



Dear Homeowner,

This informational letter comes to you from the Coastal Association of REALTORS®. As your local REALTOR® association, we are reaching out to inform you about proposed changes to the R-1 zoning regulations in Ocean City, Maryland, that may impact your rights as a homeowner in this district.

As of this letter, the Mayor and Council have rejected the proposed elimination of short-term rentals in the R-1, Single Family Residential District. Please see below two important meeting dates and a synopsis of the discussion and results of those meetings.

Update from January 14, 2025, Town Council Meeting

During this Town Council meeting, several key developments occurred regarding the proposed changes:

- The Mayor and Council emphasized protecting the quality of life for full-time residents in the R-1 zone. Their goal is to seek input from you, the R-1 homeowners.
- The proposed change for short-term rentals in R-1 and a sunset of existing licenses, was unanimously rejected. The council will explore new proposals to R-1 rental changes.
- A new ordinance allowing one rental per seven consecutive days in R-1 and Mobile Home (MH) zones, effective January 1, 2026, is set to be discussed by the Mayor and Council on January 28th. This has not been adopted as an ordinance and has not entered first reading.
- The “three strikes” policy and designated local contact requirement were approved and have entered the first reading stage.

Update from December 17th, 2024, Planning and Zoning Commission Meeting

On December 17th, 2024, the Ocean City Planning and Zoning Commission sent ordinances impacting Ocean City's rental industry to the Town of Ocean City that would, among other revisions, eliminate short-term rentals in the R-1 (single-family residential) district. The proposed changes include:

- Effective January 1st, 2026, no dwellings in the R-1 zoning district may be rented for less than 31 consecutive days, except those with existing short-term rental licenses. This is not being considered by the Mayor and Council.
- Effective upon passage of this ordinance, no new licenses for short-term rentals will be issued in the R-1 zoning district. This is not being considered by the Mayor and Council.
- Existing rental license holders may not rent their R-1 zoning district property for periods of less than 31 consecutive days after the rental licensing year ending on April 30th, 2027. This is not being explored by the Mayor and Council.
- Occupancy in the R-1 zoning district will now be defined as two people per bedroom plus two people per unit, excluding children under age 10 (a two-bedroom home would be able to accommodate a maximum of six adults). This occupancy applies to the Mobile Home District as well.
- All rental properties will be required to have a “designated local person” within 60 minutes of that property to address any issues with their designated property, and that person’s name, address, and telephone number must be reported to the town.
- All rental properties are subject to a “three strikes” enforcement policy where if three calls are made to the town, requiring a civil servant and the designated local person’s response, over a 12-month period from the first call, then the city manager may suspend that property’s rental license. The city manager may revoke a rental license if a second cause for suspension occurs within 12 months of the initial suspension.

If you have any questions, contact us at advocacy@coastalrealtors.org or call Hunter Isaac, our Governmental Affairs Director, at 410-641-4409. Thank you for your participation—it’s greatly appreciated.

Sincerely,

Hunter Isaac, Governmental Affairs Director, Advocacy Team
Bernie Flax, CEO
Coastal Association of REALTORS®



Questionnaire for Your Feedback

1. Awareness of Changes:

Are you aware of the proposed changes to Ocean City's rental regulations in the R-1 zone?

If so, are you in favor of the changes or do you have opposition to the changes?

How do you feel about them?

2. Overall Rental Regulation Changes:

Were you aware that some of the proposed changes would affect all rentals in Ocean City, not just the R1 district? What are your thoughts on these changes?

3. Impact on Quality of Life:

Do you believe that changes to the length of stay, occupancy limits, and a ban on rentals of fewer than 31 consecutive days will improve the quality of life in the R-1 district?

- Yes or No
- Why

4. Rental History:

Have you rented your property in Ocean City in the past?

- If yes, how was your experience, and for how long do you typically rent?
- If no, are you considering renting in the future?
- Do you want to preserve your right to rent in the future?



5. Additional Suggestions:

Beyond restricting rentals of fewer than 31 consecutive days and capping occupancy at two people per bedroom plus two (excluding children under 10), what other measures would improve your quality of life as an Ocean City property owner?

6. Is this your

- **primary home**
- **second (vacation) home**
- **investment property**