Bill No. 42-26
Concerning: Transient Lodging Facilities – Short-Term Residential Rental – Online Platform Compliance
Revised: 11/10/2026 Draft No. 4
Introduced: September 15, 2026
Enacted: November 10, 2026
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 Councilmembers Katz, 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**]]** 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.

Approved:

November 10, 2026

Natali Fani-González, President, County Council — Date

Approved:

Marc Elrich, County Executive — Date

This is a correct copy of Council action.

Sara R. Tenenbaum, Clerk of the Council — Date