

O-40-25**Establishing a 12-Month Moratorium on New Short-Term Rental Licenses****AMENDMENT 4 - ALDERMAN THORP**

Amendment Summary:

Amendment 4 requires the City Manager to report monthly to the City Council on the number of short-term rental licenses and registrations, as well as on City enforcement actions.

MOTION:

- 1) On page 2, in line 22, insert a new Whereas clause, and move the Whereas clause beginning with "The purpose of" down. The new Whereas clause is as follows:

"WHEREAS, The number of short-term rental licenses, registrations, and violation citations is of significant interest to the citizens of Annapolis, the residents and City Council members will benefit from having accurate information regarding the extent of the issue;

WHEREAS, City staff will expend a significant amount of time proposing legislation to manage the number of short-term rentals in Annapolis;"

- 2) On page 3, in line 31, insert a new paragraph *after* paragraph "5.", and renumber accordingly. The new paragraph is as follows:

" The City Manager shall provide a monthly report to the City Council by the 15th of each month; The report shall include the number of active short-term rental licenses and registrations, as well as the number of City enforcement actions taken regarding short-term rentals, as of the end of the previous month."

As the Change Would Look in the Legislation

This is solely for showing changes & is *not* part of the Amendment Motion.

City Council of the **City of Annapolis**

Ordinance 40-25

Introduced by: Alderwoman Karma O'Neill

Co-sponsored by: Mayor Littmann

Referred to: Economic Matters Committee

AN UNCODIFIED ORDINANCE concerning

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

FOR the purpose of establishing a moratorium on the issuance of new licenses for 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 have also impacted residential neighborhoods, public safety, public health and housing options;

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, There is significant community interest in assuring short-term rental regulatory compliance with respect to unlicensed short-term rentals and avoiding the adverse effects of short-term rentals on neighborhoods and housing options;

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 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 number of short-term rental licenses, registrations, and violation citations is of significant interest to the citizens of Annapolis, the residents and City Council members will benefit from having accurate information regarding the extent of the issue;

WHEREAS, City staff will expend a significant amount of time proposing legislation to manage the number of short-term rentals in Annapolis;

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;

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 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.
- 6. The City Manager shall provide a monthly report to the City Council by the 15th of each month; The report shall include the number of active short-term rental licenses and registrations, as well as the number of City enforcement actions taken regarding short-term rentals, as of the end of the previous month.

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