

Passed Ordinances as Written

2025 - 01:

Summary: Changes to Occupancy in R-1 and MH zones by limiting two people per bedroom plus two, not including children 10 and under. **Requiring ALL rental properties** have a designated local person to be able to respond to that rental unit within 60 minutes. **Requiring ALL rental properties** to be subject to a "three strikes" enforcement policy where three calls for a civil service within twelve months of the first call for service at a rental property invokes a suspension of that property's license. An additional three calls for service to a previously suspended licensed property invokes a revocation of that property's license. There are additional grounds for suspension and revocation.

Signed into Law: February 3rd, 2025.

Ordinance as Adopted:

[Ordinance 2025 – 01](#)

AN ORDINANCE TO AMEND CHAPTER 14, ARTICLE II, ENTITLED LICENSED OCCUPATIONS, SECTION 14-38, ENTITLED SUSPENSION AND REVOCATION; AND ARTICLE V, ENTITLED RENTAL HOUSING, SECTION 14-173, ENTITLED ENFORCEMENT; SECTION 14-174, ENTITLED LICENSE; INSPECTION OF PREMISES; RECORDS; SECTION 14-175, ENTITLED VIOLATION; SECTION 14-176, ENTITLED ENFORCEMENT; AND SECTION 14-177, ENTITLED PREMISES FOR HABITATION/RENTAL HOUSING UNITS IN R-1 SINGLE FAMILY RESIDENTIAL DISTRICT AND MH MOBILE HOME RESIDENTIAL DISTRICT – OCCUPANCY, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND.

Whereas, the Mayor and City Council desires to protect and preserve the Town’s primary residential neighborhoods, to include year-round residents, from the impacts of rental units, and provide safe residential neighborhoods; and

Whereas, Charter Sections 801-803 state the Mayor and City Council of Ocean City shall have the power to regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes; and within the individual zoning districts the Mayor and Council may regulate and restrict the use of buildings, structures, or land; and

Whereas, the Mayor and City Council has considered the character of the districts and suitability for particular uses, and with a view to conserving the value of neighborhoods and encouraging the most appropriate use of land throughout the Town, they desire to prevent overcrowding of land and avoid undue concentration of population in the wrong zones caused by rental properties, to protect against noise and other disturbances; and

WHEREAS, that in order to promote and protect the public' s health, safety and welfare, it is necessary and reasonable to amend the Code of the Town of Ocean City to update the rental housing program to provide occupancy limitations in the R1 and MH zones, and to update the enforcement process to address rental properties

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 14, ARTICLE II, ENTITLED LICENSED OCCUPATIONS, SECTION 14- 38, ENTITLED SUSPENSION AND REVOCATION; AND ARTICLE V, ENTITLED RENTAL HOUSING, SECTION 14- 173, ENTITLED ENFORCEMENT; SECTION 14- 174, ENTITLED LICENSE; INSPECTION OF PREMISES; RECORDS; SECTION 14- 175, ENTITLED VIOLATION; SECTION 14- 176, ENTITLED ENFORCEMENT; AND SECTION 14- 177, ENTITLED PREMISES FOR HABITATION/ RENTAL HOUSING UNITS IN R- 1 SINGLE FAMILY RESIDENTIAL DISTRICT AND MH MOBILE HOME RESIDENTIAL DISTRICT- OCCUPANCY OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND, BE AND THEY ARE HEREBY AMENDED, AS FOLLOWS:

Sec. 14-34. – Payment of License fees; term of license; fee schedule

(51) Premises for habitation:

(a) Condominium units, cooperatives, and townhouses, whether rented individually or by a rental pool agreement, per unit.

1. Apartments, cottages.
2. Hotels, motels, inns, motor courts, cabins or other similar establishments offering accommodations on the premises for public rental.
3. Rooming houses, boarding houses, dormitories or private houses offering rooms for public rental (per room).
4. Single family home.
5. Any other rental housing unit.
6. Short-term rental housing unit.

Sec. 14-38. - Suspension and revocation.

(a) *Suspension of a business license.* The city manager may suspend a business license for a period of time not to exceed 30 days if the city manager determines that a licensee or an employee of a licensee has committed any one or more of the following acts:

(1) A licensee has breached any condition upon which their license was issued or has failed to comply with the provisions of this chapter.

(2) A licensee has committed an offense under a law or ordinance regulating business, a crime involving moral turpitude, or an unlawful sale of merchandise or prohibited goods.

(3) A licensee has engaged in an unlawful activity or nuisance related to the business.

(4) A license has failed to correct a building, zoning, fire or life safety violation within the timeframe directed in the notice of violation

(b) *Revocation of a business license.* The city manager may revoke a business license if the city manager determines:

(1) A license has been mistakenly or improperly issued, or issued contrary to law.

(2) A license has been obtained through fraud, misrepresentation, a false or misleading statement, evasion or suppression of a material fact in the license application.

(3) A cause of suspension under this section occurs and the license has been previously suspended within the preceding 12 months.

(4) There is any violation of the provisions of this chapter or any other ordinance of the town, or any statute of the state or any statute of the United States of America, other than motor vehicle violations, if the city manager determines the violation is contrary to the public health, safety and general welfare.

(c) *Hearings.* Upon reasonable belief that a violation of this chapter has occurred, the city manager shall notify the licensee in writing of the alleged violation and pending penalty by hand-delivery to the licensee or an employee of suitable age and discretion, or certified mailing, and shall schedule a hearing within three business days after notice of said violation. At the hearing the licensee shall have the opportunity to be heard as to why the license should not be suspended or revoked. After the hearing thereon, if the city manager determines upon a preponderance of the evidence, that a violation has occurred, the city manager may take the appropriate action as herein set forth in subsections (a) and (b) of this section for a business license and 14-176(a) and (b) for a rental license. If the licensee fails to appear, without good cause, the city manager may consider the evidence and make a determination in the absence of the licensee. If mitigating circumstances so warrant, in lieu of a suspension, the city manager may levy a fine not to exceed \$1,000.00 per violation.

(d) *Appeals.* If the city manager fines, suspends or revokes a license, the city manager shall send to the licensee, by certified mail, return receipt requested, written notice of the action and the right of appeal. The licensee may appeal the decision of the city manager to the city council in accordance with the following procedures. The filing of an appeal does not stay the action of the city manager in fining, suspending or revoking a license until the city council makes a final decision.

(1) The aggrieved licensee may, not later than ten calendar days after receiving notice of the fine, suspension or revocation, file with the city clerk a written request for an appeals hearing before the city council.

(2) If a written request is filed with the city clerk within the ten-day limit, the city council shall consider the request. The city clerk shall set a date for the hearing within three business days from the date the written request is received.

(3) The city council shall hear and consider evidence offered by any interested person to determine whether the city manager properly fined, suspended or revoked the license in accordance with the provisions of this chapter. The formal rules of evidence do not apply. If the licensee fails to appear, without good cause, the decision of the city manager shall become final.

(4) The city council shall grant or deny the appeal by majority vote. Failure to reach a majority vote will result in denial of the appeal. Any dispute of fact must be decided on a basis of a preponderance of the evidence. The decision of the city council is final.

(5) If the city council denies the appeal of a revocation, the aggrieved licensee may not reapply until at least 12 months have elapsed since the date of the city council's action.

ARTICLE V. - RENTAL HOUSING

Sec. 14-171. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Booking transaction means a reservation transaction between a property owner or their agent and a prospective renter for the rental of a housing unit.

Code violations means violations of this Code or any other code, law, ordinance or regulation adopted and incorporated by reference in this Code.

Division of rental housing means the department of planning and community development or such other department or agency charged by the Mayor and City Council of Ocean City with the duty to implement and enforce the provisions of this article.

Hosting platform means an entity that in exchange for a fee:

- (1) Facilitates reservations of rental housing units;
- (2) Serves as a conduit of communication between property owners and property managers and renters; or
- (3) Otherwise facilitates any transactions for rental housing units.

Long Term Rental Housing Unit means the use or occupancy, in exchange for consideration, of all or part of a dwelling unit to provide accommodations to a person for 31 or more consecutive days in a calendar year. (Excluding hotels, motels, apartments, dormitories and employee housing).

Person means an individual, group of individuals, partnership, joint venture, corporation, association and any other entity, however named or called.

Property manager means an individual or company that oversees the day-to-day operations of a rental housing unit, including but not limited to, making a rental housing unit available for use by renters.

Rental housing unit means any space in any building which, for a consideration, is made available by any person to another person for habitation purposes.

Short Term Rental Housing Unit means the use or occupancy in exchange for consideration, of all or part of a dwelling unit to provide accommodations to a person for no more than 30 consecutive days in a calendar year. (Excluding hotels, motels, apartments, dormitories and employee housing).

Sec. 14-172. - Purpose.

The purpose of this article is to ensure compliance with all laws, ordinances and regulations applicable to rental housing units within the corporate limits of Ocean City. It is further the purpose of this article to promote and ensure safe, healthy and habitable housing conditions in rental housing units, to prevent deterioration of rental housing units and to encourage responsible management, maintenance and use of rental housing units by the inspection and licensing of these units.

Sec. 14-174. - License; inspection of premises; records.

(a) *Licensing generally; certifications.* Any person renting a premises for habitation described in [section 14-34\(b\)\(51\)](#) of the Code or a rental housing unit shall obtain the applicable license from the town in accordance with [chapter 14](#), article II. The holder of a license shall be the property owner of the premise for habitation or rental housing unit. Application for a rental license (non-business license uses) and/or business license (for hotels, motels, apartments, dormitories, lodging/rooming house and employee housing) (hereinafter collectively "license") shall be on forms prescribed by the town. All property owners shall provide to the town the name, address and telephone number of a person qualified and legally authorized by the owner: (1) to accept service of process; (2) to address any issue on the property to include authorizing repairs and other remedial action; (3) respond to any code violation and be able to respond in sixty (60) minutes to the property. The application shall contain a consent to inspection during reasonable hours for the entire term of the license and a declaration by the property owner stating the number of bedrooms on the property and the required and/or approved onsite parking available. The property owner shall not provide incorrect information on the application.

(b) *Supplementary short-term rental license.* Effective January 1, 2025, in addition to the license in subsection (a), any person renting a premise for habitation or a rental housing unit in whole or part as a short-term rental housing unit shall obtain a supplementary short-term rental license on the forms required by the Town. A second noise permit under [section 30-401](#) of the Code is not required for the supplementary short-term rental license as the noise control permit shall be obtained and maintained for the license in subsection (a).

(c) *Review of license application.* The division of rental housing (hereinafter "division") or its designee shall issue or deny a license within 14 days of receiving an application. The division shall receive all applications and coordinate a review process involving the building official, zoning administrator, license inspector, fire marshal and other appropriate Ocean City, county or state agencies. A license may be denied by the division *or its designee* if material false statements exist in the initial or renewal application; a license is obtained fraudulently or deceptively for oneself or for another; a license is used fraudulently or deceptively; a rental housing unit has been cited for a violation of [chapter 30](#), article V and failed to remediate the noise issue; the property owner fails to comply with [chapter 14](#), article V; the property owner or occupant thereof is in violation of an order issued pursuant to [chapter 18](#); or a rental housing unit fails to comply with all other provisions of the Code. The issuance of a license is not to be construed as proof or acknowledgment by the town that the subject property complies with all applicable laws. The division or its designee shall provide not less than ten days' notice of a denial, in writing, setting forth the code violation(s) and reason(s) for such denial, and allowing the property owner an opportunity to be heard as to why the license should not be denied and advising the property owner if any corrective measures can be taken. If the property owner fails to show cause or fails to take corrective action as directed by the division or its designee, the director or its designee may deny the application.

(d) *Taxes.*

(1) *Sales tax.* The property owner of the rental housing unit or their agent shall be registered with the Maryland State Comptroller for the reporting, collecting and payment of the state's sales and use tax.

(2) *All taxes.* The property owner of the rental housing unit shall certify that all federal, state, county and municipal taxes relating to the rental of property are paid current prior to the issuance of the applicable license and renewal thereof.

(e) *Inspection of rental housing units.*

(1) *Inspection prior to issuance of license.* An inspection of the property for which application has been made may be conducted prior to the issuance of a license upon recommendation of any reviewing agency. If an inspection indicates that a rental housing unit is not in compliance with all applicable laws as required, the license application may be denied until remedial action, as determined by the division, remedies the violation.

(2) *Inspections during term of license.*

1. Upon recommendation of any appropriate Ocean City, County or State agency, there shall be an inspection of a rental housing unit when there exists the belief that a property is not in compliance with all applicable laws. Inspection procedures as set forth in the International Property Maintenance Code, as amended, and this article, shall be followed.
2. Rental properties shall obtain and maintain all required and/or approved, on-site parking, as parking spots available for use by the renter or tenant(s). Parking spots shall not be used for any other purposes.

3. The owner may request any appropriate Ocean City, county or state agency to perform an inspection of a rental housing unit(s). A qualifying inspection will stand for one calendar year from date of inspection.
4. If an inspection indicates that a rental housing unit is not in compliance with all applicable laws, the license may be subject to suspension, revocation or other remedial action as determined by the city manager in consultation with the division or its designee. The city manager shall follow the procedures in [section 14-38](#). A license may be suspended or revoked immediately by the city manager in consultation with the division or its designee if, in the opinion of city manager and the division, the health, safety or welfare of the person(s) in the rental housing unit, or of the general public are in imminent danger. Revocation or suspension of a license shall be in addition to and not in substitution for such other penalties as may be provided for in other laws or ordinances.
5. The property owner may appeal the suspension or revocation of the license as stated in [section 14-38\(d\)](#).
6. If a license is suspended or revoked, the rental housing unit cannot lawfully be used for a rental.

(f) *Term of license.* Licenses shall be issued for a term of one year, pursuant to [section 14-34](#) and renewable for additional one-year terms, subject to payment of the license fee, certification of tax payment, and compliance with all applicable laws.

(g) *License fee.* An annual license fee for the license and effective January 1, 2025, an annual license fee for a supplementary short term rental license shall be set and paid in accordance with [section 14-34](#).

(h) *Display of license.* The license shall be displayed in the lobby, vestibule, rental office or other prominent public place on the premises during the entire period the license is in effect. In the case of condominium, single-family and cooperative rental housing units, the property owner shall display the license within said rental housing unit.

(i) *Records.*

(1) The property owner of the rental housing unit shall:

1. Make a record of all their rentals;
2. Maintain said record of the rentals for at least five years;
3. On request, make the records available to the division for inspection;
4. Prominently display in the rental housing unit emergency contact information for the property owner or their authorized representative; and
5. Include in all advertisements or listings, whether by print, electronic, audible or in any other form or substance designed to inform as to the availability of any property for rent, the valid rental license control number or business license control number of the rental housing unit.

(2) The property owner of the rental housing unit(s) shall not advertise the unit(s) or building as having more bedrooms than permitted on the unit's or the building's approved building permit plans.

(j) *Hosting platforms and property managers.*

(1) *Verification.*

1. No hosting platform or property manager may facilitate booking transactions for rentals in the corporate limits of Ocean City without having verified that the license of the property owner is valid. Verification methods shall be as approved by the division.
2. A hosting platform or property manager that has verified the validity of a license for a rental housing unit is not required to re-verify the validity of the license, unless:
3. The license inspector has notified the hosting platform or property manager that the rental housing unit cannot lawfully be used for a rental; or
4. The property owner has ceased to offer the rental housing unit through that hosting platform or property manager for a period of 12 months or more since the license was last verified.
5. If the license inspector notifies a hosting platform or property manager that a rental housing unit cannot lawfully be used for a rental, the hosting platform or property manager may not advertise, list, or otherwise facilitate booking transactions for that rental housing unit until it receives subsequent confirmation from the license inspector that the rental housing unit can lawfully be provided.
6. A hosting platform or property manager may not conduct business, to include but not limited to, collecting or receiving a fee in exchange for facilitating reservations, advertisements, or listings of a rental, for serving as a communication conduit between property owners and renters, or for otherwise facilitating booking transactions for rentals if the rental housing unit cannot lawfully be used for a residential rental.
7. A hosting platform or property manager shall include in all advertisements or listings, whether by print, electronic, audible, or in any other form or substance designed to inform, as to the availability of any property for rent, the valid rental license control number or business license control number of the rental housing unit. A hosting platform or property manager that does not input the information to create the advertisement or listing, shall provide a mandatory field on their online site in which the rental license control number or the business license control number is required to be entered. This field shall be displayed on/in the advertisement or listing.

(2) *Records.*

1. A hosting platform or property manager shall:
2. Make a record of all rental housing units advertised, listed, or otherwise facilitated by the hosting platform or property manager in the corporate limits of Ocean City;
3. Maintain the records for at least five years; and
4. In response to a lawful request, make the records available for inspection by the division.
5. These records must include:
6. The name and rental license control number or business license control number of the property owner who provided the rental housing unit;
7. The expiration date of the rental license or business license;
8. The street address of the rental housing unit;
9. The date of the booking transaction; and
10. The start and end dates of each rental.

(k) *Transfer of license.* Licenses issued hereunder shall not be transferable, and subsequent title holders of a rental housing unit shall be required to obtain a separate license; provided, however, that the continued rental by the subsequent property owner without a new license shall be

deemed to be a consent to the terms and conditions hereunder, including the consent to inspection.

Sec. 14-175. - Violation.

(a) *Generally.* Any violation of this article by the property owner of the rental housing unit shall be unlawful and is subject to a municipal infraction. Each day of violation shall be considered a separate violation. Prior to a municipal infraction being issued, the license inspector or other Town employee will provide the property owner written notice of the violation and allow the property owner ten days from the date of the letter to correct said violation.

(b) *Violation of an emergency order.* A rental housing license or a business license may be revoked by the City Manager if the holder of the license violates or allows an occupant of the rental housing unit to violate an emergency order issued pursuant to [chapter 18](#). Such revocation shall be processed in accordance with [section 14-174\(d\)\(2\)\(b\)](#).

(c) *Process not exclusive.* The issuance of an infraction to enforce this article does not preclude the town from pursuing any other civil remedy or enforcement action authorized by law.

Sec. 14-176. – Enforcement

- *Suspension of a license.* The city manager may suspend a business license in accordance with section 14-38. The city manager may suspend a rental license for a period of time not to exceed thirty (30) days if the city manager determines that a licensee has committed or allowed to be committed any one or more of the following acts:
 - A license has breached any condition upon which their license was issued;
 - A license has failed to comply with the provisions of this chapter;
 - A license has failed to comply with chapters 10, 34, and 110 of the Code;
 - A licensee has engaged in an unlawful activity or nuisance related to the use of the property;
 - Any adverse effect on public health, safety, and the general welfare; or
 - Of there are three (3) documented calls for service that require a response and/or citations issued to the property for different incidents in a twelve-month period year.

A call for service includes a response by law enforcement, the fire marshal's office and/or an official from the division or its designee. If there are three (3) documented calls for service, that require a response, for disturbance of the peace, public drunkenness, drinking in public, harassment, loitering, public urination, lewd conduct, overcrowding, exceeding occupancy loads, or noise, vandalism, parking nuisances, trespassing and/or citations issued to the property for different incidents on the property, or the parking lot for the building or dwelling, in a twelve-month period year, the rental license is automatically suspended for up to thirty (30) days. The owner or local agent must have been notified of the call for service. The twelve-month period starts from the first call for service or citation. The procedure for suspension of a rental license shall follow section 14-38 (c) and (d). This is limited to acts of the owner(s) and his renters, guests, and invitees.

- *Revocation of a license.* The city manager may revoke a business license in accordance with section 14-38. The city manager may revoke a rental license if the city manager determines that a licensee has committed any one or more of the following acts:
 - A license has been mistakenly or improperly issued, or issued contrary to law;
 - A license has been obtained through fraud, misrepresentation, a false or misleading statement, evasion or suppression of a material fact in the license application;
 - A cause of suspension under the section occurs and the license has been previously suspended within the preceding twelve (12) months; or
 - There is a violations of the provisions of this chapter or any other ordinance of the town, or any statute of the state or any statute of the United States of America, other than motor vehicle violations, if the city manager determines the violation is contrary to the public health, safety, and general welfare.

The procedure for revocation of a rental license shall follow section 14-38 (c) and (d).

- The Mayor and City Council of Ocean City may initiate proceedings in the Circuit Court of Worcester County, Maryland, or any other court of competent jurisdiction to enforce provisions of this article.

Sec. 14-177. – Premises for Habitation/Rental Housing Units in R-1 single family residential district and MH mobile home residential district – overnight occupancy.

The maximum occupancy in a dwelling unit in the R-1 single family residential district and the MH mobile home residential district being used as a premises for habitation/rental housing unit, is two (2) persons per bedroom, plus two additional persons, excluding children aged ten (10) years old and younger, between the hours of 12:00 midnight and 7:00 A.M, provided that the occupancy does not exceed the maximum occupancy allowed under occupancy under chapter 10 and the dwelling’s or building’s allowed occupancy use for its provided fore protection features required under chapter 34.

Ordinance 2025 - 02:

Summary: Changes to the definition of "Family" to no longer require blood or marital relation between two or more individuals.

Signed into Law: February 3rd, 2025.

Ordinance as Adopted:

[Ordinance 2025 - 02](#)

AN ORDINANCE TO AMEND CHAPTER 110, ENTITLED ZONING, ARTICLE I, ENTITLED IN GENERAL, SECTION 110- 2, ENTITLED DEFINITIONS, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND

WHEREAS, the Mayor and City Council desires to protect and preserve the Town' s primary residential neighborhoods, protect year-round residents from the impacts of rental units, and provide safe residential neighborhoods; and

WHEREAS, Charter Sections 801- 803 state the Mayor and City Council of Ocean City shall have the power to regulate and restrict the density of population and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes; and within the individual zoning districts the Mayor and Council may regulate and restrict the use of buildings, structures or land; and

WHEREAS, the Mayor and City Council has considered the character of the districts and their suitability for particular uses, and with a view to conserving the value of neighborhoods and encouraging the most appropriate use of land throughout the Town, they desire to prevent overcrowding of land and avoid undue concentration of population in the wrong zones caused by rental properties; and

WHEREAS, while pursuing these goals the Mayor and City Council desire to update the definition of" family" in the Town to reflect modern concepts of what a family may be while continuing to control occupancy in districts to an appropriate level.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 110, ENTITLED ZONING, ARTICLE I, ENTITLED IN GENERAL, SECTION 110- 2, ENTITLED DEFINITIONS OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND, BE AND THEY ARE HEREBY AMENDED, AS FOLLOWS:

...

Chapter 110— ZONING

ARTICLE I. - IN GENERAL

...

Sec. 110- 2. - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section. except where the context clearly indicates a different meaning:

...

(1) *R- 1, single-family residential, and MH. mobile home districts.* The term " family" means an individual or two or more persons living together, sharing household expenses, and occupying and using the entire premises as a single housekeeping unit with a single culinary facility and legally sharing in the ownership or possession of the premises and not exceeding the number of

occupants allowed by the building code, housing code, fire code, and if rented, the rental housing code.

(2) *R- 2A, low density multiple family; R- 2, medium residential, R- 3. general residential, all commercial districts, and the mixed use and overlay districts.* The term "family" means an individual or two or more persons living together. sharing household expenses, sharing household duties and occupying and using the entire premises as a single housekeeping unit with a single culinary facility. not exceeding the number of occupants allowed by building and housing code, fire code, and if rented, the rental housing code.

Editor's note— The effective date of this definition shall be January 1. 200-1-25, except that any rental leases in effect on the effective date of this definition shall not be affected by this definition until the end of the current rental term.

Ordinance 2025 - 04:

Summary: Changes to Length of Stay. Requiring a five consecutive overnight minimum length of stay for 2025 and 2026, requiring a 31 consecutive overnight minimum for 2027 and beyond.

Signed into Law: March 3rd, 2025.

Ordinance as Adopted:

[Ordinance 2025-04](#)

AN ORDINANCE TO AMEND CHAPTER 14, ARTICLE V, ENTITLED RENTAL HOUSING, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND

WHEREAS, the Mayor and City Council of Ocean City desires to protect and preserve the Town' s primary residential neighborhoods, to include year- round residents, from the impacts of rental units, and provide safe residential neighborhoods; and

WHEREAS, Charter Sections 801-03 state the Mayor and City Council of Ocean City shall have the power to regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes; and within the individual zoning districts the Mayor and City Council may regulate and restrict the use of buildings, structures or land; and

WHEREAS, the Mayor and City Council has considered the character of the districts and their suitability for particular uses, and with a view to conserving the value of neighborhoods and encouraging the most appropriate use of land throughout the Town, they desire to prevent overcrowding of land and avoid undue concentration of population in the wrong zones caused by rental properties, to protect against noise and other disturbances; and

WHEREAS, the Town of Ocean City's Comprehensive Plan (" Plan") states an objective of the land use goals of the Plan is to " Maintain the integrity of existing residential neighborhoods to promote long term property ownership and quality of life for year round resident populations."; and an objective of the housing chapter is to " Protect and enhance the quality of residential neighborhoods."; and

WHEREAS, the Comprehensive Plan further states an objective of the land use goals of the Plan is to " Protect residential neighborhoods from incompatible traffic and encroachment by commercial activities...", and that the areas zoned R- 1 single family provide for a different quality of life and retreat from the noise and activity along Coastal Highway and the Ocean blocks. Protecting this lower density housing type from non -compatible commercial impacts is beneficial and necessary to promote year round residency and long term rental housing. Additional control over short term residential rental and workforce housing use should be considered in established single family residential neighborhoods due to its non -compatible commercial use activities and impacts."; and

WHEREAS, the Comprehensive Plan states in order to address the impacts of short term rentals, "Additional regulation of adverse impacts will require amendment to Ocean City Code Chapter 14 Business, Article V. Rental Housing."; and

WHEREAS, the Town has discussed rental regulations extensively. Specifically, the Mayor and City Council and the Planning Commission jointly discussed short term rentals at a work session on February 27, 2024; the Planning Commission discussed short term rentals on September 17, 2024, October 22, 2024, November 19, 2024, December 3, 2024 (which included holding a Public Hearing), and December 17, 2024; the Mayor and City Council discussed short term rentals at meetings on February 13, 2024, May 14, 2024, August 27, 2024, September 3, 2024, January 14, 2025 and January 28, 2025; and the Mayor and City Council considered relevant ordinances at their January 21, 2025, February 3, 2025 and February 18, 2025 meetings all Mayor and City Council meetings provided an opportunity for the public to speak on this topic); and

WHEREAS, after lengthy consideration, to promote and protect the public' s health, safety and welfare, and implement goals of the Comprehensive Plan, the Town has determined that it is necessary and reasonable to amend the Code of the Town of Ocean City to update the rental housing program to add minimum length of stay requirements in certain circumstances, in the R- 1 single family residential district and MH mobile home residential district.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 14, ARTICLE V, ENTITLED RENTAL HOUSING, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND, BE AND IT IS HEREBY AMENDED, AS FOLLOWS:

...

Chapter 14 – BUSINESSES

...

Article V. – RENTAL HOUSING

...

Sec. 14-178 – Premises for Habitation/Rental Housing Units in R-1 single family residential district and MH mobile home residential district – length of stay.

- There shall be a five (5) consecutive overnight minimum length of stay for any dwelling rented in the R-1 single family residential district or in the MH mobile home residential district. This shall not apply to a rental booking in the R-1 single family residential district or the MH mobile home residential district reserved prior to March 3, 2025 for a 2025 calendar year.
- Beginning January 1, 2027, there shall be a thirty-one (31) consecutive overnight minimum length of stay for any dwelling rented in the R-1 single family residential district of the MH mobile home residential district.

Ordinance 2025-05:

Summary: An ordinance to prohibit the issuance of new short-term rental licenses in R-1 and MH zones with exceptions for familial death and home sales. This moratorium is set to expire on December 31, 2025 and the Mayor and Town Council will hold a meeting no later than October 28th to evaluate the effectiveness of their rental restriction ordinances.

Signed into Law as an Emergency Ordinance: February 3rd, 2025.

Please Note: The emergency ordinance has been passed and signed, however, it is being revisited on March 17th for a second reading to include the sale of homes with rental bookings for 2025 to be included under the exception clause for the transfer of a short-term rental license.

Ordinance as Adopted:

[Ordinance 2025 - 05](#)

AN ORDINANCE ESTABLISHING A MORATORIUM ON THE ISSUANCE OF NEW SHORT- TERM RENTAL LICENSES IN THE R- 1 SINGLE FAMILY RESIDENTIAL AND THE MH MOBILE HOME RESIDENTIAL DISTRICTS

WHEREAS, the Mayor and City Council of Ocean City ("Town"), finds that the rapid growth of short- term rental properties and short- term rental platforms has and will continue to have a significant impact on our community, affecting the primary residential neighborhoods in the R- 1 Single Family Residential and the MH Mobile Home Residential Districts; and

WHEREAS, Chapter 14 of the Town's Code currently sets forth how to obtain a rental license or supplementary short-term rental license; and

WHEREAS, the Mayor and City Council have listened to the public in its work sessions and council meetings and appreciates that there remains a wide range of opinions, and concerns over the subject matter of short-term rental licenses generally in the two aforementioned districts; however, to ensure the protection of the primary residential neighborhoods, a temporary pause on the issuance of new supplementary short-term rental licenses is necessary to examine the effects of said licenses and to ensure that said licenses align with the best interests of the Town's residents, property owners, businesses and visitors; and

WHEREAS, ordinances recently passed in 2024 and 2025 aim to address the issues surrounding short-term rentals in the R- 1 Single Family Residential and the MH Mobile Home Residential Districts and in order to see the impact and/ or effect of these ordinances no new supplementary short-term rental licenses should be issued while the Town monitors and reviews these actions; and

WHEREAS, the Town of Ocean City's Comprehensive Plan (" Plan") states an objective of the land use goals of the Plan is to " Maintain the integrity of existing residential neighborhoods to promote long term property ownership and quality of life for year round resident populations.", and an objective of the housing chapter is to " Protect and enhance the quality of residential neighborhoods."; and

WHEREAS, the Comprehensive Plan further states an objective of the land use goals of the Plan is to " Protect residential neighborhoods from incompatible traffic and encroachment by commercial activities...", and that the areas zoned R- 1 single family provide for a different quality of life and retreat from the noise and activity along Coastal Highway and the Ocean blocks. Protecting this lower density housing type from non-compatible commercial impacts is beneficial and necessary to promote year-round residency and long term rental housing. Additional control over short-term residential rental and workforce housing use should be considered in established single family residential neighborhoods due to its non-compatible commercial use activities and impacts."; and

WHEREAS, in harmony with the objectives of the Comprehensive Plan, the Town has determined that a moratorium as stated and described below, for a term of eleven (11) months, unless good cause is demonstrated for an extension of said term, is necessary and reasonable for due consideration of recently adopted ordinances and necessary to consider further Town Code amendments and to implement the objectives of the Comprehensive Plan.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY, AS FOLLOWS:

1. Moratorium.
 1. A Moratorium is hereby established for a period of eleven (11) months from the effective date hereof to prohibit the issuance of any new supplementary short-term rental licenses in the R- 1 Single Family Residential and in the MH Mobile Home

Residential Districts. During the Moratorium, the Town shall not accept, process, or review any new application for a supplementary short-term rental license in the R- 1 Single Family Residential and the MH Mobile Home Residential Districts.

2. Notwithstanding subsection (a) above, supplementary short-term rental applications in the R- 1 Single Family Residential and in the MH Mobile Home Residential Districts submitted to the Town prior to January 28, 2025, shall not be affected by this Moratorium.
 3. Notwithstanding subsection (a) above, property owners in the R- 1 Single Family Residential and the MH Mobile Home Residential Districts who have a current rental license which was issued for the 2024 license year(May 1, 2024 through April 30, 2025), may apply for a rental license and the supplementary short-term rental license, for the 2025 license year(May 1, 2025 through April 30, 2026), subject to all applicable Town Code sections.
 4. Under this Moratorium, no supplementary short-term rental licenses in the R- 1 Single Family Residential and in the MH Mobile Home Residential Districts shall be issued based on the sale, transfer or other change in ownership of the property regardless of whether the property has a 2025 license pursuant to subsections (b) and (c) above. However, a property in the R- 1 Single Family Residential or in the MH Mobile Home Residential Districts that is impacted by the death of the property owner that would cause and/ or create the need for a change in ownership of the property, and for which a supplementary short term rental license was issued prior to the death and pursuant with subsections b) and (c) above, may submit a request to the Town for consideration by the City Manager to permit any exception to this Moratorium.
2. Further Consideration by the Mayor and City Council. This Moratorium shall be placed on a Mayor and City Council Work Session agenda no later than October 28, 2025, where public comment will be taken at the start of the meeting to consider how best to proceed for 2026 and years that follow.
 3. Effective Date. This Moratorium shall be effective immediately upon the adoption of this Ordinance.