

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.

**City Council of the
City of Annapolis**

Ordinance 50-25

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;

1 **WHEREAS,** Non-compliant short-term rentals and potentially excess short-term rentals may
2 impact affordable housing options, undermine residential neighborhoods,
3 undermine other important commercial activities related to other licensed
4 hospitality and housing rentals, and negatively impact community harmony and
5 equity, public safety and public health;
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7 **WHEREAS,** There is significant community interest in assuring short-term rental regulatory
8 compliance with respect to unlicensed short-term rentals and avoiding the adverse
9 effects of short-term rentals on neighborhoods and housing options;
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11 **WHEREAS,** A temporary moratorium on new short-term rental licenses will allow the City
12 Administration and City Council a critical and necessary opportunity to
13 implement new City Code enforcement provisions, determine a more accurate
14 status and impact of short-term rentals city-wide, and consider potential
15 amendments to strengthen current City law;
16

17 **WHEREAS,** The City of Annapolis Charter, Article III, Section 2, authorizes the City Council
18 to take actions to regulate land use, issue licenses, advance public safety and
19 public health and protect general well-being, including implementing temporary
20 moratoriums;
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22 **WHEREAS,** The purpose of this moratorium is to provide the Annapolis City Council with
23 adequate time to:

- 24 a. Conduct a comprehensive study of the impacts of short-term rentals on
25 residential neighborhoods, housing availability and affordability, and
26 community character;
- 27 b. Review and analyze short-term rental regulations adopted by other
28 jurisdictions;
- 29 c. Evaluate the effectiveness of current zoning and land use regulations as they
30 relate to short-term rentals;
- 31 d. Hold public hearings and gather input from residents, property owners, and
32 other stakeholders;
- 33 e. Draft, review, and adopt comprehensive short-term rental regulations that
34 balance property rights with community interests and the preservation of
35 residential neighborhoods;

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37 **WHEREAS,** This ordinance does not affect special events that have been approved by the City
38 Council, such as the annual Spring and Fall sailboat and powerboat shows held in
39 Annapolis, as well as any other special events designated by a resolution from the
40 City Council.; and
41

1 **WHEREAS,** The City Council finds that a temporary moratorium of 12 months is necessary
2 and reasonable for the due consideration, implementation and assessment of
3 recently adopted resolutions, and necessary to consider additional actions or
4 potential amendments further, as and if recommended by the mandated
5 assessment.

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7 **SECTION I: BE IT ESTABLISHED AND ORDAINED BY THE ANNAPOLIS CITY**
8 **COUNCIL** that:

- 9 1. No new licenses for short-term rentals shall be issued by any department or agency of
10 the City of Annapolis for a period of 12 months following the effective date of this
11 ordinance.
- 12 2. This moratorium shall not apply to the renewal of existing and valid short-term rental
13 licenses issued prior to the effective date of this ordinance, so long as such license
14 holder is in full legal compliance at the time of renewal.
- 15 3. Any application for a new short-term rental license submitted but not yet approved
16 prior to the effective date of this ordinance shall not be processed or approved during
17 the moratorium period.
- 18 4. This moratorium shall not apply to "Owner-Occupied" units, which are defined for
19 the purposes of this moratorium as follows:
 - 20 a. The record owner of the property must reside primarily at the licensed
21 property;
 - 22 b. The owner must physically occupy the licensed property for at least six out of
23 twelve months during the licensed period;
 - 24 c. The owner has provided documentation to show residency at the licensed
25 property in the form of:
 - 26 i. Driver's license and vehicle registration; and
 - 27 ii. Proof of property ownership as designated by the State Department of
28 Assessments and Taxation.
 - 29 d. If the owner is in active military status, an appropriate identification document
30 issued by the U.S. military showing current residency.
- 31 5. The City Manager or their designee shall present to the City Council findings and any
32 recommended changes to the City Code no later than 60 days prior to the expiration
33 of the moratorium.

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