupied short term rental license in the R2-NC, C1, and C1-A conservation residence districts; requiring special exception approval for the transfer of any existing non owner-occupied short term rental license in the R2-NC, C1, and C1-A conservation residence districts; providing definitions; providing for the waiver of special exception approval for certain individuals; and generally related to short term rental licenses.

**BY** repealing and reenacting with amendments the following portions of the Code of the City of Annapolis, 2021 Edition  
17.44.030  
17.44.090  
21.48.010  
21.72.010

**WHEREAS**, currently the majority of short term rental licenses are concentrated in the R2-NC, C1, and C1-A Conservation Residence districts; and

**WHEREAS**, Section 21.40.060 of the Annapolis City Code states that “the R2-NC Single-Family Residence Neighborhood Conservation district is to preserve patterns of design and development in residential neighborhoods characterized by a diversity of styles and to ensure the preservation of a diversity of land uses, together with the protection of buildings, structures or areas the destruction or alteration of which would disrupt the existing scale and architectural character of the neighborhoods.

**WHEREAS**, Section 21.40.130 of the Annapolis City Code states that “the C1 Conservation Residence district is designed to encourage the conservation of the educational, cultural and historic character of the old City”; and

**WHEREAS**, Section 21.40.140 of the Annapolis City Code states that “the C1-A Special Conservation Residence district is designed to preserve neighborhoods that have been identified as "at risk" in the Annapolis Comprehensive Plan as amended through and including amendments to the "Ward One Sector Study." At risk neighborhoods are identified as being significantly impacted by at least two of the following characteristics:

1. A growing number of nonconforming uses,
2. Unmaintained buildings or lots,
3. Traffic volumes inconsistent with strictly residential land uses due to through

- commercial traffic, and
4. Other adverse impact from nearby commercial uses.

Lands zoned C1-A are the focus of the intensive public efforts, including periodic monitoring of land uses, to minimize conversions from single-family to multi-family or office use, to stabilize and enhance the residential quality of life, and to encourage single-family development and conversion to single-family use”; and

**WHEREAS,** Chapter 21.48 of the City Code sets forth permitted and non-permitted uses in the R2-NC, C1, and C1-A Special Conservation Residence districts and those non-permitted uses include, but are not limited to, Apartment hotels, Bed and Breakfast homes (unless Chapter 21.64 use standards are met), Multi-family dwellings, and Inns; and

**WHEREAS,** Non owner-occupied Short Term Rental Properties are income producing properties that are used as commercial businesses and as such, should not be permitted in the R2-NC, C1, and C1-A Special Conservation Residence districts without special exception approval as is required of all other non-permitted uses; and

**WHEREAS,** due to the significant historic nature of the conservation residence districts, the City Council desires to require special exception approval for any new non owner-occupied short term rental licenses and on the transfer of any existing non owner-occupied short term rental licenses in the R2-NC, C1, and C1-A conservation residence districts; and

**WHEREAS,** this Ordinance comports with the proposed 2021 Comprehensive Plan’s guiding principle of preserving and enhancing neighborhood character.

**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 operating license types.**

- A. Provided that the premises meets all of the applicable requirements pursuant to Chapter 17.40 and this chapter, the Director may issue the following types of rental operating licenses.
  1. A standard rental operating 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 ninety days.
  2. A short-term rental operating 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 OPERATING LICENSE IS FURTHER SUBJECT TO THE REQUIREMENTS OF SECTION 17.44.090. A short-term rental operating 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 operating license may be applied for and issued for those premises operating as a bed and breakfast home. A short-term rental operating 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.
  4. A hotel, motel and inn rental operating license may be applied for and issued for those premises operating as a hotel, motel or inn. A short-term rental operating 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.
- B. A rental operating license fee for each type of rental operating 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 operating license.

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

- A. A licensee may not hold more than one short-term rental operating license. A licensee must either reside in the City or employ a local property manager registered with the City on the application required by Section 17.44.040 and available by telephone at all times in case of an emergency, safety, public health, or police concern. A licensee must provide the Director with written notice of any change to the name or address of its local property manager no more than five calendar days after any such change.
- B. A short-term rental operating license does not transfer on the sale or any other ownership transfer of a premises or dwelling unit.
- C. No short-term rental operating 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.
- D. In addition to the requirements of SECTION 17.44.050, no short-term rental operating 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.
- E. No short-term rental operating 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 operating license.
- F. 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 operating license:
  1. No licensee shall rent a dwelling unit or the entire premises pursuant to a short-term operating 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
    - c. Without publishing in a conspicuous manner the short-term rental operating 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 operating 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.

- G. The licensee renting a dwelling unit or the entire premises pursuant to a short-term rental operating 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 operating license shall be issued until the premises is in full compliance with all applicable laws and codes.
- H. A licensee renting a dwelling unit or the entire premises pursuant to a short-term rental operating license is not subject to the lease term requirements of Subsections (B) and (D) of Section 18.04.010 of the Code.
- I. A LICENSEE RENTING A NON-OWNER-OCCUPIED DWELLING UNIT USED FOR SHORT-TERM RENTALS PURSUANT TO A SHORT-TERM RENTAL OPERATING LICENSE IN A R2-NC, C1, OR C1A RESIDENTIAL ZONING DISTRICT MUST BE APPROVED AS A SPECIAL EXCEPTION IN ACCORDANCE WITH CHAPTER 21.26. A DETERMINATION OF WHETHER AN APPLICANT HAS ESTABLISHED RESIDENT STATUS SHALL BE MADE BY THE DIRECTOR OF PLANNING AND ZONING IN CONSULTATION WITH THE DIRECTOR OF FINANCE.

**TITLE 21 - PLANNING AND ZONING**  
**Chapter 21.48 - USE TABLES**

**Section 21.48.010 - Table of Uses-Residential Zoning Districts.**

P = Permitted Use; S = Special Exception Use; -Std = Use Subject to Standards (Chapter 21.64); A = Accessory Use; Blank = Not Permitted

A use, including a special exception use, that is not normally permissible as a permitted use or use subject to standards in a zoning district may be permitted in that district as a planned development use pursuant to Section 21.24.020.

| Uses                                                                                                           | District R1A | District R1B | District R1 | District R2 | District R2-NC | District R3 | District R3-NC | District R3-NC2 | District R3-R | District R4 | District R4-R | District C1 | District C1A |
|----------------------------------------------------------------------------------------------------------------|--------------|--------------|-------------|-------------|----------------|-------------|----------------|-----------------|---------------|-------------|---------------|-------------|--------------|
| Apartment hotels                                                                                               |              |              |             |             |                |             |                |                 |               | P-Std       | P-Std         |             |              |
| Bed and breakfast homes                                                                                        |              |              |             |             | P-Std          |             | P-Std          | P-Std           |               |             |               | P-Std       | P-Std        |
| Bed and breakfast home in a structure constructed or erected after December 14, 1998 on a vacant lot of record |              |              |             |             | S-Std          |             |                |                 |               |             |               |             |              |
| NON-OWNER-OCCUPIED DWELLING UNITS USED FOR SHORT-TERM RENTALS                                                  | P            | P            | P           | P           | S              | P           | P              | P               | P             | P           | P             | S           | S            |

- 1 Duplex units existing on August 10, 1970, may be altered or enlarged provided that the alteration or enlargements otherwise meet the provisions of the R2 zoning district, except that the shared lot line between each half of the duplex unit must meet the provisions of the R3, General Residence District, and subject to minor site design plan review.
- 2 Attached units existing on August 10, 1970, may be altered or enlarged provided that the alteration or

enlargement otherwise meets the provisions of the C1A zoning district except that the shared lot line between attached units will have no setback requirement, and subject to minor site design plan approval and review by the Historic Preservation Commission under Section 21.56 of this Code.

REVISOR’S NOTE: In this section, the use “Non-Owner-Occupied Dwelling Units Used for Short-term Rentals” is added. See the defined term in Section 21.72.010.D of this Ordinance.

No other changes are made.

**Section 21.72.010 - Terms.**

D. List of Definitions.

“NON-OWNER-OCCUPIED DWELLING UNITS USED FOR SHORT-TERM RENTALS” MEANS A PREMISES THAT IS NOT DESIGNATED AS THE OWNER’S PRINCIPAL RESIDENCE WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.”

REVISOR’S NOTE: In this section “Non-Owner-Occupied Dwelling Units Used for Short-term Rentals” is added to provide an express definition of that term.

No other changes are made.

**SECTION II: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL** that the Revisor’s Notes contained in this Ordinance are not law and may not be considered to have been enacted as a part of this Ordinance.

**SECTION III: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL** that the renewal of any existing non-owner-occupied short-term rental license is exempt from the special exception approval requirement of this ordinance. Applications for a new non-owner-occupied short term rental license or the transfer of an existing non-owner-occupied short term rental license submitted after the passage of this ordinance shall be subject to special exception approval.

**Explanation:**

UPPERCASE indicates matter added to existing law.

~~Strikethrough~~ indicates matter stricken from existing law.

Underlining indicates amendments.