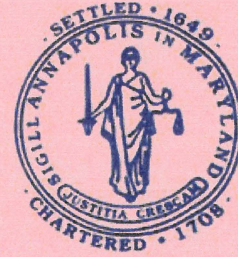




City of Annapolis  
Signature Copy  
O-40-25



**Establishing a 12-Month Moratorium on New Non-owner-occupied 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.

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 Non-owner-occupied Short-Term Rental Licenses**

**FOR** the purpose of establishing a moratorium on the issuance of new licenses for non-owner-occupied 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 non-owner-occupied 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 there is a need to ensure they are properly regulated to reduce potential neighborhood impacts ~~and have also impacted residential neighborhoods, public safety, public health and housing options;~~

**WHEREAS**, In 2025, the city council passed O-14-25 that implemented the City of Annapolis 2040 Comprehensive Plan's recommended actions, calling for the Council to "[a]mend the policies regulating Short Term Rentals to

prioritize local ownership and occupancy for a strategy for housing affordability and neighborhood preservation";

**WHEREAS,** O-14-25 was significant and monumental in adopting code that will reduce the density of non-owner occupied short-term rentals on streets with over 10% density, but did not regulate non-owner occupied short-term rentals outside of those areas;

**WHEREAS,** Non-owner-occupied short-term rental properties have the potential to decrease the number of long-term residents, decrease enrollment in schools, decrease the availability of long-term housing, permit significant numbers of vacant homes during winter months, and increase noise levels, traffic, and on-street parking during summer months;

**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,** Non-compliant short-term rentals prevent us from achieving and fully implementing the policy goals embodied in the City Code's short-term rental regulation;

**WHEREAS,** There is significant community interest in assuring short-term rental regulatory compliance with respect to unlicensed short-term rentals and ensuring attainment of our adopted short-term rental policy goals to reduce density and to provide more affordable long-term rentals;

**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~~ to 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 might 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 to allow the consideration of compliance enhancements for inclusion in the FY27 budget, and to allow for additional time to analyze any potential impact of non-owner occupied

short-term rentals outside areas with less than 10% short-term rental density, that were not covered by O-14-25 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 in the City of Annapolis.

“Reside primarily” is defined for the purposes of this moratorium as follows: the subject property is considered the owner’s principal residence if the owner is physically present there for more than 50% of the calendar year, which equates to 183 days in a standard year or 184 days in a leap year.

- b. ~~The owner must physically occupy the licensed property for at least six out of twelve months during the licensed period;~~

“The owner has provided proof of residency in the Owner-Occupied building located in the City of Annapolis, pursuant to each of the following categories (the applicant must provide the required documentation from every category):

*Category A — Proof of Property Ownership.*

An applicant must provide proof of property ownership as verified by Maryland’s State Department of Assessments and Taxation (SDAT), which shall include, but may not be limited to:

- i. A certified copy of the recorded deed showing the applicant as the record owner of the subject property in the City of Annapolis; and
- ii. An SDAT Real Property Search printout explicitly displaying a "Principal Residence" status of "YES" for the subject property in the City of Annapolis; and

Category B — State or U.S. Military-issued Identification.

An applicant must provide at least one of the following:

- i. A valid Maryland Driver's License displaying the address of the subject property in the City of Annapolis; or
- ii. A Maryland Vehicle Administration Identification Card displaying the address of the subject property in the City of Annapolis; or
- iii. If the applicant is in active military status and cannot provide a valid Maryland Driver's License displaying the address of the subject property in the City of Annapolis and/or a Maryland Vehicle Administration Identification Card displaying the address of the subject property in the City of Annapolis, both of the following must be provided:
  - 1) A valid, unexpired Common Access Card issued by the U.S. military, and
  - 2) A "State of Legal Residence Certificate"; and

Category C — Residency Corroboration.

An applicant must provide at least two of the following:

- i. A utility bill (electric, gas, or water) issued within the last 60 days, where both the service address and billing match the address of the subject property in the City of Annapolis; the bill must include the 12-month usage history graph; or
  - ii. A copy of the most recent Maryland Resident Income Tax Return or tax transcript displaying the address of the subject property in the City of Annapolis; or
  - iii. A current Maryland voter registration card displaying the address of the subject property in the City of Annapolis; or
  - iv. An active Maryland Vehicle Registration displaying the address of the subject property in the City of Annapolis."
- 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.~~

5. The City Manager or their designee shall present to the Council the following:

a. An interim briefing of findings and any initial recommended changes to the City Code, no later than the sixth month of the moratorium; and

b. Findings and any recommended changes to the City Code, no later than 60 days prior to the expiration of the moratorium.

6. No later than 60 days prior to the expiration of the moratorium, the City Manager or their designee shall present to the City Council the annual report on short-term rentals pursuant to §17.44.090(H), which includes, but is not limited to:

a. A map containing the location of short-term rental property in the City;

b. Statistics on the number of short-term rentals, including new rental permits over the past year, increases or decreases;

c. Analysis of the impact short-term rentals are having on the City;

d. Recommendations on any City Code changes regarding short-term rentals; and

e. Other information the Director deems appropriate to help the City Council set policy on short-term rentals.

7. 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.

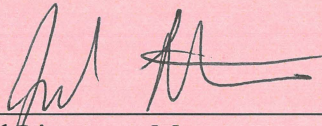
**SECTION II: AND BE IT FINALLY ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY COUNCIL that this ordinance shall take effect upon passage.**

**ADOPTED this 9th day of March 2026.**

**Aye: 8** Mayor Littmann, Alderman Huntley, Alderwoman O'Neill,  
Alderman Smith-Brown, Alderwoman Allsup-Johnson,  
Alderman Schandelmeier, Alderwoman Contee, and Alderman Thorp

**Nay: 1** Alderman Savidge

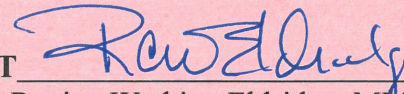
**THE ANNAPOLIS CITY  
COUNCIL**

  
\_\_\_\_\_  
Jared Littmann, Mayor

Date:

April 21, 2026

**ATTEST**

  
\_\_\_\_\_  
Regina Watkins-Eldridge, MMC,  
City Clerk

Date:

4/21/26

