



## Legislation Text

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**File #:** O-26-19, **Version:** 1

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**Rental Unit and Short-Term Residential Rental Licenses** - For the purpose of mitigating significant dislocation of neighborly residential blocks; supporting the City's experience, visitor and tourist-based local economy by leveraging the sharing economy; ensuring applicable tax collection and remittances; encouraging fair competition; updating and amending the regulation of residential rental properties generally; creating operating license requirements governing the short-term rental of residential dwellings and dwelling units above nonresidential uses; defining certain terms; allowing a delayed effective date for current licensees; and matters generally relating thereto.

### CITY COUNCIL OF THE City of Annapolis

#### Ordinance 26-19

**Introduced by: Alderman Arnett and Alderwoman Finlayson**

**Referred to**  
**Economic Matters Committee**  
**Finance Committee**  
**Public Safety Committee**  
**Rules and City Government Committee**

**AN ORDINANCE** concerning

#### **Rental Unit and Short-Term Residential Rental Licenses**

**FOR** the purpose of mitigating significant dislocation of neighborly residential blocks; supporting the City's experience, visitor and tourist-based local economy by leveraging the sharing economy; ensuring applicable tax collection and remittances; encouraging fair competition; updating and amending the regulation of residential rental properties generally; creating operating license requirements governing the short-term rental of residential dwellings and dwelling units above nonresidential uses; defining certain terms; allowing a delayed effective date for current licensees; and matters generally relating thereto.

**BY** repealing and re-enacting with amendments the following portion of the Code of the City of Annapolis, 2019 Edition:  
Chapter 17.44

**SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL** that Chapter 17.44 of the Code of the City of Annapolis shall be repealed in its entirety and amended to read as

follows:

## **TITLE 17 - BUILDINGS AND CONSTRUCTION**

### **Chapter 17.44 - Rental Unit Licenses**

#### **17.44.010 - LICENSE REQUIRED.**

A. A CURRENT RENTAL OPERATING 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 UPON CONVICTION 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 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 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 ANY DWELLING UNIT IN THIS BUILDING NOW VACANT OR BECOMING VACANT IS UNLAWFUL UNTIL A RENTAL OPERATING LICENSE HAS BEEN OBTAINED AND IS DISPLAYED ON THE PREMISES.

B. IT IS THE RESPONSIBILITY OF THE OWNER TO MAINTAIN THE NOTICES POSTED ON THE PREMISES PURSUANT TO SUBSECTION A UNTIL A RENTAL OPERATING LICENSE HAS BEEN OBTAINED, REISSUED OR REVALIDATED. ANY DEFACEMENT OR REMOVAL OF THE NOTICE SHALL SUBJECT THE OWNER TO A FINE AS ESTABLISHED BY RESOLUTION OF THE CITY COUNCIL.

#### **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 DWELLING UNIT OR THE ENTIRE PREMISES RENTED FOR OCCUPANCY OR USE PURSUANT TO AN AGREEMENT, WRITTEN OR ORAL, WHERE THE DWELLING UNIT OR THE ENTIRE PREMISES IS RENTED FOR UP TO ONE OR MORE YEARS.
  2. A SHORT-TERM RENTAL OPERATING LICENSE MAY BE APPLIED FOR AND ISSUED FOR ANY DWELLING UNIT OR PREMISES THAT IS RENTED, IN ITS ENTIRETY OR PARTIALLY, 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 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 PER PREMISES OR DWELLING UNIT, AS APPLICABLE, WHICH SHALL BE PAYABLE IN ADVANCE OF ISSUANCE OR RENEWAL OF ANY RENTAL OPERATING LICENSE.

#### **17.44.040 - APPLICATION.**

- A. UPON RECEIPT OF AN APPLICATION IN ACCORDANCE WITH THIS SECTION, THE DIRECTOR MAY ISSUE A NEW RENTAL OPERATING LICENSE OR RENEW AN EXISTING RENTAL OPERATING LICENSE, IN THE NAME(S) OF THE APPLICANT(S). NO RENTAL OPERATING LICENSE SHALL BE ISSUED OR RENEWED BY THE DIRECTOR UNLESS THE PREMISES FOR WHICH THE RENTAL OPERATING 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 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 LICENSE INITIALLY ISSUED OR RENEWED FOR A TWO-YEAR PERIOD UNLESS THE DIRECTOR, WITH CAUSE, REQUIRES AN ANNUAL RENTAL OPERATING LICENSE.

- C. NO RENTAL OPERATING 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 APPLICANT'S TRACKING NUMBER WITH THE MARYLAND DEPARTMENT OF THE ENVIRONMENT LEAD RENTAL REGISTRY; 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. NO RENTAL OPERATING LICENSE SHALL BE RENEWED UNLESS AN APPLICATION HAS BEEN MADE AT LEAST THIRTY DAYS PRIOR TO THE EXPIRATION OF THE CURRENT RENTAL OPERATING LICENSE, AND A PENALTY FEE AS ESTABLISHED BY RESOLUTION OF THE CITY COUNCIL SHALL ACCOMPANY ANY APPLICATION FILED LESS THAN THIRTY DAYS PRIOR TO EXPIRATION.
- E. NO RENTAL OPERATING 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 LICENSE SHALL BE GROUNDS FOR DENIAL OR NON-RENEWAL OF AN APPLICATION.

#### **17.44.050 - INSPECTION**

NO RENTAL OPERATING LICENSE SHALL BE ISSUED OR RENEWED UNLESS THE APPLICANT AGREES TO AN INSPECTION AS REQUIRED BY THE DIRECTOR, AND THAT INSPECTION TO DETERMINE THAT THE PREMISES FOR WHICH THE RENTAL OPERATING LICENSE IS SOUGHT IS IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF CHAPTER 17.40 AND THIS CHAPTER, INCLUDING, BUT NOT LIMITED TO COMPLIANCE WITH THE MINIMUM STANDARDS FOR SAFE AND SANITARY MAINTENANCE AS SET OUT IN CHAPTER 17.40.

#### **17.44.060 -- COMPLAINTS, SUSPENSION AND REVOCATION.**

- A. FRAUD, MISREPRESENTATION, FALSE STATEMENT OR A MATERIAL INACCURACY IN AN APPLICATION FOR A RENTAL OPERATING LICENSE DISCOVERED AFTER ISSUANCE OR RENEWAL SHALL BE GROUNDS FOR IMMEDIATE REVOCATION OF THE RENTAL OPERATING LICENSE BY THE DIRECTOR.
- B. IF ANY 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 OWNER OF A PREMISES

VIOLATES ANY PROVISION OF CHAPTER 17.40 OR 17.44, THE DIRECTOR MAY ORDER THE OWNER, BY WRITTEN NOTICE SENT BY CERTIFIED MAIL TO THE OWNER'S ADDRESS OF RECORD, TO SHOW CAUSE BEFORE THE BUILDING BOARD OF APPEALS WITHIN THIRTY DAYS OF SAID NOTICE WHY THE APPLICABLE RENTAL OPERATING LICENSE FOR THE PREMISES SHOULD NOT BE SUSPENDED. 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 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 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 OWNER WRITTEN NOTICE BY CERTIFIED MAIL OF ANY SUCH REVOCATION. THE NOTICE SHALL INFORM THE OWNER 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 LICENSE REVOKED PURSUANT TO EITHER SUBSECTION A OR C OF THIS SECTION SHALL NOT BE REVALIDATED OR RENEWED. HOWEVER, NOTHING CONTAINED HEREIN SHALL PRECLUDE THE OWNER OF ANY SUCH PREMISES FROM FILING AN APPLICATION FOR A NEW RENTAL OPERATING 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 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 OWNER(S), ARE OCCUPYING THE PREMISES AT THE TIME OF A SUSPENSION OR REVOCATION OF A RENTAL OPERATING LICENSE, THE DIRECTOR SHALL POST A NOTICE ON THE FRONT DOOR OF THE PREMISES INDICATING THAT ALL PERSONS, OTHER THAN THE OWNERS(S) MUST VACATE AS OF THE DATE OF THE POSTING OF THE NOTICE. AT ANY TIME AFTER THE POSTING OF THE NOTICE, THE OWNER OR AN AUTHORIZED AGENT SHALL PERMIT AN INSPECTION OF THE PREMISES BY THE DEPARTMENT TO VERIFY THE PREMISES HAS BEEN VACATED.
- G. A PERSON WHO VIOLATES THIS SECTION UPON CONVICTION SHALL BE 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 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 LICENSE FEE SPECIFIED IN SECTION 17.44.040. AT THE DISCRETION OF THE DIRECTOR, THE RENTAL OPERATING 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(S) CONFIRM 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 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 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. REQUESTING PARTY CALLED OR WAS SCHEDULED FOR INSPECTION, BUT WORK WAS NOT READY OR VIOLATIONS WERE NOT ABATED;
  2. REQUESTING PARTY, EITHER OWNER, AGENT OR TENANT, WAS NOT ON SITE;
  3. 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 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 OWNER 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 UPON CONVICTION GUILTY OF A MUNICIPAL INFRACTION AND SUBJECT TO A FINE AS ESTABLISHED BY RESOLUTION OF THE CITY COUNCIL;
- C. THAT THE OWNER UPON CONVICTION 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 OWNER OR OTHER RESPONSIBLE PARTY 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 OWNER BY WHATEVER APPROPRIATE ACTION IS NECESSARY INCLUDING BUT NOT LIMITED TO CERTIFICATION OF A TAX LIEN ON THE PROPERTY AND COLLECTIBLE IN THE SAME MANNER AS DELINQUENT TAXES.

#### **17.44.090 - SHORT-TERM RENTALS.**

- A. A SHORT-TERM RENTAL OPERATING LICENSE MAY BE APPLIED FOR BY AND ISSUED AND RENEWED TO EITHER AN INDIVIDUAL PERSON HAVING A PRINCIPAL RESIDENCE, AS FURTHER DEFINED IN SECTION 17.44.110, IN THE CITY, OR A PERSON OWNING OR RENTING A PREMISES WITH DWELLING UNITS ABOVE COMMERCIAL OR MARITIME USES ON THE GROUND FLOOR.
- 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. AN OWNER HAVING A PRINCIPAL RESIDENCE IN THE CITY SHALL NOT BE ISSUED OR RENEWED MORE THAN ONE SHORT-TERM RENTAL OPERATING LICENSE FOR A PREMISES NOT ITSELF THE OWNER'S PRINCIPAL RESIDENCE. A LEGAL ENTITY HAVING A PRINCIPAL OFFICE IN THE CITY, AS REGISTERED WITH THE MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION, SHALL NOT BE ISSUED OR RENEWED MORE THAN ONE SHORT-TERM RENTAL OPERATING LICENSE FOR A PREMISES NOT ITSELF THE OWNER'S PRINCIPAL OFFICE.
- D. NO SHORT-TERM RENTAL OPERATING LICENSE SHALL BE ISSUED OR RENEWED UNLESS THE OWNER OF THE PREMISES IS REGISTERED WITH THE STATE COMPTROLLER FOR THE COLLECTION OF THE STATE'S SALES AND USE TAX, AND THAT OWNER SHALL ENSURE THAT ALL APPLICABLE TAXES ARE COLLECTED AND REMITTED TO THE PROPER COLLECTING AUTHORITIES. AN OWNER OF THE PREMISES, AS 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.
- E. IN ADDITION TO THE REQUIREMENTS OF 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.

- F. 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.
- G. 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 PERSON 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 120 CUMULATIVE DAYS PER YEAR WHERE THE ENTIRE PREMISES OR DWELLING UNIT IS RENTED WITH THE ABSENCE FROM THE PREMISES OF THE OWNER;
    - C. FOR GREATER THAN THREE MONTHS TO ANY SINGLE TENANT; AND
    - D. 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 OWNER RENTING A DWELLING UNIT OR PREMISES PURSUANT TO A SHORT-TERM RENTAL OPERATING LICENSE SHALL MAINTAIN RECORDS INDICATING THE NAME(S), ADDRESS(ES), AND PHONE NUMBER(S) OF ALL TENANT(S) DURING THE TERM OF THE LICENSE, WHICH SHALL BE MADE AVAILABLE TO THE DIRECTOR UPON REQUEST.
- H. THE OWNER 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, ANNE ARUNDEL COUNTY AND THE STATE OF MARYLAND, INCLUDING BUILDING, RESIDENTIAL MAINTENANCE, ELECTRICAL AND PLUMBING CODES, AND 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.
- I. A PERSON 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.



#### **17.44.100 - APPEALS.**

ANY PARTY AGGRIEVED BY A DECISION OF THE DIRECTOR TO DENY ISSUANCE, DENY RENEWAL, SUSPEND OR REVOKE A RENTAL OPERATING LICENSE MAY APPEAL THE DECISION TO THE BUILDING BOARD OF APPEALS ACCORDING TO THE PROVISIONS OF SECTION 17.40.880.

#### **17.44.110 - DEFINITIONS.**

FOR PURPOSES OF THIS CHAPTER, THE FOLLOWING DEFINITIONS SHALL APPLY. ANY TERMS NOT DEFINED IN THIS SECTION SHALL HAVE THE MEANINGS SPECIFIED IN CHAPTERS 17.04 AND 17.40.

##### **PRINCIPAL RESIDENCE.**

“PRINCIPAL RESIDENCE” MEANS THE PREMISES DESIGNATED BY A PERSON FOR THE LEGAL PURPOSES OF VOTING, OBTAINING A DRIVER'S LICENSE OR MARYLAND IDENTIFICATION CARD, AND FILING INCOME TAX RETURNS. IN DETERMINING THE PRINCIPAL RESIDENCE, THE DIRECTOR MAY RELY ON THE LISTING OF A PREMISES AS A PRINCIPAL RESIDENCE ON THE ACCOUNT ASSOCIATED WITH THE PROPERTY AS MAINTAINED BY THE MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION. FOR PURPOSES OF CHAPTER 17.44, A PERSON MAY ONLY HAVE ONE PRINCIPAL RESIDENCE IN THE CITY OF ANNAPOLIS. FOR PURPOSES OF THIS DEFINITION, “PERSON” SHALL ONLY MEAN AN INDIVIDUAL, AND SHALL NOT INCLUDE THE FEDERAL GOVERNMENT, THE STATE, ANY COUNTY, MUNICIPAL CORPORATION OR OTHER POLITICAL SUBDIVISION OF THE STATE, OR ANY OF THEIR UNITS, OR A RECEIVER, TRUSTEE, GUARDIAN, EXECUTOR, ADMINISTRATOR, FIDUCIARY OR REPRESENTATIVE OF ANY KIND, OR ANY PARTNERSHIP, FIRM, ASSOCIATION, PUBLIC OR PRIVATE CORPORATION, OR ANY OF THEIR AFFILIATES, OR ANY OTHER ENTITY.

##### **RENTAL OPERATING LICENSE.**

“RENTAL OPERATING LICENSE” MEANS A LICENSE REQUIRED PURSUANT TO SECTION 17.44.010 FOR A PREMISES, INCLUDING EACH AND ALL OF THE TYPES SPECIFIED IN SECTION 17.44.030.

##### **UNLICENSED PREMISES.**

“UNLICENSED PREMISES” MEANS A PREMISES THAT IS REQUIRED TO BE LICENSED PURSUANT TO SECTION 17.44.010, BUT FOR WHICH THE OWNER OR OTHER PERSON HAS NOT OBTAINED OR RENEWED A VALID RENTAL OPERATING LICENSE.

**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 except that licensees having current short-term licenses on the date of this Ordinance's passage shall have two years from that date to comply with Chapter 17.44, as enacted. Failure to comply shall result in revocation of the rental license, in addition to other action and penalties permitted by law.

**SECTION III: AND BE IT FURTHER ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL** that the provisions of this Ordinance are hereby declared to be severable; and, if any

provision of this Ordinance or the application thereof to any person or circumstance is held invalid for any reason or unconstitutional by a court of competent jurisdiction, the invalidity or unconstitutionality does not affect other provisions or any other application of this Ordinance that can be given effect without the invalid provision or application, since the same would have been enacted without the incorporation in this Ordinance of any such invalid or unconstitutional provisions.

**Explanation:**

UPPERCASE indicates matter added to existing law.

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

Underlining indicates amendments.