

Establishing a 12-Month Moratorium on New Short-Term Rental Licenses

For the purpose of establishing a time-limited moratorium on the issuance of new licenses for short-term rentals as defined in Chapter 17.44 of the City Code for the period of 12 months from the effective date of this resolution; allowing moratorium exceptions for specific dates, permit renewals, and owner-occupied permit applications; and requiring a City assessment of short-term rental policy and its impacts.

**City Council of the
City of Annapolis**

Resolution 50-25

Introduced by: Alderwoman O'Neill

Co-sponsored by: Mayor Littmann

A RESOLUTION concerning

Establishing a 12-Month Moratorium on New Short-Term Rental Licenses

FOR the purpose of establishing a time-limited moratorium on the issuance of new licenses for short-term rentals as defined in Chapter 17.44 of the City Code for the period of 12 months from the effective date of this resolution; allowing moratorium exceptions for specific dates, permit renewals, and owner-occupied permit applications; and requiring a City assessment of short-term rental policy and its impacts.

WHEREAS, City Code 17.44 et seq., sets forth the current legal requirements for obtaining a short-term rental license, and this Code provision has recently enacted terms that are in the early stages of implementation, interpretation and enforcement;

WHEREAS, Short-term rentals have proliferated in the City of Annapolis in recent years in support of robust tourism and have also impacted residential neighborhoods, public safety, public health and housing options;

WHEREAS, The City of Annapolis has identified substantial and ongoing non-compliance with short-term rental licensure requirements as noted in the August 19, 2025, City Planning and Zoning Annual Report on Short-Term Rentals, which estimates licensure non-compliance to be 49.5% of all short-term rentals operating in the City;

WHEREAS, The City of Annapolis 2040 Comprehensive Plan anticipates improving residential housing options while maintaining the character and sustainability of residential neighborhoods and has recognized the potential negative impact of

1 unregulated short-term rentals in achieving those objectives and recommended
2 that short-term rentals be further regulated;

3
4 **WHEREAS,** Non-compliant short-term rentals and potentially excess short-term rentals may
5 impact affordable housing options, undermine residential neighborhoods,
6 undermine other important commercial activities related to other licensed
7 hospitality and housing rentals, and negatively impact community harmony and
8 equity, public safety and public health;

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10 **WHEREAS,** There is significant community interest in assuring short-term rental regulatory
11 compliance with respect to unlicensed short-term rentals and avoiding the
12 negative effects of short-term rentals on neighborhoods and housing options;

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14 **WHEREAS,** A temporary moratorium on new short-term rental licenses will allow the City
15 Administration and City Council a critical and necessary opportunity to
16 implement new City Code enforcement provisions, determine a more accurate
17 status and impact of short-term rentals city-wide, and consider potential
18 amendments to strengthen current City law;

19
20 **WHEREAS,** The City of Annapolis Charter, Article III, Section 2, authorizes the City Council
21 to take actions to regulate land use, issue licenses, advance public safety and
22 public health and protect general well-being, including implementing temporary
23 moratoriums. State law provisions, including *Md. Code Ann. Land Use 4-103(a)*;
24 *Md. Code Ann. Local Government 10-324*, enables local municipalities to take
25 moratorium actions in furtherance of their Charter authority;

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

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32 **NOW, THEREFORE, BE IT RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that:

33
34 **Section 1. Definitions For Moratorium**

- 35 1. "Short-Term Rental" means any dwelling unit or portion subject to City Code 17.44 and
36 17.44.090.
- 37 2. "License" means any permit, registration, or other authorization issued by the City to
38 lawfully operate a short-term rental in accordance with City Code 17.44 and 17.44.090.
- 39 3. "Owner-Occupied", defined for the purposes of short-term rental licensure to mean:
- 40 a. The record owner of the property whose primary residence is at the licensed
41 property;

- b. Who physically occupies the licensed property for at least six of 12 months during the licensed period;
 - c. Has designated the licensed property as his/her voting address and the address of his/her driver's license; and
 - d. Where the record owner of the licensed property is an LLC or a trust entity, and one principal meets the owner-occupied physical residency requirement.
4. All other applicable definitions in City Code Title 17 remain in effect.

Section 2. Moratorium

1. No new licenses for short-term rentals shall be issued by any department or agency of the City of Annapolis for a period of 12 months following the effective date of this resolution.
2. This moratorium shall not apply to the renewal of existing and valid short-term rental licenses issued prior to the effective date of this resolution, so long as such license holder is in full legal compliance at the time of renewal.
3. Any application for a new short-term rental license submitted but not yet approved prior to the effective date of this resolution shall not be processed or approved during the moratorium period.

Section 3. Exemptions from Moratorium

1. The exemptions codified in Chapter 17.44 generally and Section 17.44.090 (G) remain in effect and are excluded from the moratorium unless expressly included or defined.
2. Exemptions from the moratorium are:
 - a. Days coinciding with the annual United States Naval Academy Graduation ceremonies;
 - b. Annual Spring and Fall sailboat and power boat shows held in the City of Annapolis;
 - c. Any other special event specified by resolution of the City Council;
 - d. Renewal of existing and valid short-term rental licenses issued prior to the effective date of this resolution, so long as such license holder is in full legal compliance at the time of renewal; and
 - e. Owner-occupied units that meet the definition of Owner-Occupied in Section 1 above. No other owner-occupied units are intended to be exempt from the moratorium.

1 **Section 4. Assessment and Recommendations**

- 2 1. During the moratorium period, the City Manager or their designee shall conduct a
3 comprehensive assessment of the various impacts of short-term rentals on regulatory
4 compliance and enforcement, housing options and availability, neighborhood character
5 and preservation, residential quality of life and public safety.
- 6 2. The City Manager or their designee shall present to the City Council findings and any
7 recommended changes to the City Code no later than 60 days prior to the expiration of
8 the moratorium.

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10 **Section 5. Severability.**

11 If any section, subsection, sentence, clause, or phrase of this resolution is determined to
12 be invalid by a court of competent jurisdiction, such decision shall not affect the validity
13 of the remaining provisions.

14

15 **AND BE IT FINALLY RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that this
16 resolution shall take effect upon passage.