

Committee: Joint

Committee Review: At a future date **Staff:** Livhu Ndou, Legislative Attorney

Purpose: To introduce agenda item – no vote expected **Keywords:** #TransientLodgingFacilities #DHHS #DHCA

#ShortTermResidentialRental

AGENDA ITEMS#3&4A April 18, 2023 Introduction

SUBJECT

Bill 22-23, Transient Lodging Facilities – Short-Term Residential Rental Zoning Text Amendment 23-04, Residential Uses – Short-Term Residential Rental

Lead Sponsor: Council President Glass at the request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- To introduce bill no vote expected
- To introduce Zoning Text Amendment no vote expected

DESCRIPTION/ISSUE

Bill 22-23 and ZTA 23-04 will amend the provisions for Short-Term Residential Rentals. Bill 22-23 will reassign enforcement responsibility to DHCA; increase the maximum penalty; amending the application process; and clarify the processes for challenges, suspensions, revocations, and appeals. ZTA 23-04 will require the dwelling unit to be the property owner's primary residence, limit the number of overnight guests regardless of age, and remove language for owner-authorized agents.

SUMMARY OF KEY DISCUSSION POINTS

- The regulatory framework for short-term residential rentals was established in a bill and ZTA that were adopted by the County Council in 2017.
- The County Executive, with recommendations from the Department of Health and Human Services (DHHS) and Department of Housing and Community Affairs (DHCA), proposes substantial revisions that will address difficulties in enforcement since the passage of the bill and ZTA.
- Bill 22-23 will also clarify certain provisions while ZTA 23-04 amends certain requirements related to the number of rental days and property ownership.
- A public hearing is tentatively scheduled for June 13, 2023

This report contains:

Bill 22-23	© 1
ZTA 23-04	© 12
Legislative Request Report	© 16
County Executive Memorandum	© 17

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Bill No. Concerning: Transient Lodging Facilities - Short-Term Residential Rental Revised: 4/13/2023 Draft No. April 18, 2023 Introduced: December 7, 2026 Expires: [date] Enacted: Executive: ___ [date signed] Effective: ___ [date takes effect] Sunset Date: [date expires] Ch. [#] , Laws of Mont. Co. __[year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Glass at the Request of the County Executive

AN ACT to:

- (1) assign enforcement responsibility to the Department of Health and Human Services for Article II (hotels) and to the Department of Housing and Community Affairs for Article III (bed and breakfasts and short-term residential rentals);
- (2) increase the maximum penalty for a violation of Article III of Chapter 54;
- amend the application process for a bed and breakfast or short-term residential rental license, including license criteria and notice requirements;
- (4) clarify the process for challenging an application for bed and breakfast or short-term residential rental license;
- (5) clarify the process for suspending or revoking a bed and breakfast or short-term residential rental license;
- (6) clarify the process for appealing the Director's decision on a bed and breakfast or short-term residential rental license to the Board of Appeals; and
- (7) make other stylistic changes.

By amending

Montgomery County Code

Chapter 54, Transient Lodging Facilities

Sections 54-1, 54-2, 54-3, 54-13, 54-26, 54-43, 54-44, 54-45, 54-46, 54-47, and 54-48

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

1	Sec. 1. Sections 54-1, 54-2, 54-3, 54-13, 54-26, 54-43, 54-44, 54-45, 54-46,
2	54-47, and 54-48 are amended, as follows:
3	Article I. In General.
4	54-1. Definitions.
5	* * *
6	Director means the Director of the Department of Health and Human Services,
7	or the Director's designee, in Article II of this Chapter. Director means the Director of
8	the Department of Housing and Community Affairs, or the Director's designee, in
9	Article III of this Chapter.
10	Department means the Department of Health and Human Services in Article II
11	of this Chapter. Department means the Department of Housing and Community
12	Affairs in Article III of this Chapter.
13	* * *
14	Primary Resident means a person who regularly resides at the location
15	designated for legal purposes of obtaining a driver's license and filing tax returns or
16	any other proof of occupancy approved by the Director.
17	* * *
18	Short-Term Residential Rental means the residential occupancy of a dwelling
19	unit for a fee for less than 30 consecutive days by the same individuals as allowed
20	under Section 59-3.3.3.I of this Code.
21	* * *
22	54-2. Authority of Executive to regulate and license.
23	The Executive may adopt regulations, under method (3), concerning the
24	operation, maintenance, conduct, application, licensing, and license fees for a hotel,
25	short-term residential rental, or bed and breakfast.
26	Sec. 54-3. [Guest register—Required] Violation of article; penalties.

27

[Any person who owns or operates a hotel, in the County must maintain on the

28	premises a permanent register containing:
29	(a) the name of each visitor;
30	(b) the residence address of each visitor, including state, city or town, street
31	and street number or rural mail delivery route number;
32	(c) the number of the room or facility occupied by each visitor; and
33	(d) the date and time of registration and checkout of each visitor.
34	The register must include a record of the license plate numbers and state of
35	registration of any automobiles or trailers that guests are using. The owner or operator
36	of the establishment must see that the license plate and automobile or trailer
37	registration information is correct. A person must not occupy any room until the
38	registration required under this section is provided. The permanent register may be in
39	a bound book, looseleaf book, or cards. If a looseleaf book or cards are used, the pages
40	or cards must be numbered consecutively before use and all numbered pages or cards
41	must be kept even though they are not used. The register required by this section must
42	be kept for at least 3 years and must be open to inspection upon the request of the
43	Director or of any law enforcement officer of the county or the state.]
44	A violation of any provision of Article II or Article III of this Chapter is a class
45	A violation. However, notwithstanding Section 1-19, the maximum penalty for a civil
46	violation of Article III is \$1,000 for an initial or repeat offense. Each day a violation
47	continues is a separate offense.
48	* * *
49	Article II. Hotels.
50	Division 1. Generally.
51	* * *
52	54-13. [Violation of article; penalties] <u>Guest register – Required.</u>
53	[A violation of any provision of Article II or Article III of this Chapter is a class
54	A violation.]

Any person who owns or operates a hotel in the County must maintain on the premises a permanent register containing:

(a) the name of each visitor;

- (b) the residence address of each visitor, including state, city or town, street and street number or rural mail delivery route number;
 - (c) the number of the room or facility occupied by each visitor; and
 - (d) the date and time of registration and checkout of each visitor.

The register must include a record of the license plate numbers and state of registration of any automobiles or trailers that guests are using. The owner or operator of the establishment must see that the license plate and automobile or trailer registration information is correct. A person must not occupy any room until the registration required under this section is provided. The permanent register may be in a bound book, looseleaf book, or cards. If a looseleaf book or cards are used, the pages or cards must be numbered consecutively before use and all numbered pages or cards must be kept even though they are not used. The register required by this section must be kept for at least 3 years and must be open to inspection upon the request of the Director or of any law enforcement officer of the county or the state.

* * *

Division 2. Licenses.

74 * * *

54-26. Revocation or suspension generally.

76 * * *

(b) The Director may revoke or suspend any license issued under this Division if the Director finds that the hotel is disruptive to the general peaceful enjoyment, dangerous to the health and safety, of the community, or is a nuisance because of noise or indecent or immoral activity by any guest, owner, operator or employee. The Director may

82		also revoke or suspend any license issued under this Chapter if the owner
83		or operator of the hotel has, while operating the hotel, been convicted of
84		violating:
85		(1) the provisions of the Criminal Law Article of the Maryland Code
86		as listed in Section 54-20; or
87		* * *
88	Article II	I. [BED AND BREAKFAST AND SHORT-TERM RESIDENTIAL
89	REN	NTAL] Bed and Breakfast and Short-Term Residential Rental.
90		* * *
91	54-43. [Cen	rtification] Application for a License.
92	An a	pplication for a <u>license</u> to <u>operate</u> a bed and breakfast [license] or short-
93	term reside	ntial rental or a license renewal for either use must be signed by the
94	applicant an	d include the State Sales Tax and Use Registration number. The applicant
95	must provid	e supporting documents as the Department may require and certify that:
96	[(a)	the building in which the bed and breakfast license or short-term
97		residential rental is located complies with all applicable zoning standards
98		under Chapter 59 of this Code;]
99	<u>(a)</u>	the applicant is the owner of the dwelling unit where the bed and breakfast
100		or the short-term residential rental is located;
101	[(b)	the total number of overnight guests in the short-term residential rental
102		who are 18 years or older is limited to 6, and the total number of overnight
103		guests over 18 years of age per bedroom is limited to 2;]
104	<u>(b)</u>	the dwelling unit where the bed and breakfast or short-term residential
105		rental is located is the primary residence of the applicant;
106	[(c)	only habitable rooms will be used by guests;]
107	<u>(c)</u>	the building in which the bed and breakfast or short-term residential rental
108		is located complies with all applicable zoning standards under Chapter 59

109		of this Code;
110	[(d)	smoke detectors in all units and carbon monoxide detectors in all units
111		using natural gas operate as designed;]
112	<u>(d)</u>	the applicant will maintain a registry of all guests at the bed and breakfast
113		or the short-term residential rental, readily available for inspection by the
114		Department;
115	[(e)	sanitation facilities operate as designed;]
116	<u>(e)</u>	except for persons visiting the primary resident, only registered guests
117		under (d) will be allowed in the dwelling unit or on the property;
118	[(f)	the applicant has not been found guilty of a violation of this Chapter in
119		the past 12 months;]
120	<u>(f)</u>	the number of registered guests in the short-term residential rental who
121		are 18 years or older is limited to 2 per bedroom, provided that the total
122		number of registered guests in the short-term residential rental must not
123		exceed 6;
124	[(g)	all local taxes and required fees are paid in full;]
125	<u>(g)</u>	only habitable rooms will be used by guests;
126	[(h)	the dwelling unit where the bed and breakfast or short-term residential
127		rental is located is the primary residence of the applicant;]
128	<u>(h)</u>	smoke detectors, and carbon monoxide detectors where natural gas is
129		used, operate as designed;
130	[(i)	the applicant is the owner or owner-authorized agent of the facility;]
131	<u>(i)</u>	sanitation facilities operate as designed;
132	[(j)	the applicant posted rules and regulations inside the rental, including
133		contact information for a representative designated for emergency
134		purposes;]
135	(i)	the applicant has not been found guilty of a violation of this Chapter in

136		the past 36 months;
137	[(k)	the designated representative resides within 15 miles of the unit and be
138		accessible for the entirety of any contract where the primary resident is
139		not present;]
140	<u>(k)</u>	all local taxes and required fees are paid in full;
141	[(1)	a record of all overnight visitors will be maintained and readily available
142		for inspection;]
143	<u>(1)</u>	a representative designated for emergency purposes, identified by name,
144		address, and phone number, resides within 15 miles of the unit and will
145		be available to the Department for the entirety of any contract whenever
146		the owner is not present;
147	[(m)	where applicable, the following parties were notified:
148		(1) in a single-unit or attached unit, abutting and confronting
149		neighbors;
150		(2) in a multi-unit building, neighbors living across the hall and those
151		that share a ceiling, floor, and walls with the applicant's unit;
152		(3) the municipality in which the residence is located;
153		(4) any applicable homeowner's association, condominium, housing
154		cooperative; and
155		(5) the owner of the unit or the owner's rental agent, if the applicant is
156		not the owner;]
157	<u>(m)</u>	the applicant posted rules and regulations inside the dwelling unit,
158		including the name, address, and phone number for the representative
159		designated for emergency purposes;
160	[(n)	the application is not prohibited by any homeowner's association or
161		condominium document, or a rental lease;]
162	(n)	where applicable, the applicant has notified the following parties of the

163		application and the procedure for challenging the application before the
164		<u>Director:</u>
165		(1) in a single-unit or attached unit, abutting and confronting
166		neighbors;
167		(2) <u>in a multi-unit building, neighbors living across the hall and those</u>
168		that share a ceiling, floor, and walls with the applicant's unit;
169		(3) the municipality in which the bed and breakfast or short-term
170		residential rental is located; and
171		(4) any applicable homeowner's association, condominium, housing
172		cooperative.
173	[(o)	the common ownership community fees for the dwelling unit are no more
174		than 30 days past due;]
175	<u>(o)</u>	the use of the dwelling unit as a bed and breakfast or short-term
176		residential rental is not prohibited by any homeowner's association or
177		condominium document, or a rental lease;
178	[(p)	except for persons visiting the primary resident, only registered guests
179		will be allowed on the property; and]
180	<u>(p)</u>	the common ownership community fees for the bed and breakfast or
181		short-term residential rental are no more than 30 days past due;
182	(q)	any on-line rental listing will include the short-term residential rental
183		license number[.]; and
184	<u>(r)</u>	the dwelling unit will not be used as a short-term residential rental for
185		more than 120 days in a calendar year when the property owner is not
186		physically present in the dwelling unit.
187	54-44. App	lications.
188	The	Director must establish an electronic method of submitting, issuing,

renewing, denying, suspending, and revoking an application for a license through the

190	internet.		
191	54-45. Lice	ense A _l	pproval and Renewal.
192	The Director [must]:		
193	(a)	[acce	pt the self-certification of the applicant after verifying compliance
194		by re	viewing available records;] must review the application, including
195		suppo	orting documents provided by the applicant, for conformance with
196		this C	Chapter and all other applicable laws and regulations;
197	<u>(b)</u>	may i	nspect the property;
198	[(b)] <u>(</u>	(c) mus	st approve or deny a license or a license renewal [within 15] no
199		earlie	r than 30 and no later than 60 [working] days after receipt of [the] a
200		comp	<u>leted</u> application and all required fees unless the Director receives a
201		challe	enge to the [certifications] application under Section 54-46; and
202	[(c)] <u>(</u>	<u>(d)</u> <u>mus</u>	t, if the license or license renewal is approved:
203		<u>(1)</u>	issue the license for a term of one year, renewable for additional
204			one-year terms, subject to <u>re-application</u> , payment of the license
205			fee, and compliance with all applicable laws and certifications
206			required for the license[.]; and
207		<u>(2)</u>	provide written notice to the parties listed in section 54-43(n) of
208			the issuance of the license and the procedure to file an appeal with
209			the Board of Appeals.
210	54-46. Cha	llenge	to [Certifications] Applications.
211	(a)	Withi	in 30 days after the application is filed, a [A] challenge [to any
212		requi	red certification made by the applicant] may be filed with the
213		Direc	tor [within 30 days after the application is filed] by any party
214		entitle	ed to notice under section 54-43(n).[:
215		(1)	a resident or owner of real property located within 300 feet of a
216			licensed or proposed license;

217		(2)	the n	nunicipality in which the residence is located;
218		(3)	any a	applicable homeowners association, condominium, housing
219			coop	erative; or
220		(4)	the o	wner of the unit or the owner's rental agent, if the applicant is
221			not th	ne owner.]
222	(b)	The I	Directo	or must, within 60 days after receipt of the challenge:
223		(1)	provi	de notice of the challenge to the applicant;
224		(2)	provi	de an opportunity for the applicant to respond to the
225			chall	enge;
226		(3)	inves	stigate [the] any question of fact raised by the challenge; [and]
227		(4)	[revo	ke] approve or deny the license or license renewal after
228			revie	wing the application, including supporting documents
229			provi	ded by the applicant and challenger, for conformance with
230			this C	Chapter and all other applicable laws and regulations; and [if
231			the D	Director finds that one or more facts certified by the applicant
232			is fal	se.]
233		<u>(5)</u>	if the	license or license renewal is approved:
234			<u>(i)</u>	issue the license for a term of one year, renewable for
235				additional one-year terms, subject to re-application,
236				payment of the license fee, and compliance with all
237				applicable laws and certifications required for the license;
238				<u>and</u>
239			<u>(ii)</u>	provide written notice to the parties listed in section 54-
240				43(n) of the issuance of the license and the procedure to file
241				an appeal with the Board of Appeals.
242	54-47. Susj	pensio	n <u>and</u>	Revocation.

(a)

243

[The license must be suspended for any applicant receiving at least three

244	complaints that are verified as a violation of the license or of the County
245	Code within any 12-month period.] The Director may suspend or revoke
246	any license issued under this Article if the Director finds that the licensee:
247	(1) has violated this Chapter or any other applicable law or regulation;

- (2) has operated, or permitted to be operated, the bed and breakfast or short-term residential rental in a manner that is disruptive to the general peaceful enjoyment of the community, dangerous to the health and safety of the community, or is a nuisance because of noise or other activity; or
- (3) has been convicted of violating any of the provisions of the Criminal Law Article of the Maryland Code listed in in Section 54-20 while operating the bed and breakfast or short-term residential rental.
- (b) [Renewal or reinstatement of licenses must follow procedures established by the Director.] Prior to any suspension or revocation, the Director may require the holder of the license to appear before the Director and show cause why the license should not be suspended or revoked.

54-48. Appeals.

Any person aggrieved by [an approval] the issuance, renewal, denial, revocation or suspension of a bed and breakfast license or short-term rental license may appeal the <u>Director's</u> decision to the Board of Appeals <u>within 30 days of the Director's decision, regardless of whether a challenge to the application was filed under Section 54-46</u>. [The Board of Appeals must hold a hearing on the appeal within 60 days after the notice of appeal has been filed, and must act on the appeal within 30 days after the hearing.]

Ordinance No.:
Zoning Text Amendment No.: 23-04
Concerning: Residential Uses – Short-
Term Residential Rental
Revised: <u>4/13/2023</u> Draft No.: <u>1</u>
Introduced: April 18, 2023
Public Hearing:
Adopted:
Effective:

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT WITHIN MONTGOMERY COUNTY, MARYLAND

By: Council President Glass at the Request of the County Executive

AN AMENDMENT to the Montgomery County Zoning Ordinance to:

- (1) require that a dwelling unit used as a short-term residential rental be the property owner's primary residence;
- (2) delete provisions allowing a property owner's authorized agent to assume certain responsibilities assigned to the property owner;
- (3) limit the number of overnight guests regardless of age; and
- (4) generally amend the provisions governing a short-term residential rental.

By amending the following sections of the Montgomery County Zoning Ordinance, Chapter 59 of the Montgomery County Code:

Division 3.3. "Residential Uses"

Section 3.3.3. "Short-Term Residential Rental"

EXPLANATION: Boldface indicates a Heading or a defined term.

<u>Underlining</u> indicates text that is added to existing law by the original text amendment.

[Single boldface brackets] indicate text that is deleted from existing law by original text amendment.

<u>Double underlining</u> indicates text that is added to the text amendment by amendment.

[[Double boldface brackets]] indicate text that is deleted from the text amendment by amendment.

* * * indicates existing law unaffected by the text amendment.

ORDINANCE

The County Council for Montgomery County, Maryland, sitting as the District Council for that portion of the Maryland-Washington Regional District in Montgomery County, Maryland, approves the following ordinance:

1		Coo	1 DIVISION 50 2.2 is amonded as follows:
1	.		1. DIVISION 59-3.3 is amended as follows:
2	Divi	sion 3.	3. Residential Uses
3			* * *
4	Sect	ion 3.3	3.3. Accessory Residential Uses
5			* * *
6	I.	Shor	rt-Term Residential Rental.
7		1.	Defined
8		Shor	t-Term Residential Rental means the residential occupancy of a dwelling
9		unit	for a fee for less than 30 consecutive days. Short-Term Residential Rental
10		is no	t a Bed and Breakfast.
11		2.	Use Standards
12		Whe	re Short-Term Residential Rental is allowed as a limited use, it must
13		satis	fy the following standards:
14		a.	Short-Term Residential Rental is prohibited in a Farm Tenant Dwelling
15			or on a site that includes an Accessory Dwelling Unit.
16		b.	The dwelling unit used as a Short-Term Rental must be the property
17			owner's [or owner-authorized resident's] primary residence, regardless
18			
			of dwelling unit type.
19		c.	If the property owner [or owner-authorized resident] is not present in
20			the residence, the property can be used as a Short-Term Residential
21			Rental for a maximum of 120 days in a calendar year. If the property
22			owner [or owner-authorized resident] is physically present and
23			occupies the residence during the rental stay, there is no limitation on
24			the number of days the property can be used as a Short-Term

Residential Rental.

25

27	e.	The maximum number of occupants is limited by Chapter 26, Section
28		5; however, the total number of overnight guests in the Short-Term
29		Residential Rental [who are 18 years or older] is limited to six, and the
30		total number of overnight guests over 18 years of age per bedroom is
31		limited to two.
32	f.	One off-street parking space must be provided for each rental contract
33		unless the online listing indicates that vehicle parking is prohibited.
34		* * *
35	Sec. 2	2. Effective date. This ordinance becomes effective 20 days after the
36	date of Dist	rict Council adoption.

LEGISLATIVE REQUEST REPORT

BILL: XX-23, Transient Housing - Short-Term License

DESCRIPTION: Bill XX-23 assign enforcement responsibility of bed and breakfast and

short term residential rental licensing to the Department of Housing and Community Affairs; increase the maximum penalty for violations; amend the application process for bed and breakfast and short-term residential rental licensing, including a requirement that the applicant is the primary resident; specify a limit on guests and require smoke and carbon monoxide detectors; clarify of the process for challenging an application for bed and breakfast and short-term residential rental license; clarify of the process for suspending or revoking a bed and breakfast or short-term residential rental

license.

PROBLEM: All short-term rentals do not operate within the County's regulatory

framework, which causes problems for neighboring properties. This highlights shortcomings in County law, particularly in enforcement.

GOALS AND: OBJECTIVES To ensure County law enforcement on all short-term rentals

COORDINATION: The Office of the County Executive and Office of the County Attorney

FISCAL IMPACT: Office of Management and Budget

ECONOMIC:

Office of Legislative Oversight

IMPACT

EVALUATION: To be researched

EXPERIENCE:

To be researched

ELSEWHERE

SOURCE OF: Office of the County Attorney, Edward Lattner, 240-777-6735 **INFORMATION** Office of the County Executive, Ken Hartman, 240-777-8206

APPLICATION:

To be researched

WITHIN

MUNICIPALITIES

PENALTIES: A violation of any provision of Article II or Article III of this Chapter

is a class A violation. However, notwithstanding Section 1-19, the Maximum penalty for a civil violation of Article III is \$1,000 for an

initial



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

March 17, 2023

TO: Evan Glass, President

Montgomery County Council

FROM: Marc Elrich, County Executive Man S

SUBJECT: Proposed Bill XX-23, Transient Housing – Short-Term Rental License and ZTA

23-XX, Amendments to the Montgomery County Zoning Ordinance, Chapter 59

I am transmitting the attached proposed Bill XX-23, Transient Housing – Short-Term Rental License and ZTA 23-XX, Amendments to the Montgomery County, Zoning Ordinance, Chapter 59 of the Montgomery County Code for the County Council's introduction.

Although most short-term rentals operate within the County's regulatory framework, there are some that do not, causing serious problems for neighboring properties and, in at least one case, potential threats to public safety. These cases have highlighted shortcomings in County Law, particularly in enforcement. At my request, the Office of the County Attorney, the Department of Health and Human Services, and the Department of Housing and Community Affairs reviewed these shortcomings and recommended changes to the law. This Bill sets forth their recommendations, as follows:

- 1. Assign enforcement responsibility of bed and breakfast and short-term residential rental licensing to the Department of Housing and Community Affairs.
- 2. Increase the maximum penalty for violations.
- 3. Amend the application process for bed and breakfast and short-term residential rental licensing, including a requirement that the applicant is the primary resident.
- 4. Specify a limit on guests and require smoke and carbon monoxide detectors.
- 5. Clarify of the process for challenging an application for bed and breakfast and short-term residential rental license.
- 6. Clarify of the process for suspending or revoking a bed and breakfast or short-term residential rental license.

Bill XX-23, Transient Housing – Short-Term Rental License and ZTA 23-XX, Amendments to the Montgomery County Zoning Ordinance, Chapter 59 March 17, 2023
Page 2 of 2

Please let me know if you need additional information in support of this Bill. Thank you.

Enclosure

Bill No. [Click - type number] Concerning: Transient Housing - Short-Term Rental License Revised: _[date] Draft No. Introduced: [date] [18 mos. after intro] Expires: [date] Enacted: Executive: ____ [date signed] Effective: ___ [date takes effect] Sunset Date: [date expires] Ch. [#] , Laws of Mont. Co. __[year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN ACT to:

- (1) assign enforcement responsibility to the Department of Health and Human Services for Article II (hotels) and to the Department of Housing and Community Affairs for Article III (bed and breakfasts and short-term residential rentals);
- (2) increase the maximum penalty for a violation of Article III of Chapter 54;
- amend the application process for a bed and breakfast or short-term residential rental license, including license criteria and notice requirements;
- (4) clarify the process for challenging an application for bed and breakfast or short-term residential rental license;
- (5) clarify the process for suspending or revoking a bed and breakfast or short-term residential rental license;
- (6) clarify the process for appealing the Director's decision on a bed and breakfast or short-term residential rental license to the Board of Appeals; and
- (7) make other stylistic changes.

By amending

Montgomery County Code

Chapter 54, Transient Lodging Facilities

Sections 54-1, 54-2, 54-13, 54-26, 54-43, 54-44, 54-45, 54-46, 54-47, and 54-48

Boldface
Underlining
Added to existing law by original bill.

[Single boldface brackets]
Double underlining
Added by amendment.

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

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

1	Sec. 1. Sections 54-1, 54-2, 54-13, 54-26, 54-43, 54-44, 54-45, 54-46, 54-47,
2	and 54-48 are amended, as follows:
3	ARTICLE I. IN GENERAL.
4	54-1. Definitions.
5	* * *
6	Director means the Director of the Department of Health and Human Services,
7	or the Director's designee, in Article II of this Chapter. Director means the Director of
8	the Department of Housing and Community Affairs, or the Director's designee, in
9	Article III of this Chapter.
10	Department means the Department of Health and Human Services in Article II
11	of this Chapter. Department means the Department of Housing and Community
12	Affairs in Article III of this Chapter.
13	* * *
14	Primary Resident means a person who regularly resides at the location
15	designated for legal purposes of obtaining a driver's license and filing tax returns or
16	any other proof of occupancy approved by the Director.
17	* * *
18	Short-Term Residential Rental means the residential occupancy of a dwelling
19	unit for a fee for less than 30 consecutive days by the same individual(s) as allowed
20	under Section 59-3.3.3.I of this Code.
21	* * *
22	54-2. Authority of Executive to regulate and license.
23	The Executive may adopt regulations, under method (3), concerning the
24	operation, maintenance, conduct, application, licensing, and license fees for a hotel
25	short-term residential rental, or bed and breakfast.
26	Sec. 54-3. [Guest register—Required] Violation of article; penalties.

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[Any person who owns or operates a hotel, in the County must maintain on the

28	premises a	permanent register containing:
29	(a)	the name of each visitor;
30	(b)	the residence address of each visitor, including state, city or town, street
31	and street n	umber or rural mail delivery route number;
32	(c)	the number of the room or facility occupied by each visitor; and
33	(d)	the date and time of registration and checkout of each visitor.
34	The	register must include a record of the license plate numbers and state of
35	registration	of any automobiles or trailers that guests are using. The owner or operator
36	of the esta	ablishment must see that the license plate and automobile or trailer
37	registration	information is correct. A person must not occupy any room until the
38	registration	required under this section is provided. The permanent register may be in
39	a bound boo	ok, looseleaf book, or cards. If a looseleaf book or cards are used, the pages
40	or cards mu	ast be numbered consecutively before use and all numbered pages or cards
41	must be kep	ot even though they are not used. The register required by this section must
42	be kept for	at least 3 years and must be open to inspection upon the request of the
43	Director or	of any law enforcement officer of the county or the state.]
44	A vio	olation of any provision of Article II or Article III of this Chapter is a class
45	A violation	. However, notwithstanding Section 1-19, the maximum penalty for a civil
46	violation of	Article III is \$1,000 for an initial or repeat offense. Each day a violation
47	continues is	s a separate offense.
48		* * *
49		ARTICLE II. HOTELS.
50		DIVISION 1. GENERALLY.
51		* * *
52	54-13. [Vio	olation of article; penalties] Guest register—Required.
53	[A v]	iolation of any provision of Article II or Article III of this Chapter is a class

A violation.]

55	Any person who owns or operates a hotel, in the County must maintain on the
56	premises a permanent register containing:

(a) the name of each visitor;

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- (b) the residence address of each visitor, including state, city or town, street and street number or rural mail delivery route number;
 - (c) the number of the room or facility occupied by each visitor; and
 - (d) the date and time of registration and checkout of each visitor.

The register must include a record of the license plate numbers and state of registration of any automobiles or trailers that guests are using. The owner or operator of the establishment must see that the license plate and automobile or trailer registration information is correct. A person must not occupy any room until the registration required under this section is provided. The permanent register may be in a bound book, looseleaf book, or cards. If a looseleaf book or cards are used, the pages or cards must be numbered consecutively before use and all numbered pages or cards must be kept even though they are not used. The register required by this section must be kept for at least 3 years and must be open to inspection upon the request of the Director or of any law enforcement officer of the county or the state.

72 * * *

73 DIVISION 2. LICENSES.

* * *

54-26. Revocation or suspension generally.

76 * * *

(b) The Director may revoke or suspend any license issued under this Division if the Director finds that the hotel is disruptive to the general peaceful enjoyment, dangerous to the health and safety, of the community, or is a nuisance because of noise or indecent or immoral activity by any guest, owner, operator or employee. The Director may

82		also revoke or suspend any license issued under this Chapter if the owner
83		or operator of the hotel has, while operating the hotel, been convicted of
84		violating:
85		(1) the provisions of the Criminal Law Article of the Maryland Code
86		as listed in Section 54-20; or
87		* * *
88	AR	RTICLE III. BED AND BREAKFAST AND SHORT-TERM
89		RESIDENTIAL RENTAL.
90		* * *
91	54-43. [Cen	rtification] <u>Application</u> for a License.
92	An a	pplication for a <u>license</u> to <u>operate</u> a bed and breakfast [license] or short-
93	term reside	ntial rental or a license renewal for either use must be signed by the
94	applicant an	d include the State Sales Tax and Use Registration number. The applicant
95	must provid	e supporting documents as the Department may require and certify that:
96	[(a)	the building in which the bed and breakfast license or short-term
97		residential rental is located complies with all applicable zoning standards
98		under Chapter 59 of this Code;]
99	<u>(a)</u>	the applicant is the owner of the dwelling unit where the bed and breakfast
100		or the short-term residential rental is located;
101	[(b)	the total number of overnight guests in the short-term residential rental
102		who are 18 years or older is limited to 6, and the total number of overnight
103		guests over 18 years of age per bedroom is limited to 2;]
104	<u>(b)</u>	the dwelling unit where the bed and breakfast or short-term residential
105		rental is located is the primary residence of the applicant;
106	[(c)	only habitable rooms will be used by guests;]
107	<u>(c)</u>	the building in which the bed and breakfast or short-term residential rental
108		is located complies with all applicable zoning standards under Chapter 59

109		of this Code;
110	[(d)	smoke detectors in all units and carbon monoxide detectors in all units
111		using natural gas operate as designed;]
112	<u>(d)</u>	the applicant will maintain a registry of all guests at the bed and breakfast
113		or the short-term residential rental, readily available for inspection by the
114		Department;
115	[(e)	sanitation facilities operate as designed;]
116	<u>(e)</u>	except for persons visiting the primary resident, only registered guests
117		under (d) will be allowed in the dwelling unit or on the property;
118	[(f)	the applicant has not been found guilty of a violation of this Chapter in
119		the past 12 months;]
120	<u>(f)</u>	the number of registered guests in the short-term residential rental who
121		are 18 years or older is limited to 2 per bedroom, provided that the total
122		number of registered guests in the short-term residential rental must not
123		exceed 6;
124	[(g)	all local taxes and required fees are paid in full;]
125	<u>(g)</u>	only habitable rooms will be used by guests;
126	[(h)	the dwelling unit where the bed and breakfast or short-term residential
127		rental is located is the primary residence of the applicant;]
128	<u>(h)</u>	smoke detectors (and carbon monoxide detectors where natural gas is
129		used) operate as designed;
130	[(i)	the applicant is the owner or owner-authorized agent of the facility;]
131	<u>(i)</u>	sanitation facilities operate as designed;
132	[(j)	the applicant posted rules and regulations inside the rental, including
133		contact information for a representative designated for emergency
134		purposes;]
135	<u>(j)</u>	the applicant has not been found guilty of a violation of this Chapter in

136		the past 36 months;
137	[(k)	the designated representative resides within 15 miles of the unit and be
138		accessible for the entirety of any contract where the primary resident is
139		not present;]
140	<u>(k)</u>	all local taxes and required fees are paid in full;
141	[(1)	a record of all overnight visitors will be maintained and readily available
142		for inspection;]
143	(1)	a representative designated for emergency purposes, identified by name,
144		address, and phone number, resides within 15 miles of the unit and will
145		be available to the Department for the entirety of any contract whenever
146		the owner is not present;
147	[(m)	where applicable, the following parties were notified:
148		(1) in a single-unit or attached unit, abutting and confronting
149		neighbors;
150		(2) in a multi-unit building, neighbors living across the hall and those
151		that share a ceiling, floor, and walls with the applicant's unit;
152		(3) the municipality in which the residence is located;
153		(4) any applicable homeowner's association, condominium, housing
154		cooperative; and
155		(5) the owner of the unit or the owner's rental agent, if the applicant is
156		not the owner;]
157	<u>(m)</u>	the applicant posted rules and regulations inside the dwelling unit,
158		including the name, address, and phone number for the representative
159		designated for emergency purposes;
160	[(n)	the application is not prohibited by any homeowner's association or
161		condominium document, or a rental lease;]
162	<u>(n)</u>	where applicable, the applicant has notified the following parties of the

163		application and the procedure for challenging the application before the			
164		<u>Director:</u>			
165		(1) in a single-unit or attached unit, abutting and confronting			
166		neighbors;			
167		(2) <u>in a multi-unit building, neighbors living across the hall and those</u>			
168		that share a ceiling, floor, and walls with the applicant's unit;			
169		(3) the municipality in which the bed and breakfast or short-term			
170		residential rental is located; and			
171		(4) any applicable homeowner's association, condominium, housing			
172		cooperative.			
173	[(o)	the common ownership community fees for the dwelling unit are no more			
174		than 30 days past due;]			
175	<u>(o)</u>	the use of the dwelling unit as a bed and breakfast or short-term			
176		residential rental is not prohibited by any homeowner's association or			
177		condominium document, or a rental lease;			
178	[(p)	except for persons visiting the primary resident, only registered guests			
179		will be allowed on the property; and]			
180	<u>(p)</u>	the common ownership community fees for the bed and breakfast or			
181		short-term residential rental are no more than 30 days past due;			
182	(q)	any on-line rental listing will include the short-term residential rental			
183		license number[.]; and			
184	<u>(r)</u>	the dwelling unit will not be used as a short-term residential rental for			
185		more than 120 days in a calendar year when the property owner is not			
186		physically present in the dwelling unit.			
187	54-44. App	lications.			
188	The	Director must establish an electronic method of submitting, issuing,			

renewing, denying, suspending, and revoking an application for a license through the

internet.

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54-45. License Approval and Renewal.

- (a) The Director [must]:
- [(a)] (1) [accept the self-certification of the applicant after verifying compliance by reviewing available records;] must review the application, including supporting documents provided by the applicant, for conformance with this Chapter and all other applicable laws and regulations;
 - (2) may inspect the property;
- [(b)] (3) must approve or deny a license or a license renewal [within 15] no earlier than 30 and no later than 60 [working] days after receipt of [the] a completed application and all required fees unless the Director receives a challenge to the [certifications] application under Section 54-46; and
 - [(c)] (4) must, if the license or license renewal is approved:
 - (i) issue the license for a term of one year, renewable for additional one-year terms, subject to re-application, payment of the license fee, and compliance with all applicable laws and certifications required for the license[.]; and
 - (ii) provide written notice to the parties listed in section 54-43(n) of the issuance of the license and the procedure to file an appeal with the Board of Appeals.

54-46. Challenge to [Certifications] Applications.

(a) Within 30 days after the application is filed, a [A] challenge [to any required certification made by the applicant] may be filed with the Director [within 30 days after the application is filed] by any party

217		entitl	<u>ed to n</u>	otice under section 54-43(n).[:
218		(1)	a resi	dent or owner of real property located within 300 feet of a
219			licens	sed or proposed license;
220		(2)	the m	unicipality in which the residence is located;
221		(3)	any a	applicable homeowners association, condominium, housing
222			coope	erative; or
223		(4)	the o	wner of the unit or the owner's rental agent, if the applicant is
224			not th	e owner.]
225	(b)	The I	Directo	r must, within 60 days after receipt of the challenge:
226		(1)	provi	de notice of the challenge to the applicant;
227		(2)	provi	de an opportunity for the applicant to respond to the
228			challe	enge;
229		(3)	inves	tigate [the] any question of fact raised by the challenge; [and]
230		(4)	[revo	ke] approve or deny the license or license renewal after
231			revie	wing the application, including supporting documents
232			provi	ded by the applicant and challenger, for conformance with
233			this C	Chapter and all other applicable laws and regulations; and [if
234			the D	irector finds that one or more facts certified by the applicant
235			is fals	se.]
236		<u>(5)</u>	if the	license or license renewal is approved:
237			<u>(i)</u>	issue the license for a term of one year, renewable for
238				additional one-year terms, subject to re-application,
239				payment of the license fee, and compliance with all
240				applicable laws and certifications required for the license;
241				<u>and</u>
242			<u>(ii)</u>	provide written notice to the parties listed in section 54-
243				43(n) of the issuance of the license and the procedure to file

an appeal	l with the	Board	of Appeal	ls.
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54-47. Suspension and Revocation.

- (a) [The license must be suspended for any applicant receiving at least three complaints that are verified as a violation of the license or of the County Code within any 12-month period.] The Director may suspend or revoke any license issued under this Article if the Director finds that the licensee:
 - (1) <u>has violated this Chapter or any other applicable law or regulation;</u>
 - (2) has operated, or permitted to be operated, the bed and breakfast or short-term residential rental in a manner that is disruptive to the general peaceful enjoyment of the community, dangerous to the health and safety of the community, or is a nuisance because of noise or other activity; or
 - (3) has been convicted of violating any of the provisions of the Criminal Law Article of the Maryland Code listed in in Section 54-20 while operating the bed and breakfast or short-term residential rental.
- (b) [Renewal or reinstatement of licenses must follow procedures established by the Director.] Prior to any suspension or revocation, the Director may require the holder of the license to appear before the Director and show cause why the license should not be suspended or revoked.

54-48. Appeals.

Any person aggrieved by [an approval] the issuance, renewal, denial, revocation or suspension of a bed and breakfast license or short-term rental license may appeal the <u>Director's</u> decision to the Board of Appeals within 30 days of the <u>Director's</u> decision, regardless of whether a challenge to the application was filed under Section 54-46. [The Board of Appeals must hold a hearing on the appeal within 60 days after the notice of appeal has been filed, and must act on the appeal within 30 days after the

271	hearing.]		
272			
273	Approved:		
274			
275			
276	Evan Glass, President, County Council	Date	
277	Approved:		
278			
279			
280	Marc Elrich, County Executive	Date	
281	This is a correct copy of Council action.		
282			
283			
284	Judy Rupp, Clerk of the Council	Date	
285			
286			

APPROVED AS TO FORM AND LEGALITY

OFFICE OF THE COUNTY ATTORNEY

Ordinance No.:
Zoning Text Amendment No.: 23-xx
Concerning:
Revised: [insert date] Draft No.:
Introduced:
Public Hearing:
Adopted:
Effective:

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT WITHIN MONTGOMERY COUNTY, MARYLAND

By: District Council at the Request of the County Executive

AN AMENDMENT to the Montgomery County Zoning Ordinance to:

- (1) require that a dwelling unit used as a short-term residential rental be the property owner's primary residence;
- (2) provide that a dwelling unit can be used as a short-term residential rental for a maximum of 120 days if the property owner is not present in the residence;
- (3) provide that there is no limit on the number of days that a dwelling unit can be used as a short-term residential rental if the property owner is physically present and occupies the residence during the rental stay;
- (4) delete provisions allowing a property owner's authorized agent to assume certain responsibilities assigned to the property owner, and
- (5) generally amend the provisions governing a short-term residential rental.

By amending the following sections of the Montgomery County Zoning Ordinance, Chapter 59 of the Montgomery County Code:

Division 3.3 "Residential Uses"

Section 3.3.3 "Short-Term Residential Rental"

EXPLANATION: Boldface indicates a Heading or a defined term.

<u>Underlining</u> indicates text that is added to existing law by the original text amendment.

[Single boldface brackets] indicate text that is deleted from existing law by original text amendment.

<u>Double underlining</u> indicates text that is added to the text amendment by amendment.

[[Double boldface brackets]] indicate text that is deleted from the text amendment by amendment.

* * * indicates existing law unaffected by the text amendment.

ORDINANCE

The County Council for Montgomery County, Maryland, sitting as the District Council for that portion of the Maryland-Washington Regional District in Montgomery County, Maryland, approves the following ordinance:

1	Sec. 1. DIVISION 59-3.3 is amended as follows:		
2	Division 3.3. Residential Uses		
3		* * *	
4	Section 3.3.3. Accessory Residential Uses		
5		* * *	
6	I. S	Short-Term Residential Rental.	
7	1	. Defined	
8	Ç	Short-Term Residential Rental means the residential occupancy of a dwelling	
9	unit for a fee for less than 30 consecutive days. Short-Term Residential Renta		
10	is not a Bed and Breakfast.		
11			
12		. Use Standards	
13	Where Short-Term Residential Rental is allowed as a limited use, it must		
14	satisfy the following standards:		
15	8	Short-Term Residential Rental is prohibited in a Farm Tenant Dwelling	
16		or on a site that includes an Accessory Dwelling Unit.	
17	l	The dwelling unit used as a Short-Term Rental must be the property	
18		owner's [or owner-authorized resident's] primary residence, regardless	
19		of dwelling unit type.	
20	(If the property owner [or owner-authorized resident] is not present in	
21		the residence, the property can be used as a Short-Term Residential	
22		Rental for a maximum of 120 days in a calendar year. If the property	
23		owner [or owner-authorized resident]is physically present and	
24		occupies the residence during the rental stay, there is no limitation on	
25		the number of days the property can be used as a Short-Term	
26		Residential Rental.	
27	(I. The use must be licensed under Chapter 54.	

28	e.	The maximum number of occupants is limited by Chapter 26, Section
29		5; however, the total number of overnight guests in the Short-Term
30		Residential Rental [who are 18 years or older] is limited to six, and the
31		total number of overnight guests over 18 years of age per bedroom is
32		limited to two.
33	f.	One off-street parking space must be provided for each rental contract
34		unless the online listing indicates that vehicle parking is prohibited.
35	Sec. 2	2. Effective date. This ordinance becomes effective 20 days after the
36	date of Dist	rict Council adoption.

This is a correct copy of Council action.

Judy Rupp

Clerk of the Council

APPROVED AS TO FORM AND LEGALIFY

OFFICE OF THE COUNTY ATTORNEY

DATE: 3/17/A2