Montgomery County Council

Committee: PHP
Committee Review: Completed
Staff: Ludeen McCartney-Green, Legislative Attorney
Purpose: Final action – vote expected
Keywords:#TransientLodgingFacilities #OnlinePlatformCompliance #ShortTermResidentialRental

AGENDA ITEM #18G
November 10, 2026
Action

SUBJECT

Bill 42-26, Transient Lodging Facilities - Short-Term Residential Rental - Online Platform Compliance

Lead Sponsor: Councilmember Evans

Co-Sponsors: Council President Fani-González, Councilmember Stewart, Council Vice President Balcombe, and Councilmembers Mink, Sayles, and Luedtke

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- The PHP Committee voted unanimously (3-0) to recommend Bill 42-26, as amended, for enactment.
- Roll call vote expected

DESCRIPTION/ISSUE

Bill 42-26 would:

(1) require a short-term rental platform to verify a rental license before listing a short-term rental in the County;
(2) require the Department of Housing and Community Affairs to provide an electronic system for verifying short-term rental licenses;
(3) prohibit a short-term rental platform from collecting or processing payment for an unlicensed rental;
(4) require online rental platforms to submit an annual report regarding rental occupancy in the County;
(5) establish penalties for noncompliance of a short-term rental platform; and
(6) generally amend the law governing short-term rentals in the County.

SUMMARY OF KEY DISCUSSION POINTS

The PHP Committee held a worksession on October 26 and adopted two amendments:

1) to make the electronic verification database "publicly" accessible on the Department's website; and

2) to make the bill effective July 1, 2027, to allow additional time for the Department to onboard the electronic verification system.

This report contains:

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Agenda Item #18G
November 10, 2026
Action

M E M O R A N D U M

November 5, 2026

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Bill 42-26, Transient Lodging Facilities - Short-Term Residential Rental - Online Platform Compliance

PURPOSE: **Action** – roll call vote expected

PHP Committee Recommendation: The Committee voted unanimously (3-0) to recommend Bill 42-26, as amended, for enactment.

Bill 42-26, Transient Lodging Facilities – Short-Term Residential Rental – Online Platform Compliance, was introduced on September 15, 2026. The Lead Sponsor is Councilmember Evans. Co-Sponsors are Council President Fani-González, Councilmember Stewart, Council Vice President Balcombe, and Councilmembers Mink, Sayles, and Luedtke. A public hearing was held on October 6. A Planning, Housing, and Parks Committee worksession was held on October 26.

Bill 42-26 would:

(1) require a short-term rental platform to verify a rental license before listing a short-term rental in the County;
(2) require the Department of Housing and Community Affairs to provide an electronic system for verifying short-term rental licenses;
(3) prohibit a short-term rental platform from collecting or processing payment for an unlicensed rental;
(4) require online rental platforms to submit an annual report regarding rental occupancy in the County;
(5) establish penalties for noncompliance of a short-term rental platform; and
(6) generally amend the law governing short-term rentals in the County.

BACKGROUND

Under the County's short-term residential rental (STRR) law, STRR rental is generally a rental of a room or dwelling for less than 30 consecutive days. The operator must obtain and renew a County license annually with the Department of Housing and Community Affairs (DHCA).

An STRR application certifies, among other things, that the unit is the applicant's primary residence and that any online rental listing includes the County short-term residential rental license number. The STRR operator or host is responsible for ensuring the license number is listed.

County law does not extend or place direct requirements on online rental platforms or booking services. Bill 42-26 seeks to strengthen short-term rental compliance requirements for online platforms (Airbnb, Vrbo, or similar platforms).

Office of Inspector General Report on Short-Term Rentals

The Council's Audit Committee held a worksession on June 25, 2026, to discuss the Office of Inspector General (OIG) report: Short-Term Residential Rental Program (OIG Publication #25-04). The OIG investigated the program's administration and effectiveness.

At the time of the investigation, OIG found that 85% of STRRs operating in the County were unlicensed, resulting in hundreds of dollars in lost licensing fees and potential tax revenue. According to the report, in calendar year 2023, the County had 177 licensed STRRs but an estimated 1,486 short-term units available for rent, meaning 1,309 unlicensed STRRs were operating in the County. The cost to obtain an initial STRR license and subsequent renewals was $150. OIG's review estimated that if 1,309 were unlicensed, the County missed an opportunity to collect $196,350 in licensing fees, along with assessed mandated penalties.

During OIG's review, the Council adopted Bill 22-23[1] that transferred the STRR program from DHH to DHCA; therefore, OIG issued the following recommendations for DHCA: 1) enforce compliance with applicable STRR Code provisions and licensure requirements; 2) implement procedures to identify and maintain a current list of all STRRs operating in the County, including collaborating with Finance to ensure all properties that remitted transient tax have a STRR license; 3) communicate STRR program requirements to residents, hosts, and prospective hosts; and 4) implement formal policies and procedures to effectively manage the STRR program, to include defining staff roles and responsibilities.

Does the County have the authority to regulate online rental platforms?

Montgomery County has express powers under its Charter home-rule authority, provided that the County legislation is local in nature and consistent with State public general law.[2] A County may exercise its local legislative authority unless State law preempts or conflicts with it. Bill 42-26 does not seek to regulate the licensing of online platforms or the internet generally;

[1] https://apps.montgomerycountymd.gov/ccllims/BillDetailsPage?RecordId=2797&fullTextSearch=22-23
[2] Maryland Constitution, Article XI-A §3.

rather, it regulates the licensure of short-term rental properties located in the County being offered for rent and the online platform's participation in transactions involving those short-term rentals.

In *Bodin v. New Orleans*, 804 F.Supp.3d 669, the Fifth Circuit Court of Appeals in August 2026 upheld the city's authority to require **[**online**]** platforms to verify **[**rental**]** permits before processing bookings. *Id.* at 678. Essentially, if the County regulates the platform's "transactional process," not the content of a third-party post on the platform, the ordinance could withstand a constitutional challenge or federal preemption under Section 230 of the Communications Decency Act.

New York City heavily regulates the verification process for online rental platforms before they post or advertise rental listings in the City. Specifically, the short-term rental registration law[3] requires hosts to register with the Mayor's Office of Special Enforcement (OSE), and prohibits booking service platforms (such as Airbnb, VRBO, Booking.com, and others) from processing transactions for unregistered short-term rentals.[4]

BILL SPECIFICS

Bill 42-26 has three main provisions for regulating an online platform's compliance:

1. **Verification of operator's license.** Requires a short-term rental platform to verify a rental license before listing a short-term rental in the County. The Director of DHCA must make publicly available on the Department's website an electronic verification system through which a short-term rental platform may determine whether a STRR rental license is valid, expired, suspended, or revoked.

2. **Transaction fees prohibited.** Prohibit a short-term rental platform from collecting or processing a payment for an unlicensed rental. A short-term rental platform must not knowingly complete a booking transaction or collect a fee in connection with a booking transaction, for a short-term rental that: (1) does not have a valid license reflected on the Department's website; or (2) the Director has notified the platform that the rental is ineligible to operate in the County as a short-term residential rental.

3. **Annual Reporting.** A short-term rental platform must provide the Director with an annual report for each short-term residential rental occupied during the preceding year; this information would be provided on a form prescribed by the Department. The report must include: (1) the address for each listed short-term residential rental; (2) the name and contact information of the operator/host; (3) the applicable short-term residential rental license number; and (4) the dates on which the rental was occupied.

SUMMARY OF IMPACT STATEMENTS

[3] As of January 9, 2022, New York City adopted Local Law 18.
[4] FINAL-RULES-GOVERNING-REGISTRATION-AND-REQUIREMENTS-FOR-SHORT-TERM-RENTALS.PDF

Fiscal Impact. Bill 42-26 would increase DHCA expenditures by $10,000 in FY27 and $37,343 over six years for vendor costs to modify and maintain the short-term rental license system. The bill is expected to increase license fee revenue, but DHCA does not have enough data to estimate the amount.

DHCA currently uses a third-party vendor to track and maintain short-term rental licenses and pays the vendor $91,000 a year, which the department already funds in its base budget.

Racial Equity and Social Justice Impact. OLO "finds the anticipated racial equity and social justice (RESJ) impact of Bill 42-26 is indeterminate, as there are several unanswered questions to understand how Bill 42-26 would impact RESJ in the County. As a result, OLO does not offer any RESJ-related amendments to Bill 42-26.

Climate Assessment. "OLO anticipates that Bill 42-26 will have no impact on the County's contribution to addressing climate change…"

Economic Impact Statement. "The Office of Legislative Oversight (OLO) cannot determine whether Bill 42-26 would have a positive or negative effect on overall economic conditions in the County, as measured by the Council's priority economic indicators."

SUMMARY OF PUBLIC HEARING

The Council held a public hearing on Bill 42-26 on October 6, 2026. The Council also received written testimony. Testimony is available here. The Council received a variety of testimonies, with speakers and written submitters expressing support, conditional support with amendments, and opposition.

Supporting the bill, the Maryland Hotel Lodging Association (MHLA) argued that hotels already operate within a well-established regulatory framework and that short-term rentals, which compete in the same transient lodging market, should face comparable oversight. MHLA emphasized that online platforms are uniquely positioned to verify license compliance at the point of transaction rather than after a violation occurs, highlighting the scale of the short-term rental market in the County.

Further MHLA written testimony indicates that, "the scale of Montgomery County's short-term rental market underscores the importance of effective oversight. According to Visit Montgomery's January–August 2026 lodging performance report, using AirDNA and CoStar/Smith Travel Research data, short-term rentals generated approximately $23.4 million in revenue and accounted for approximately 192,700 booked listing nights. Short-term rental revenue represented about 10% of combined hotel and short-term rental revenue in the County during that period. This substantial level of activity reinforces the need for clear platform responsibilities that support licensing compliance and provide the County with information needed for enforcement."

Esther Wells testified in support of the bill with amendments, asking that the bill be strengthened by addressing issues raised in a recent Office of Inspector General (OIG) report. Thomas Hudson testified in support of the bill's goals but emphasized that the County should

protect hosts with timely renewals by keeping eligible hosts' status valid while the County processes their applications.

Opponents argued that the bill creates unnecessary bureaucratic burdens for compliant property owners that are more invasive than hotels require. Jeffrey Kidwell also raised concerns about inconsistent County rules regarding transient lodging in basement ADUs versus other ADUs, described the County's existing compliance platform as unreliable and difficult to navigate, and argued that passing the bill would reduce occupancy tax revenue.

SUMMARY OF PHP COMMITTEE WORKSESSION

The PHP Committee held a worksession on October 26, 2026. Scott Bruton, Director, and Kimberly Williams, Division Chief, of the Department of Housing and Community Affairs (DHCA), participated in the discussion. The Committee reviewed the bill's requirements and briefly discussed improved program management and administration under DHCA's oversight.

The Committee voted unanimously (3-0) on two amendments: 1) the Director must make the online electronic verification system " publicly " available, as introduced; the law was not clear on whether the public would have access to the website; and 2) make the bill's effective date July 1, 2027, which would provide the Department more time to onboard a verification database and prepare to administer the requirements under the bill.

The Committee voted unanimously to recommend Bill 42-26, as amended, to full Council for final action.

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Bill No. 42-26
Concerning: Transient Lodging Facilities – Short-Term Residential Rental – Online Platform Compliance
Revised: 11/4/2026 Draft No. 3
Introduced: September 15, 2026
Expiration: December 7, 2026
Enacted:
Executive:
Effective:
Sunset Date:
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Evans
Co-Sponsors: Council President Fani-González, Councilmember Stewart, and Council Vice President Balcombe, and Councilmember Mink, Sayles, and Luedtke

AN ACT to:

(1) require a short-term rental platform to verify a rental license before listing a short-term rental in the County;
(2) require the Department of Housing and Community Affairs to provide an electronic system for verifying short-term rental licenses;
(3) prohibit a short-term rental platform from collecting or processing payment for an unlicensed rental;
(4) require online rental platforms to submit an annual report regarding rental occupancy in the County;
(5) establish penalties for noncompliance of a short-term rental platform; and
(6) generally amend the law governing short-term rentals in the County.

By amending
Montgomery County Code
Chapter 54, Transient Lodging Facilities
Section 54-1

By adding
Montgomery County Code
Chapter 54, Transient Lodging Facilities
Section 54-43A

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets**]**	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets**]]**	*Deleted from existing law or the bill by amendment.*

The County Council for Montgomery County, Maryland, approves the following Act:

Sec. 1. Section 54-1 is amended, and Section 54-43A is added, as follows:

54-1. Definitions.

* * *

Booking transaction means a transaction through which a prospective visitor reserves or arranges to occupy a short-term residential rental, including a transaction in which a short-term rental platform accepts or processes payment between the prospective visitor and operator.

* * *

Department means the Department of Health and Human Services in Article II of this Chapter. *Department* means the Department of Housing and Community Affairs in Article III of this Chapter.

Director means the Director of the Department of Health and Human Services, or the Director's designee, in Article II of this Chapter. *Director* means the Director of the Department of Housing and Community Affairs, or the Director's designee, in Article III of this Chapter.

* * *

Listing means an advertisement or offer for a short-term residential rental made available to the public through a commercial online booking platform.

* * *

Operator means any person who offers for use a dwelling unit as a short-term residential rental.

Person means any natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business trust, organization of any kind.

* * *

Short-term rental platform means a person that, for compensation, provides,

operates, or maintains an online, digital, or electronic service that allows a person to list, offer, advertise, reserve, arrange, facilitate, or complete a booking transaction for a short-term residential rental.

Short-Term Residential Rental means the residential occupancy of a dwelling unit for a fee for less than 30 consecutive days as allowed under Section 59-3.3.3.I of this Code.

Short-term residential rental license number means a license number issued by the Director in accordance with the registration of a dwelling unit under this Article.

* * *

54-43A. Short-term rental platform – compliance requirements.

(a) *License information - required*. A short-term rental platform must require, before initially publishing a listing, that an operator who offers a short-term residential rental located in the County provides to the platform:

(1) the address of the short-term residential rental; and

(2) the current short-term residential rental license number.

(b) *License verification*.

(1) The Director must make publicly available on the Department's website an electronic verification system through which a short-term rental platform may determine whether a short-term residential rental license is valid, expired, suspended, or revoked.

(2) A short-term rental platform may rely in good faith on the license information provided by the Director under this subsection.

(c) *Booking fee for unlicensed rentals - prohibited*. A short-term rental platform must not knowingly complete a booking transaction, or collect a fee in connection with a booking transaction, for a short-term rental that:

(1) does not have a valid license reflected on the website under subsection (b); or

(2) the Director has notified the platform that the rental is ineligible to operate in the County as a short-term residential rental.

(d) *Notice of noncompliance.*

(1) The Director may notify a short-term rental platform that a listing does not comply with this Article.

(2) The notice must identify:

(A) the address or other information sufficient to identify the short-term residential rental;

(B) the applicable license number, if any; and

(C) the basis for the determination of noncompliance.

(3) Within 7 business days after receiving notice under paragraph (1), the platform must take reasonable action to prevent the completion of additional booking transactions for the identified rental unless the Director withdraws the notice or otherwise confirms, in writing, that the rental is authorized to operate.

(e) *Reinstatement*. A short-term rental platform may reactivate or resume booking transactions for a rental after receiving information indicating that the rental license has been issued or reinstated.

(f) *Annual reporting*. A short-term rental platform must provide the Director with an annual report for each short-term residential rental, provided on a form prescribed by the Department. The report must include:

(1) the address for each listed short-term residential rental;

(2) the name and contact information of the operator;

(3) the applicable short-term residential rental license number; and

(4) the dates on which the rental was occupied.

(g) *Enforcement*. A short-term rental platform that violates this Section is subject to a Class A violation and enforcement under Section 1-19 of the Code. Before a civil citation is issued, the Director must provide the platform with notice of the alleged violation and an opportunity to cure the violation.

(h) *Regulations*. The Executive may adopt Method (2) regulations to administer this Section.

Sec 2. Transition. The amendments under Section 1 of this Act must take effect on July 1, 2027.

Fiscal Impact Statement

Office of Management and Budget

Bill 42-26

Transient Lodging Facilities - Short-Term Residential Rental - Online Platform Compliance

Bill Summary

Bill 42-26 would: (1) require a short-term rental platform to verify a rental license before listing a short-term rental in the County; (2) require the Department of Housing and Community Affairs (DHCA) to provide an electronic system for verifying short-term rental licenses; (3) prohibit a short-term rental platform from collecting or processing payment for an unlicensed rental; (4) require short-term rental platforms to submit an annual report regarding rental occupancy in the County; (5) establish penalties for noncompliance of a short-term rental platform; and (6) generally amend the law governing short-term rentals in the County.

Fiscal Impact Summary

Bill 42-26 would increase DHCA expenditures by $10,000 in FY27 and $37,343 over six years for vendor costs to modify and maintain the short-term rental license system. The bill is expected to increase license fee revenue, but DHCA does not have enough data to estimate the amount.

Fiscal Year	2027	2028	2029	2030	2031	2032	Total
Personnel Costs	$0	$0	$0	$0	$0	$0	$0
Operating Expenses	$10,000	$5,150	$5,305	$5,464	$5,628	$5,794	$37,341
Total Expenditures	**$10,000**	**$5,150**	**$5,305**	**$5,464**	**$5,628**	**$5,794**	**$37,341**
Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Impact	**($10,000)**	**($5,150)**	**($5,305)**	**($5,464)**	**($5,628)**	**($5,794)**	**($37,341)**
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis

Bill 42-26 requires DHCA to make an electronic system available on its website that short-term rental platforms can use to check whether a license is valid, expired, suspended, or revoked. DHCA uses a third-party vendor to track and maintain short-term rental licenses and currently pays the vendor $91,000 a year under the current law which is already funded in the department's base budget. If Bill 42-26 is implemented, DHCA would require $10,000 in additional funding: a one-time $5,000 system modification fee and a $5,000 increase in the annual fee. DHCA assumes a 3 percent annual cost increase in the following year which totals $37,343 over six years.

Staff Impact

The bill is not expected to impact staff time or duties.

Actuarial Analysis

The bill is not expected to impact retiree pension or group insurance costs.

Information Technology Impact

The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

Later actions that may impact revenue or expenditures if future spending is projected	The bill does not authorize future spending.
Ranges of revenue or expenditures that are uncertain or difficult to project	DHCA began licensing short-term rentals in FY25 after taking over the program from the Department of Health and Human Services and has one full fiscal year of data. In FY26, DHCA collected $143,811 in short-term rental license fees. DHCA's process improvements have increased collections, and the department expects that trend to continue. Bill 42-26 is also intended to increase fee collections. However, DHCA does not have enough data to estimate the increase from either its process improvements or the bill, and as a result, the revenue impact is indeterminate.
Contributors	Scott Bruton, Director, Department of Housing and Community Affairs Jenny Snapp, Deputy Director, Department of Housing and Community Affairs Rumana Ahmad, Chief, Department of Housing and Community Affairs Kimberly Williams, Chief, Department of Housing and Community Affairs Tiffany Johnson, Manager, Department of Housing and Community Affairs Vivian Ikoro, Fiscal and Policy Analyst, Office of Management and Budget

Economic Impact Statement

Montgomery County, Maryland

Bill 42-26, Transient Lodging Facilities - Short-Term Residential Rental - Online Platform Compliance

Summary

The Office of Legislative Oversight (OLO) cannot determine whether Bill 42-26 would have a positive or negative effect on overall economic conditions in the County, as measured by the Council's priority economic indicators.

This analysis examines the economic impacts of the Bill's provisions that would require Short-Term Rental (STR) platforms to verify rental licenses for STRs in the County, refrain from collecting or processing payments for unlicensed rentals, and submit annual reports for each rental unit. To assess the economic impacts of these provisions, this analysis draws on impact evaluations of comparable policies implemented in San Francisco and other jurisdictions, as well as a systematic review of the literature on the economic impacts of STR platforms.

Based on this evidence, the Bill would likely strengthen compliance with the County's STR licensing requirements, which would likely affect owners of unlicensed and licensed STRs differently. Some owners of *unlicensed* rentals would likely leave the local STR market, which would reduce their STR income, although some may offset part of that loss by converting their properties to long-term rentals. Other owners of *unlicensed* rentals would likely acquire proper licensing, thereby incurring the County's annual licensing fee, which some would likely seek to offset by raising booking prices.

Owners of *licensed* rentals could benefit from reduced competition and higher booking rates, potentially increasing their STR revenues and incomes. Owners of STRs in municipalities within the County that are not subject to the regulation may benefit if guests shift to these nearby alternatives.

The evidence also suggests thBile l may affect some County renters and homeowners differently. Renter households could benefit from greater availability of long-term rental housing and lower rents. Current homeowners could be negatively affected by lower property values, while prospective homebuyers could benefit from lower purchase prices.

OLO cannot determine the overall effect on overall economic conditions in the County for two reasons: (1) assessing the overall impact of these conflicting economic effects on private organizations and residents would require information that OLO does not have; and (2) the limited number of identified unlicensed STRs in the County, combined with uncertainty about how many owners would leave the market, suggest that the Bill's effects on STR supply and other economic indicators could be smaller in magnitude than those found in the studies.

Background and Purpose of Bill 42-26

Montgomery County Code defines short-term residential rentals (STRs) as "the residential occupancy of a dwelling unit for a fee for less than 30 consecutive days."[1] Major corporations operate online platforms—including Airbnb, Vrbo, and Booking.com[2]—and play a dominant role in facilitating booking transactions between suppliers and consumers of STRs.

These online platforms have helped many homeowners earn extra income from their properties. However, they have also fueled the growth in STRs, which research has linked to fewer available homes for long-term rent or purchase and to higher rents and home prices.[3] To balance these competing interests, many local governments in areas with high concentrations of STRs have "passed owner-occupied STR regulations combined with a registration requirement."[4]

County law requires that STR operators obtain a license with the Department of Housing and Community Affairs (DHCA). They must renew this license every year.[5] Bill 42-26 would expand on the County's laws regulating STRs, with the goal of strengthening compliance. The Bill has three main provisions that would:

- Require (1) STR platforms to verify a rental license before listing a STR in the County, and (2) the Director of DHCA to make available an electronic verification system for verifying licenses.
- Prohibit STR platforms from collecting or processing a payment for an unlicensed rental.
- Require STR platforms to provide the director of DHCA with an annual report for each rental unit.[6]

Bill 42-26 would make violation of these requirements a Class A violation. It would also allow the County Executive to adopt Method (2) regulations to administer the Bill.[7]

The Council introduced the Bill on September 15, 2026.

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[1] Montgomery County Code, Sec. 54-1. Definitions.
[2] These platforms are operated by, respectively, Airbnb, Inc.; Expedia Group, Inc. (Vrbo); and Booking Holdings Inc. (Booking.com), which are all publicly traded U.S. corporations.
[3] Marcos Medeiros and Amy M. Gregory, "The Evolution of Short-Term Rentals Research in the Airbnb Era: A Systematic Literature Review," *Journal of Real Estate Literature* 0, no. 0 (2026): 1–26.
[4] Keri K. White and Jennifer Cordon Thor, "Short-Term Rental Regulations and Residential Housing Affordability: Bridging the Gap Between Policy and Enforcement," *Cornell Journal of Law and Public Policy* 34, no. 2 (2024).
[5] Bill 2-16 & Zoning Text Amendment 17-03, Montgomery County Council, Enacted October 10, 2017.
[66] See McCartney-Green to County Council, September 10, 2026 and the Bill's text in the Introduction Staff Report for Bill 42-26.
[7] Bill 42-26, Introduction Staff Report for Bill 42-26.

Information Sources, Methodologies, and Assumptions

As required by Section 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the potential effects of Bill 42-26 on residents and private organizations, using the Council's priority economic indicators. In doing so, this analysis seeks to anticipate how the Bill could affect overall economic conditions in the County.[8]

This analysis examines the economic impacts of the Bill's provisions that would require STR platforms to:

1. Verify rental licenses;
2. Refrain from collecting or processing payments for unlicensed rentals; and
3. Submit annual reports for each rental unit.

It is important to note the County's short-term residential rental licensing law does not apply within 11 municipalities, including Rockville.[9]

To anticipate the proposed policy's likely economic effects, this analysis draws on the following methods and sources of evidence:

- An impact evaluation[10] of a comparable policy implemented in San Francisco in 2017 to assess the Bill's *direct effects* on local STR supply and activity, hosting costs, and host revenues.
- Studies of STR regulations in New Orleans, Los Angeles, and Chicago to provide additional evidence on potential economic effects, while recognizing these regulations are less directly comparable to the Bill.
- A working paper that provides a systematic review[11] of the literature on the economic impacts of STR platforms.

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[8] Montgomery County Code, "Sec. 2-81B, Economic Impact Statements."
[9] DHCA, Short-Term Rentals FAQs, accessed October 16, 2026.
[10] Impact evaluations are a core tool of evidence-based policymaking. Federal and Maryland guidance treats impact evaluations that use randomized control trials and quasi-experimental designs as strong evidence on policy impacts. See Gertler, Paul J., Sebastian Martinez, Patrick Premand, Laura B. Rawlings, and Christel M. J. Vermeersch. *Impact Evaluation in Practice, Second Edition*. Washington, DC: Inter-American Development Bank and World Bank, 2016; Maryland State Department of Education, "Definition of Evidence-Based and Levels of Evidence," accessed March 20, 2026; and Henneberger, Angela, "Program Evaluation in the Absence of Randomization: How Can Propensity Score Methods Help?" Maryland Longitudinal Data System (MLDS) Center, June 5, 2018.
[11] A systematic review provides a critical appraisal of the primary research on a specific topic using explicit and reproducible procedures and standards. As a valuable tool for evidence-based policy analysis, a systematic review can indicate the strength and consistency of evidence on how a policy, intervention, or economic phenomenon affects outcomes. Guides.temple.edu, Systematic Reviews & Other Review Types; Peričić and Tanveer, "Why systematic reviews matter"; Haddaway and Pullin, "The Policy Role of Systematic Reviews."

Scope Limitations: By strengthening compliance with STR licensing requirements, the Bill would likely generate additional license fee revenue for the County. Rather than creating new economic activity, this additional revenue would represent a fiscal transfer from STR owners to the County, making funds available to support County services and priorities that would otherwise rely on other revenue sources. The overall economic impact would therefore depend on both the benefits of spending supported by this revenue and the opportunity costs associated with STR owners having fewer funds available for other uses. Because OLO cannot determine how any additional revenue would be allocated or how the spending it supports would otherwise be financed, this analysis does not assess the economic effects of alternative public spending.

Variables

The economic effects of Bill 42-26 would primarily depend on the following variables:

- Number of unlicensed STR rentals; and
- Total number of STR listings and bookings.

Impacts

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that the Bill would have both positive and negative economic effects on affected private-sector entities in the County.

Direct Effects on Local STR Market

The Bill's provisions would primarily affect unlicensed and licensed STRs in the County. According to DHCA, there are 279 licensed and 475 unlicensed STRs in the County. Of the unlicensed STRs, only 61 are subject to enforcement.[12] Table A in the Appendix lists unlicensed STRs subject to enforcement by zip code.

The San Francisco evaluation provides evidence to inform expectations about the Bill's effects on unlicensed and licensed STRs in the County. As shown in Table 1, San Francisco's policy and the Bill both establish processes for platforms to obtain local authorization information before publishing listings, verify authorization, and prevent unauthorized bookings, but they differ in how these processes operate.

[12] According to DHCA staff, to be subject to enforcement, an STR must be advertised and have confirmed stays. OLO communication with DHCA staff on October 2, 2026.

Table 1. Comparison of Platform Compliance Processes: San Francisco and Bill 42-26

Process	San Francisco	Bill 42-26
Obtain authorization information before listing	Hosts provide a city registration number	Platforms must obtain host's rental address and current County license number
Verifying authorization	Platforms submit monthly listing information for city verification and verify registration before offering booking services	The County provides an electronic license-status system that platforms must use to verify license
Preventing unauthorized bookings	Platforms cancel future stays and deactivate listings after city notification of invalid registration	Platforms must not knowingly complete unauthorized bookings or collect related fees

Sources: Maria Dinzeo, "San Francisco, Airbnb Settle Dispute Over Short-Term Rental Law," *Courthouse News Service*, May 1, 2017; San Francisco Board of Supervisors, "Settlement of Lawsuit and Tolling Agreement—Airbnb, Inc. and HomeAway.com, Inc.—City to Receive $80,000 plus $10,000 Annually," File No. 170507, Resolution No. 208-17; Colin Dwyer, "Airbnb Settles Suit With San Francisco, Aims To Smooth Host Registration," NPR, May 1, 2017.

In a peer-reviewed article, Bibler et al (2025) examine the effects of San Francisco's policy on the Airbnb market between June 2016 and May 2019. Using a quasi-experimental research design,[1] the study finds that the policy:

- Reduced Airbnb listing availability by 20%–27% and bookings by 22%–31%, increased booking prices by roughly 3%, and decreased aggregate Airbnb revenue; and
- Had larger negative effects on commercial listings than on casual STR listings.

Studies of different STR regulatory approaches in other jurisdictions (New Orleans, Los Angeles, and Chicago) also find decreases in STR activity and supply, with some studies finding evidence of STR supply shifting to neighboring jurisdictions.[13]

This evidence indicates that STR platforms have a record of implementing local government regulations. OLO therefore expects the Bill to strengthen compliance with the County's licensing requirements. Stronger compliance would likely affect owners of unlicensed and licensed STRs differently.

[13] Ginger Zhe Jin et al., "The Effects of Short-Term Rental Regulation: Insights from Chicago," *International Journal of Industrial Organization* 96 (September 2024); Maxence Valentin, "Regulating Short-Term Rental Housing: Evidence from New Orleans," *Real Estate Economics* 49, no. 1 (2021): 152–86; Hans R. A. Koster et al., "Short-Term Rentals and the Housing Market: Quasi-Experimental Evidence From Airbnb in Los Angeles," *Journal of Urban Economics* 124 (July 2021).

- **Owners of Unlicensed Rentals:** Some owners of unlicensed rentals would likely leave the local STR market by withdrawing their properties from the platforms. This expectation is consistent with studies in other jurisdictions that find declines in STR listings and bookings following regulation. Leaving the market would reduce these owners' STR income, although some may offset part of that loss by converting their properties to long-term rentals.

  Other owners of unlicensed rentals would likely acquire proper licensing, thereby incurring the County's annual licensing fee, currently $500.[14] They would also need to ensure compliance with applicable lodging-tax requirements, although these taxes may already be collected and remitted through their booking platforms. Airbnb, for example, collects the County's 7% Room Rental-Transient Tax from guests.[15] The annual licensing fee would increase owners' recurring operating expenses, which some would likely seek to offset by raising booking prices. This expectation is consistent with studies in other jurisdictions that find higher booking prices following regulation.

- **Owners of Licensed Rentals:** Evidence from other jurisdictions shows that STR listings declined and average booking prices increased following regulation. If similar effects occur in the County, owners of licensed rentals could benefit from reduced competition and higher booking rates, potentially increasing their STR revenues and incomes. Owners of STRs in municipalities within the County that are not subject to the regulation could also benefit if guests shift to these nearby alternatives.

Potential Spillover Effects

- **Hotels:** The Bill could generate positive spillovers for hotels in the County if a reduction in STR availability leads some visitors to book hotel rooms instead, potentially increasing hotel revenues. Given the 61 unlicensed STRs identified in County data and uncertainty about how many would leave the market, any benefits to hotels may be limited.[16]

Beyond these potential impacts, OLO does not anticipate additional effects on businesses with respect to the Council's priority indicators.

Residents

OLO anticipates that the Bill could have positive and negative spillover effects on some renters and homeowners in the County.

- **Renters:** Studies of STR regulations in San Francisco and elsewhere find evidence of property owners leaving the STR market, with some converting their properties to long-term rentals. They also find

[14] DHCA, Short-Term Rentals FAQs, accessed October 16, 2026.
[15] Airbnb, "Occupancy Tax Collection and Remittance by Airbnb in Maryland" and "Montgomery County, MD," Airbnb Help Center, accessed October 19, 2026.
[16] Alberto Hidalgo and Francisco J. Velázquez, "The Economic Impacts of Short-Term Rentals and Regulations: A Literature Review," SSRN Scholarly Paper (Social Science Research Network, March 5, 2026).

evidence of lower long-term rents.[17] If similar effects occur in the County, renter households could benefit from greater availability of long-term rental housing and lower rents.

- **Homeowners:** These studies also find that STR regulations were associated with reduced property values.[18] If similar effects occur in the County, current homeowners could be negatively affected by lower asset values, while prospective homebuyers could benefit from lower purchase prices.

Beyond these potential impacts, OLO does not anticipate additional effects on residents with respect to the Council's priority indicators.

Overall Impact

OLO cannot determine whether Bill 42-26 would have a positive or negative effect on overall economic conditions in the County, as measured by the Council's priority economic indicators. First, based on evidence of other jurisdictions' implementation of STR regulations, the Bill would likely have both positive and negative economic effects on affected private-sector entities and residents in the County. Assessing the overall impact of these conflicting effects would require information that OLO does not have. Second, the limited number of identified unlicensed STRs in the County, combined with uncertainty about how many owners would leave the market, suggest that the Bill's effects on STR supply and other economic indicators could be smaller in magnitude than the effects other studies find.

Discussion Items

There is large literature on the economics of STRs that OLO was unable to review in its entirety. Given uncertainty about the overall economic effect of STR regulations, Councilmembers may want to consider requesting a more in-depth analysis of the economics of STRs and regulations.

Caveats

Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.

[17] Bibler et al., "How Do Short-Term Rental Regulations Affect Market Outcomes?"; Jin et al., "The Effects of Short-Term Rental Regulation"; Koster et al., "Short-Term Rentals and the Housing Market"; Valentin, "Regulating Short-Term Rental Housing."
[18] Ibid.

Appendix

Table A. Unlicensed STRs Subject to Enforcement in Montgomery County by Zip Code

Zip Code	City	Number of Unlicensed STRs	Percent of Unlicensed STRs
20814	Bethesda	10	16.4
20910	Silver Spring	8	13.1
20817	Bethesda	7	11.5
20902	Silver Spring	5	8.2
20853	Rockville	4	6.6
20904	Silver Spring	4	6.6
20903	Silver Spring	3	4.9
20901	Silver Spring	3	4.9
20852	Rockville/North Bethesda	3	4.9
20905	Silver Spring	2	3.3
20833	Brookeville	2	3.3
20886	Montgomery Village	2	3.3
20872	Damascus	2	3.3
20837	Poolesville	1	1.6
20912	Takoma Park	1	1.6
20838	Barnesville	1	1.6
20841	Boyds	1	1.6
20854	Rockville	1	1.6
20882	Gaithersburg	1	1.6

Source: OLO analysis of unpublished DHCA data as of October 2, 2026.

Climate Assessment

Office of Legislative Oversight

BILL 42-26: TRANSIENT LODGING FACILITIES – SHORT-TERM RESIDENTIAL RENTAL – ONLINE PLATFORM COMPLIANCE

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 42-26 will have no impact on the County's contribution to addressing climate change as it is proposing regulatory changes for short-term residential rentals (STRR) operating in the County.

BACKGROUND AND PURPOSE OF BILL 42-26

Major corporations operate online platforms - including Airbnb, Vrbo, and Booking.com[1] - and play a dominant role in facilitating booking transactions between suppliers and consumers of STRRs. Montgomery County Code defines these as "the residential occupancy of a dwelling unit for a fee for less than 30 consecutive days."[2]

These online platforms have helped many homeowners earn extra income from their properties. However, they have also fueled the growth in STRRs, which research has linked to fewer available homes for long-term rent or purchase and to higher rents and home prices.[3] To balance these competing interests, many local governments in areas with high concentrations of STRRs have "passed owner-occupied STRR regulations combined with a registration requirement."[4]

Bill 42-26 would expand on the County's laws regulating STRRs. The Bill has three main provisions:

- **Verification of operator's license –** Require (1) STRR platforms to verify a rental license before listing a STRR in the County, and (2) the Director of DHCA to make available an electronic verification system for verifying licenses.
- **Transaction fees prohibited –** Prohibit STRR platforms from collecting or processing a payment for an unlicensed rental.
- **Annual Report** – Require STRR platforms to provide the Director of DHCA with an annual report for each rental unit.[5]

The Council introduced the Bill on September 15, 2026.

ANTICIPATED IMPACTS

As the Bill is proposing regulatory changes for STRRs operating in the County, OLO anticipates Bill 42-26 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[6] OLO does not offer recommendations or amendments as Bill 42-26 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions and community climate resilience.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help increase the County's community climate resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

[1] These platforms are operated by, respectively, Airbnb, Inc.; Expedia Group, Inc. (Vrbo); and Booking Holdings Inc. (Booking.com), which are all publicly traded U.S. corporations.
[2] Montgomery County Code, Sec. 54-1. Definitions.
[3] Marcos Medeiros and Amy M. Gregory, "The Evolution of Short-Term Rentals Research in the Airbnb Era: A Systematic Literature Review," *Journal of Real Estate Literature* (2026): 1–26.

[4] Keri K. White and Jennifer Cordon Thor, "Short-Term Rental Regulations and Residential Housing Affordability: Bridging the Gap Between Policy and Enforcement," *Cornell Journal of Law and Public Policy* 34, no. 2 (2024).
[55] See McCartney-Green to County Council, September 10, 2026 and the Bill's text in the Introduction Staff Report for Bill 42-26.
[6] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 42-26: TRANSIENT LODGING FACILITIES - SHORT-TERM RESIDENTIAL RENTAL - ONLINE PLATFORM COMPLIANCE

SUMMARY

The Office of Legislative Oversight (OLO) finds the anticipated racial equity and social justice (RESJ) impact of Bill 42-26 is indeterminate. There are several unanswered questions to understand how Bill 42-26 would impact RESJ in the County.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.[1] This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.[2]

PURPOSE OF BILL 42-26

Short-term residential rentals (STRs) are rooms or homes that are rented out for less than 30 consecutive days.[3] Several corporations operate online platforms that facilitate STR bookings. These include Airbnb, Booking.com, and Vrbo.[4] STR platforms have helped many homeowners earn extra income from their properties. However, they have also fueled the growth in STRs, which research has linked to lower housing supply and higher rents and home prices.[5]

To address these issues, many local governments have passed legislation to regulate STRs.[6] The County Council enacted STR legislation in 2017. Among other things, County law requires that STR operators obtain a license with the Department of Housing and Community Affairs (DHCA). They must renew this license every year.[7]

The purpose of Bill 42-26 is to strengthen compliance with the County's existing STR laws. If enacted, Bill 42-26 would:[8]

- Require STR platforms to verify an STR's license before listing it for rent in the County;
- Prohibit STR platforms from collecting or processing payments for unlicensed STRs; and
- Require STR platforms to provide an annual report on each STR to DHCA.

Bill 42-26 would make violation of these requirements a Class A violation. It would also allow the County Executive to adopt Method (2) regulations[9] to administer the Bill.[10]

The Council introduced Bill 42-26 on September 15, 2026.

This RESJIS builds on the one for Bill 6-23, Housing – Sharing Economy Rental, which OLO published in March 2023.[11] Please refer to this RESJIS for racial equity background on the sharing economy.

ANTICIPATED RESJ IMPACTS

According to DHCA, there are 279 licensed and 475 unlicensed STRs in the County. Of the unlicensed STRs, only 61 are subject to enforcement.[12] Table A lists unlicensed STRs subject to enforcement by zip code. DHCA does not track information on licensed or unlicensed STRs by race or ethnicity.[13]

If Bill 42-26 works as intended, it could increase compliance with the County's STR laws. This could help reduce unlicensed STRs in the County and increase licensed STRs. To consider the anticipated impact of Bill 42-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 42-26:

STR platforms could be burdened by increased costs to meet additional requirements for STRs listed in the County. Notably, the largest STR platforms (i.e., Airbnb, Booking.com, and Vrbo) are publicly traded corporations that earn billions of dollars in revenue from STR bookings every year.[14] Thus, for the largest STR platforms, increased operating costs resulting from Bill 42-26 are likely negligible compared to the scale of their operations.

Because the largest STR platforms are publicly traded corporations, their ownership is not identifiable by race and ethnicity. However, national data suggests that White families are up to two times more likely to own stocks than Black and Latinx families.[15] Therefore, these platforms likely have predominantly White ownership.

Community members operating unlicensed STRs could be burdened by decreased income from having their listings removed from STR platforms. They could also be burdened by increased costs to license their STRs. OLO does not have sufficient data to estimate the demographics of these community members by race and ethnicity.

Community members who live near unlicensed STRs could benefit from increased assurance that STRs in their neighborhood are licensed and complying with County laws. This could help increase transparency and minimize potential disruptions from neighboring STRs, such as by STR operators complying with notification requirements and occupancy limits that are required for licensing.[16]

Figure A shows a map of unlicensed STRs subject to enforcement overlayed with the County's Census tracts. Census tracts are shaded to show racial and ethnic groups that are overrepresented in each tract. The map shows that unlicensed STRs are primarily located across Down County, East County and Mid-County. However, OLO could not find a discernable pattern in the location of unlicensed STRs by neighborhood-level racial and ethnic demographics.

County visitors renting STRs could benefit from increased assurance that STRs listed on platforms are licensed and complying with County laws. This could help better ensure STRs they rent are meeting basic health and safety requirements, such as having functioning smoke detectors and having a representative available nearby for emergencies.[17] OLO does not have sufficient data to estimate the demographics of STR visitors by race and ethnicity.

Community members at-large could benefit from increasing benefits to the County from licensing STRs. This includes increasing licensing revenue from STRs for the County's general fund. In FY26, DHCA collected $143,810 in licensing revenue from STRs.[18]

Taken together, there are several unanswered questions necessary to understand how Bill 42-26 would impact RESJ in the County. These include:

- To what extent would smaller STR platforms be impacted by Bill 42-26? What are the racial and ethnic demographics of the people who own these platforms?
- What are the racial and ethnic demographics of community members who operate unlicensed STRs?
- What are the racial and ethnic demographics of County visitors who rent STRs?
- What programs and services could be enhanced by increasing licensing revenue from STRs? What demographic groups by race, ethnicity, and income would benefit most from these enhancements?
- How effective has the County's licensing of STRs been in achieving other benefits, such as minimizing the loss of long-term rental housing or homeownership opportunities? Have there been unintended consequences of the program? How have benefits or burdens of STR licensing impacted community members by race, ethnicity, and income?

Given these unanswered questions, OLO finds the anticipated RESJ impact of Bill 42-26 is indeterminate.

Recommended Amendments

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.[19] OLO finds the anticipated RESJ impact of Bill 42-26 is indeterminate. As such, OLO does not offer recommended amendments.

Caveats

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

APPENDIX

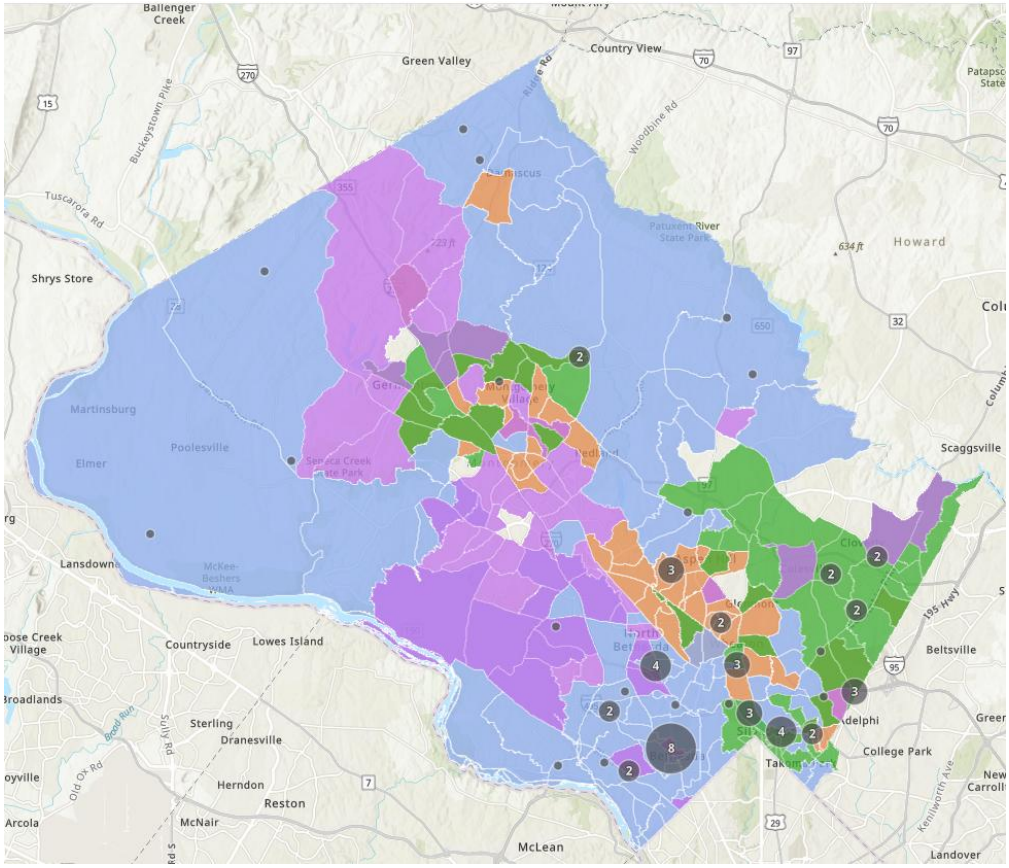
Table A. Unlicensed STRs Subject to Enforcement in Montgomery County by Zip Code

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20838	Barnesville	1	1.6
20841	Boyds	1	1.6
20854	Rockville	1	1.6
20882	Gaithersburg	1	1.6

Source: OLO analysis of unpublished DHCA data as of October 2, 2026.

Figure A. Unlicensed STRs Subject to Enforcement in Montgomery County

Map uses clustering to aggregate unlicensed STRs that are located near one another. Census tracts are shaded to show racial and ethnic groups that are overrepresented in each tract (color coding explained in table below).



Source: OLO analysis of unpublished DHCA data as of October 2, 2026.

Figure A Census Tract Color Coding

Race or ethnicity	Share of county population (2024)	Overrepresented if share of population in tract is greater than…[20]	Census tract color in Figure A if group is overrepresented
Asian, non-Latinx	15.3	19.1	Purple
Black, non-Latinx	18.3	22.9	Green
White, non-Latinx	39.5	49.4	Blue
Latinx (of any race)	21.0	26.3	Orange

Source: Table DP05, 2024 American Community Survey 5-Year Estimates, Census Bureau.

[1] Definition of racial equity and social justice adopted from M. Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World and Racial Equity Tools.
[2] Ibid.
[3] Introduction Staff Report for Bill 42-26, Montgomery County Council, Introduced September 15, 2026, pg. 1.

[4] These platforms are operated by, respectively, Airbnb, Inc.; Expedia Group, Inc. (Vrbo); and Booking Holdings Inc. (Booking.com), which are all publicly traded U.S. corporations.
[5] M. Medeiros and A. M. Gregory, "The Evolution of Short-Term Rentals Research in the Airbnb Era: A Systematic Literature Review," Journal of Real Estate Literature, 2026.
[6] "Short-Term Rental Laws by State 2026: Complete US Guide," Houfy, June 2, 2026.
[7] Bill 2-16 & Zoning Text Amendment 17-03, Montgomery County Council, Enacted October 10, 2017.
[8] Introduction Staff Report for Bill 42-26, pgs. 2-3.
[9] Regulations are policies developed by the Executive Branch that outline how a law will be implemented or enforced. Method 2 regulations must be sent to the County Council for approval or disapproval before they can take effect. Montgomery County Code Sec. 2A-15.
[10] Bill 42-26, Introduction Staff Report for Bill 42-26.
[11] RESJIS for Bill 6-23, Office of Legislative Oversight, March 1, 2023.
[12] According to DHCA staff, to be subject to enforcement, an STR must be advertised and have confirmed stays. OLO communication with DHCA staff on October 2, 2026.
[13] OLO communication with DHCA staff on October 2, 2026.
[14] D. Schaal, "Short-Term Rentals: Airbnb's Dominance and Booking's Gains in 1 Chart," Yahoo! Finance, March 14, 2025.
[15] D. Desilver, "A booming U.S. stock market doesn't benefit all racial and ethnic groups equally," Pew Research Center, March 6, 2024.
[16] Montgomery County Code Sec. 54-42.
[17] Ibid.
[18] OLO communication with DHCA staff on October 2, 2026.
[19] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.
[20] For Figure A, OLO considers a racial or ethnic group to be overrepresented in a Census tract if the group's share of the population in the Census tract is greater than 25 percent of their share in the County population.