



Legislation Text

File #: O-7-22, Version: 1

Rental Operator's License - For the purpose of clarifying the eligibility requirements for a short-term rental operator's license; providing certain definitions; making technical corrections; and generally relating to a rental operator's license.

**CITY COUNCIL OF THE
City of Annapolis**

Ordinance 7-22

Introduced by: Alderwoman Tierney

Co-sponsored by:

Referred to

Economic Matters Committee

Rules and City Government Committee

AN ORDINANCE concerning

Rental Operator's License

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

BY repealing and reenacting without amendments the following portions of the Code of the City of Annapolis, 2022 Edition

17.44.080

BY repealing and reenacting with amendments the following portions of the Code of the City of Annapolis, 2022 Edition

17.44.010

17.44.020

17.44.030

17.44.040

17.44.050

17.44.060

17.44.070

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 17.44.010 License required.

- A. A current rental ~~operating~~OPERATOR'S license approved and issued by the Department is required before a person shall rent for occupancy or use any of the following types of premises, as these types are defined in Chapter 21.72 of the Code:
1. Dwellings, including:
 - a. Single-family attached and detached dwellings;
 - b. Multiple and two-family dwellings;
 - c. Multifamily dwellings; and
 - d. Dwellings above the ground floor of commercial and maritime uses;
 2. Dwelling units, including efficiency units;
 3. Bed and breakfast homes; and
 4. Hotels, motels and inns.
- B. A person who rents or continues to rent for occupancy or use any unlicensed premises is guilty of a municipal infraction and subject to a fine as established by resolution of the City Council. Such fine shall be assessed on a per unit per day basis, after an initial fifteen calendar day notification period to the owner, until a rental ~~operating~~OPERATOR'S license has been obtained, reissued or revalidated.

17.44.020 Posting of unlicensed premises.

- A. Upon the renting for occupancy or use of an unlicensed premises, or upon the suspension, revocation, denial, or expiration of a rental ~~operating~~OPERATOR'S license for a premises, the Director shall have the authority to cause notices to be posted on the premises which shall state as follows:

Occupancy of this premises is unlawful until a rental ~~operating~~OPERATOR'S license has been obtained and is displayed on the premises.

- B. It is the responsibility of the licensee to maintain the notices posted on the premises pursuant to Subsection A until a rental ~~operating~~OPERATOR'S license has been obtained, reissued or revalidated. Any failure to maintain the notice shall subject the owner to a fine as established by resolution of the City Council.

17.44.030 Rental ~~operating~~OPERATOR'S 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~~OPERATOR'S licenses.
1. A standard rental ~~operating~~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 ninety days.
 2. A short-term rental ~~operating~~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 ~~operating~~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 ~~operating~~OPERATOR'S license may be applied for and issued for those premises ~~operating~~OPERATOR'S as a bed and breakfast home. A short-term rental ~~operating~~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.
 4. A hotel, motel and inn rental ~~operating~~OPERATOR'S license may be applied for and issued for those premises ~~operating~~OPERATOR'S as a hotel, motel or inn. A short-term rental ~~operating~~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.
- B. A rental ~~operating~~OPERATOR'S license fee for each type of rental ~~operating~~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 ~~operating~~OPERATOR'S license.

17.44.040 Application.

- A. Upon receipt of an application in accordance with this section, the Director may issue a new rental ~~operating~~OPERATOR'S license or renew an existing rental ~~operating~~OPERATOR'S license, in the name of the applicant. No rental ~~operating~~OPERATOR'S license shall be issued or renewed by the Director unless the premises for which the rental ~~operating~~OPERATOR'S license is sought is found, after inspection and Department review, to meet all applicable requirements of Chapter 17.40 and this chapter.
- B. All rental ~~operating~~OPERATOR'S licenses shall be issued or renewed on an annual basis, except that a multi-family dwelling consisting of fifty or more units that employs a full-time maintenance staff of three or more employees on-site may have its rental ~~operating~~OPERATOR'S license initially issued or renewed for a two-year period unless the Director, with cause, requires an annual rental ~~operating~~OPERATOR'S license.
- C. No rental ~~operating~~OPERATOR'S license shall be issued or renewed by the Director unless the applicant has submitted an application on a form provided by the Director. Such form shall require, at a minimum, the address of the applicant and, if applicable, the address of the applicant's local property

manager, the applicant's tracking number with the Maryland Department of the Environment Lead Rental Registry, if applicable to the premises; a Maryland Sales and Use Tax account number with the Comptroller of Maryland; and the applicant's hotel occupancy tax account number with Anne Arundel County, if the collection and remittance of the tax is applicable and required by the Anne Arundel County Code. The Director shall develop the form and make it available to the public.

- D. Any application to renew a rental ~~operating~~OPERATOR'S license for which an application is not received at least thirty days prior to the expiration of the current rental ~~operating~~OPERATOR'S license is subject to an additional fee as established by resolution of the City Council.
- E. No rental ~~operating~~OPERATOR'S license shall be issued or renewed until the application fee established by the City has been paid in full.
- F. Fraud, misrepresentation, false statement or material inaccuracies on an application for a rental ~~operating~~OPERATOR'S license shall be grounds for denial or non-renewal of an application.

17.44.050 Inspection.

No rental ~~operating~~OPERATOR'S license shall be issued or renewed unless the applicant agrees to an inspection of the premises as required by the Director, and that inspection finds that the premises is in compliance with all applicable requirements of Chapter 17.40 and this chapter.

17.44.060 Complaints, suspension and revocation.

- A. Fraud, misrepresentation, false statement or a material inaccuracy in an application for a rental ~~operating~~OPERATOR'S license discovered after issuance or renewal shall be grounds for immediate revocation of the rental ~~operating~~OPERATOR'S license by the Director.
- B. If the Police Department makes three or more documented calls for service in a thirty-day period to a premises in response to a complaint of disorderly conduct as defined by Section 11.12.010 or disturbing the peace as defined by Section 11.12.020, or if a premises or the licensee of a premises violates any provision of Chapter 17.40 or 17.44, the Director may order the licensee, by written notice sent by certified mail to the licensee's address of record, to show cause before the Building Board of Appeals within thirty days of said notice why the applicable rental ~~operating~~OPERATOR'S license for the premises should not be revoked. If the licensee shall fail to show cause to the satisfaction of the Board within the stipulated time, the Board shall issue an order suspending the rental ~~operating~~OPERATOR'S license and stating the violations in need of correction. If the violations causing the suspension are corrected to the satisfaction of the Director within thirty days of the Board's order of suspension, the suspension imposed under this subsection shall be vacated by the Director.
- C. A suspension imposed under Subsection B of this section shall expire and, in its place, the rental ~~operating~~OPERATOR'S license shall be revoked thirty days after the order of suspension unless, during that thirty-day period, the violations causing the suspension have been corrected to the satisfaction of the Director. The Director shall send to the licensee written notice by certified mail of any such revocation. The notice shall inform the licensee of the right to appeal the revocation pursuant to Section 17.44.100 and shall set forth the grounds for the revocation.
- D. A rental ~~operating~~OPERATOR'S license revoked pursuant to either Subsection A or C of this section shall not be revalidated or renewed. However, nothing contained herein shall preclude a person from filing an application for a new rental ~~operating~~OPERATOR'S license for such premises pursuant to this chapter.
- E. The Department, under the direction of the Director, shall enforce the provisions of this section. Upon receipt of a complaint under this section or a recommendation by the Chief of Police to take action under this section, the Director or his or her designee shall obtain such information as necessary to determine whether to proceed under Subsection B of this section.

- F. If any persons, other than the licensee, are occupying the premises at the time of a suspension or revocation of a rental ~~operating~~ OPERATOR'S license, the Director shall post a notice on the front door of the premises indicating that all persons, other than the licensee must vacate as of the date of the posting of the notice. At any time after the posting of the notice, the licensee or local property manager shall permit an inspection of the premises by the Department to verify the premises has been vacated.
- G. A person who violates this section is guilty of a municipal infraction and subject to a fine set by resolution of the City Council.

17.44.070 License suspension or revocation; revalidation, reinspection and reissuance procedure.

- A. Reissuance of a rental ~~operating~~ OPERATOR'S license that has been revoked or denied upon application for renewal shall be subject to payment of the full amount of the annual rental ~~operating~~ OPERATOR'S license fee specified in Section 17.44.040. at the discretion of the Director, the rental ~~operating~~ OPERATOR'S license may be reissued on a six-month basis, instead of an annual basis, with fees paid in accordance with this section. At the end of those six months, the premises may be placed on a regular annual licensing schedule only if Department inspection confirms that the premises is being maintained in accordance with Chapter 17.40 and this chapter. Payment of the application fee shall be due prior to such placement. If the premises fails any inspection during such six months, the rental ~~operating~~ OPERATOR'S license may expire or be re-issued on another six-month basis in the discretion of the Director.
- B. The fee for six-month licenses issued as a result of actions taken under the provisions of Section 17.44.070(A) shall be the same as the fee for an annual rental ~~operating~~ OPERATOR'S license and shall double, progressively, for any subsequent period that the project is being licensed and inspected on a six-month basis.
- C. A fee as established by resolution of the City Council must be paid before another inspection is made if, for the original inspection, one or more of the following occurred:
 - 1. The requesting person called or was scheduled for inspection, but work was not ready or violations were not abated;
 - 2. The requesting person, either licensee, local property manager or tenant, was not on site;
 - 3. The premises or dwelling unit was locked.
- D. A suspended license may only be revalidated upon meeting the requirements of this chapter and payment of an amount equivalent to fifty percent of the annual rental ~~operating~~ OPERATOR'S license fee.

17.44.080 Revocation, vacating premises and condemnation penalties.

In addition to the procedure described in Section 17.44.020, and upon issuing a revocation order or condemnation designation, the Director may order the following:

- A. That the licensee shall be liable for reasonable costs incurred by the affected tenants in securing adequate substitute housing within the corporate limits of either the City or Anne Arundel County;
- B. A person who fails to vacate or cause to vacate the premises after due notice by the Director is guilty of a municipal infraction and subject to a fine as established by resolution of the City Council;
- C. That the licensee is guilty of a misdemeanor as established in Section 17.40.890;
- D. That in the event violations remain uncorrected for thirty days and that the licensee or the local property manager fails to comply with the lawful order of the Director to make safe and healthy an unsafe and unhealthy structure, to correct a dangerous condition or to eliminate an infestation of rodents, vermin or insects, the Director may proceed when, in his or her opinion, emergency action is required to abate unsafe conditions or infestations by whatever means the Director deems appropriate. The means may include but shall not be limited to demolition, substantial rehabilitation, or pest extermination. The Director may use

public and private resources required and available. All costs incurred for the emergency action shall be recovered from the licensee by whatever appropriate action is necessary including but not limited to certification of a lien on the property and collectible in the same manner as delinquent taxes.

Section 17.44.090 Short-term rentals.

- A. A licensee may not hold more than one short-term rental ~~operating~~ 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. ~~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 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.
- ~~BD.~~ A short-term rental ~~operating~~ license does not transfer on the sale or any other ownership transfer of a premises or dwelling unit. A SHORT-TERM RENTAL OPERATOR'S LICENSE IS NOT TRANSFERRABLE.
- ~~CE.~~ No short-term rental ~~operating~~ 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.
- ~~DE.~~ In addition to the requirements of [Section] 17.44.050, no short-term rental ~~operating~~ 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.
- ~~EG.~~ No short-term rental ~~operating~~ 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 ~~operating~~ OPERATOR'S license.
- ~~FH.~~ 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~~ OPERATOR'S license:
 - 1. No licensee shall rent a dwelling unit or the entire premises pursuant to a short-term ~~operating~~ 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
 - c. Without publishing in a conspicuous manner the short-term rental ~~operating~~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 ~~operating~~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.
- ~~G~~I. The licensee renting a dwelling unit or the entire premises pursuant to a short-term rental ~~operating~~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 ~~operating~~OPERATOR'S license shall be issued until the premises is in full compliance with all applicable laws and codes.
- ~~H~~J. A licensee renting a dwelling unit or the entire premises pursuant to a short-term rental ~~operating~~OPERATOR'S license is not subject to the lease term requirements of Subsections (B) and (D) of Section 18.04.010 of the Code.

17.44.100 Appeals.

Any person aggrieved by a decision of the Director to deny issuance, deny renewal, suspend or revoke a rental ~~operating~~OPERATOR'S license may appeal the decision to the Building Board of Appeals according to the provisions of Section 17.40.880.

17.44.110 Definitions.

- A. "Applicant" means a person who executes the forms required for obtaining a rental ~~operating~~OPERATOR'S license pursuant to this chapter.
- B. "Licensee" means a person who obtains a rental ~~operating~~OPERATOR'S license from the City AS DESCRIBED IN SECTION 17.44.090A.
- C. "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.
- D. "Owner" means any person who alone, jointly, or severally with other individuals holds legal or equitable title to any premises.
- E. "Person" means an individual or any legal entity in which an individual has an ownership or beneficial interest.
- F. "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. "Rental ~~operating~~OPERATOR'S license" means a license required pursuant to Section 17.44.010 for a premises.
- H. "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.
- I. "Unlicensed premises" means a premises that is required to be licensed pursuant to Section 17.44.010, but for which a valid rental ~~operating~~OPERATOR'S license has not been obtained or renewed.
- J. 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 from the date of its passage.

Explanation:

UPPERCASE indicates matter added to existing law.

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

Underlining indicates amendments.