

ORDINANCE NO. 2880

AN ORDINANCE OF THE CITY OF SALISBURY AMENDING SECTION 15.26 OF THE SALISBURY CITY CODE, ENTITLED “RENTAL OF RESIDENTIAL PREMISES”, TO REQUIRE REGISTRATION OF SHORT-TERM RENTAL PROPERTIES.

WHEREAS, the ongoing application, administration and enforcement of the City of Salisbury Municipal Code (the “**Salisbury City Code**”) demonstrates a need for its periodic review, evaluation and amendment, in order to comply with present community standards and values, and promote public safety, health and welfare of the citizens of the City of Salisbury (the “**City**”);

WHEREAS, the Mayor and Council of the City of Salisbury (the “**Mayor and Council**”) are authorized by MD Code, Local Government, § 5-202 to adopt such ordinances, not contrary to the Constitution of Maryland, public general law or public local law, as the Mayor and Council deem necessary to assure the good government of the municipality, to preserve peace and order, to secure persons and property from damage and destruction, and to protect the health, comfort and convenience of the citizens of the City;

WHEREAS, the Mayor and Council may amend Section 15.26 of the Buildings and Construction Title of the Salisbury City Code pursuant to the authority granted in § SC 2-15 of the Salisbury City Charter;

WHEREAS, many towns and cities throughout Maryland and the country are implementing regulations on short-term rentals;

WHEREAS, defining short-term rentals and setting clear regulations by requiring registration and inspections creates a level playing field for all rental properties and promotes public safety;

WHEREAS, the Mayor and Council find that the health, safety and general welfare of the citizens of the City will be furthered by amending Section 15.26 of the Salisbury City Code to require registration of short term rental properties and the payment of annual fees; and

WHEREAS, the Mayor and Council have determined that the amendments to Section 15.26 of the Salisbury City Code shall be adopted as set forth herein.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that Section 15.26 of the Buildings and Construction Title of the Salisbury City Code is hereby amended by adding the bolded and underlined language and deleting the strikethrough language as follows:

Section 1. Section 15.26 of the Salisbury City Code of the Salisbury City Code, entitled “Rental of Residential Premises” is amended as follows:

Chapter 15.26 RENTAL OF RESIDENTIAL PREMISES

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15.26.030 Definitions

The following definitions shall be used in the construction and interpretation of this chapter:

"Director" means the director of the housing and community development department.

" Dwelling unit" means a single unit providing living facilities for one or more persons, including permanent provision for living, sleeping and sanitation.

"Immediate family" means a parent, spouse, sibling or child of the property owner that is related by blood or legally recognized as such as shown on submitted appropriate legal documentation.

"Mailing address" means the mailing address of an owner of a rental dwelling unit as recorded in the records of the Maryland Department of Assessments and Taxation (MSDAT). The owner is responsible for maintaining the owner's current mailing address with MSDAT.

"New owner" means the owner of a rental dwelling unit that:

- a. Has been annexed into the city;
- b. Has received a use and occupancy permit;
- c. Title to which has been transferred to a new owner; or
- d. Has been converted to rental use.

"New rental dwelling unit" means a rental dwelling unit that:

- a. Has been annexed into the city;
- b. Has received a use and occupancy permit;
- c. Title to which has been transferred to a new owner; or
- d. Has been converted to rental use.

"Person" means any individual, partnership, firm, corporation, association or other legal entity of whatsoever kind and nature.

"Rental Owner's License" means a license issued by the Director of the housing and community development department (HCDD) to an individual or legal entity (e.g., individual, partnership, corporation, etc.) that owns a majority interest in one or more dwelling units, that authorizes the individual or legal entity to register dwelling units within the City to rent or lease as standard rental unit(s) and/or as short-term rental unit(s).

"Standard Rental" "Rental" means leasing or allowing occupancy or usage of a dwelling unit, either directly or by an agent, in consideration of value, including personal services, paid or tendered to or for the use or benefit of the lessor **for periods of (31) thirty-one consecutive days or longer**. Rental does not include an owner allowing use of a dwelling unit by immediate family members for no monetary consideration paid directly to or for the use or benefit of the owner. Payments for government services, taxes, utilities, or property maintenance items made by the immediate family occupant(s) shall not be deemed to be monetary consideration paid to or for the use or benefit of the owner.

"Short-term rental" means the offering of lodging accommodations in a residential dwelling unit or accessory building for periods of less than thirty-one (31) consecutive days to transient guests.

"Tenant" means a person who rents a dwelling unit.

"Tenants' rights lease addendum" means the written addendum required by the city which provides information about legal rights of tenants and maximum occupancy by unrelated individuals.

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15.26.040 Standard Rental dwelling unit registration.

- A. 1. The owner of a **standard** rental dwelling unit(s) shall register each unit by filing a registration form with the housing and community development department (HCDD) on or before December 31, 2007.
2. Registration forms shall be provided by HCDD. A new **standard** rental dwelling shall be registered within sixty (60) days of becoming a new rental dwelling unit.
3. The fee for annual registration of a **standard** rental dwelling unit shall be set by ordinance.

- B. 1. Annual registration of existing **standard** rental dwelling units shall occur on or before March 1 of each year with the department of finance (finance).
2. Invoices for registration fees shall be sent on or before January 15 of each year by mailing an invoice addressed to the owner's mailing address.
- C. **If the property was built before 1978, a lead paint certification with the Maryland Department of the Environment must be submitted during the registration process for properties that rent or lease to the same tenant(s) for more than 90 days.**
- D. An owner shall notify the city when a **standard** rental dwelling unit is converted to a nonrental use.

15.26.041 Short-Term Rental (STR) dwelling unit registration.

- A. 1. **The owner of a STR dwelling unit(s) shall register each unit by filing a registration form with the HCDD on or before March 1, 2025.**
2. **Registration forms shall be provided by HCDD. A new STR dwelling shall be registered within sixty (60) days of becoming a new rental dwelling unit.**
3. **The fee for annual registration of a STR dwelling unit shall be set by ordinance.**
- B. 1. **Annual registration of existing STR dwelling units shall occur on or before March 1 of each year with the department of finance.**
2. **Invoices for registration fees shall be sent on or before January 15 of each year by mailing an invoice addressed to the owner's mailing address or electronically transmitted through the software application process of the license and registration, which the owner has access through their registered account or the owner's registered e-mail address with the City.**
- C. **An owner shall notify the City when a STR dwelling unit is converted to a nonrental use.**
- D. **All owners of any occupied and/or advertised STR dwelling units shall have a valid, unrevoked Rental Owner's License issued by HCDD. Once a Rental Owner's License is received, an owner must register all STR dwelling units with HCDD and pass an annual external and internal inspection of the property by HCDD to register the rental dwelling unit.**
- E. **As part of the registration, a short-term rental owner must:**
1. **Provide documentation and a signed declaration of compliance attesting to compliance with subsections (2) through (9) below.**
 2. **Comply with all applicable city, state, and federal laws.**
 3. **Provide a statement as to whether the proposed STR is the Property Owner's primary residence, a second home residence, or a secondary residence on the property.**
 4. **Ensure that all dwelling units have approved working smoke alarms and carbon monoxide alarms in every bedroom and on every level of the home in accordance with state and local law.**
 5. **Post the following information in a conspicuous place within each dwelling unit used as a short-term rental:**
 - a. **Emergency contact information.**
 - b. **Contact information for the short-term rental host or authorized agent.**
 - c. **Street address.**
 - d. **Floor plan indicating fire exits and escape routes.**

- e. Housing and Community Development Department contact information – address and email.
 - f. City and association rules regarding parking, noise, and trash.
6. Maintain and keep readily available for inspection, a guest registry that includes at a minimum:
 - a. The name of each guest.
 - b. Check in/out dates.
 - c. Rent paid.
 7. Post a valid rental license number on all listings advertising the short-term rental dwelling unit.
 8. Remit all applicable local taxes and required fees.
 9. Submit written confirmation from any applicable homeowners' association or condominium association that the use of the property as a short-term rental is permitted and that all common ownership community fees are no more than thirty (30) days past due.

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15.26.050 Annual Rental Owner's License ~~License for rental dwelling unit owners.~~

A. 1. Each legal entity, e.g., individual, partnership, corporation, which owns a majority interest in a rental dwelling unit(s) shall obtain a **Rental Owner's License** ~~license~~ from HCDD. A new owner of a rental dwelling unit(s) shall obtain a **Rental Owner's License** ~~license~~ from HCDD within sixty (60) days of becoming a new owner.

- 2. A **Rental Owner's License** ~~license~~ form shall be provided by HCDD.
- 3. The annual license fee shall be set by ordinance.

B. 1. Annual renewal of existing licenses shall occur on or before March 1 of each year with Finance.

2. An invoice for a license fee shall be sent on or before January 15 of each year, ~~by mailing an invoice addressed to the licensed owner at the owner's mailing address.~~

3. The invoice shall be mailed to the address of the licensed owner or upon confirmation of the owner, electronically transmitted through the software application process the license and registration, which the owner has access through their registered account or the owner's registered e-mail address with the City.

15.26.060 Failure to register or renew a standard or short-term rental dwelling unit or obtain Rental Owner's License ~~owner license~~.

A. 1. Failure of the owner of a **standard or short-term** rental dwelling unit(s) to renew a **Rental Owner's License** ~~rental dwelling unit owner license~~ or on or before March 1st of each calendar year, shall cause the owner to be **designated** ~~designation~~ as a noncompliant owner and to be assessed a noncompliant rental dwelling unit owner license fee, which shall be set by ordinance for each license renewed on or before July 1 of each calendar year.

- 2. a. i. If a **Rental Owner's License** ~~rental dwelling unit license~~ is not renewed on or before July 1 of each calendar year, then the rental dwelling unit owner shall be designated a delinquent owner and the owner's rental dwelling unit owner license is revoked.

- ii. If a new owner of a rental dwelling unit(s) fails to complete a license form provided by HCDD and pay a license fee within sixty (60) days of becoming a new owner, then the new owner shall be designated as a delinquent owner.
 - b. HCDD shall notify the owner of such designation by mailing a notice addressed to the owner at the owner's mailing address. If applicable, the notice shall inform the owner that the rental dwelling unit owner license is revoked and all rental dwelling units shall be vacated within sixty (60) days. Any security deposit shall be returned to the tenant pursuant to provisions of the Annotated Code of Maryland, Real Property Article, Title 8.
 - 3. To remove delinquent owner status and to comply with the license requirements of this chapter, a delinquent owner shall pay a delinquent rental dwelling unit owner license fee, which shall be set by ordinance together with the required owner license fee for the current calendar year.
- B. 1. Failure of the owner of a **standard or short-term** rental dwelling unit(s) to register rental dwelling unit(s) on or before March 1 of each calendar year, shall cause the rental dwelling unit to be designated as a noncompliant rental dwelling unit and shall cause the owner to be assessed a noncompliant rental dwelling unit fee for each rental dwelling unit registered on or before July 1 of each calendar year according to a fee schedule, which shall be set by ordinance:
 - a. If the rental dwelling unit is not registered on or before July 1 of each calendar year, then the rental dwelling unit shall be designated as a delinquent rental dwelling unit.
 - b. If a new rental dwelling unit is not registered within sixty (60) days of becoming a new rental unit, then the new rental dwelling unit shall be designated as a delinquent rental dwelling unit.
2. HCDD shall notify the owner of such designation by mailing a notice addressed to the owner at the owner's mailing address. The notice shall inform the owner that the rental dwelling unit is a delinquent rental dwelling unit, and the owner shall vacate any tenant occupying that rental dwelling unit within sixty (60) days. Any security deposit shall be returned to the tenant pursuant to provisions of Annotated Code of Maryland, Real Property Article, Title 8.
3. To remove delinquent rental dwelling unit status and to comply with the registration requirements of this chapter, the owner of a delinquent rental dwelling unit shall pay a delinquent rental dwelling unit registration fee, which shall be set by ordinance together with the required registration fees for the current year.
- C. All licensing and registration fees set forth herein shall be effective during the calendar year 2011 and thereafter.
- D. If an owner desires to register a delinquent **standard or short-term** rental dwelling unit, the rental dwelling unit shall be subject to an inside and outside inspection by HCDD. All violations must be corrected before the rental dwelling unit is registered. If the delinquent rental dwelling unit changes ownership to a legal entity which is not owned or controlled by the delinquent owner, and the new owner complies with all provisions of this chapter, the delinquent owner designation then terminates. If the new owner fails to timely register a rental dwelling unit, then the delinquent rental dwelling unit designation shall continue.
- E. If the full amount of any fees due to the city is not paid by a delinquent owner within forty-five (45) days of July 1 of each calendar year after billing, finance shall cause to be recorded in the city records the amount of fees due and owing, and the full amount of any fees due to the city shall be collectible in the same manner as real estate taxes are collected.

(Ord. No. 2163, 7-25-2011; Ord. No. 2456, 10-9-2017)

15.26.110 Denial, nonrenewal, revocation or suspension of license or registration.

If after any period for compliance with this chapter has expired, the HCDD determines that a **standard or short-term** rental dwelling unit or a rental dwelling unit owner fails to comply with any of the licensing or registration standards set forth herein or with the occupancy provisions of this code, HCDD shall initiate an action to deny, revoke, suspend, or not renew a registration or license and mail the owner a notice of denial, nonrenewal, revocation, or suspension of the license or registration. The notice shall state:

- A. That HCDD has determined that the rental dwelling unit fails to comply with the standards for rental dwelling units in this chapter, and/or the owner has failed to comply with the Maryland Department of Environment lead abatement reporting requirements;
- B. The specific reasons why the rental dwelling unit fails to meet the required standards, including copies of applicable inspection reports, or notices sent to a licensee about the rental dwelling unit;
- C. That the director will deny, refuse to renew, revoke, or suspend the license or registration unless the owner appeals the determination within twenty-one (21) days after receipt of the notice, in the manner provided in Section 15.26.120;
- D. That after denial, nonrenewal, revocation or suspension, the rental dwelling unit shall be vacated within sixty (60) days, and shall not be reoccupied until all violations are corrected and a license and/or registration is granted by HCDD pursuant to provisions of Annotated Code of Maryland, Real Property Article, Title 8;
- E. The notice shall describe how an appeal may be filed under Section 15.26.120;
- F. The director shall cause a notice to tenants to be mailed or delivered to each registered rental dwelling unit and prominently posted on the building. The notice shall indicate that the rental dwelling unit registration or owner license for the rental dwelling unit has been denied, revoked, not renewed or suspended, whichever is applicable; that the action will become final on a specific date unless the rental dwelling unit owner appeals and requests a hearing; that tenants may be required to vacate the building when the action becomes final; that further information can be obtained from HCDD.

The application of this section with regard to occupancy is subject to the city's policy directive on this issue, as approved by resolution of the council.

15.26.115 Tenants' rights lease addendum.

Every new lease or renewed lease **of a standard rental dwelling unit**, whether written or verbal, shall incorporate a written copy of the Tenants' Rights Lease Addendum, as amended from time-to-time, signed by both the landlord or landlord's agent and all tenants of majority age. This addendum shall be made available for inspection upon request of the housing official.

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15.26.130 Vacation of rental dwelling units.

When an application for a rental **owner's** license has been denied, ~~or~~ a **standard** rental dwelling **unit** registration, **or short-term rental unit registration** has been revoked, suspended, or not renewed, the director shall order the rental dwelling unit vacated within sixty (60) days pursuant to provisions of Annotated Code of Maryland, Real Property Article, Title 8. **In the case of a short-term rental dwelling unit, the dwelling unit must be vacated within 48 hours.**

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 2. It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Ordinance shall be deemed independent of all other provisions herein.

Section 3. It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

Section 4. The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 4.


Section 5. This Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a Meeting of the Mayor and Council of the City of Salisbury held on the 8th day of July, 2024 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the 22nd day of July, 2024.

ATTEST:



Kimberly R. Nichols, City Clerk



D'Shawn M. Doughty, City Council President

Approved by me, this 25 day of July, 2024.



Randolph J. Taylor, Mayor



To: City Council

CC: Mayor Randy Taylor, Andy Kitzrow, John Tull, Kim Nichols, Julie English

From: Muir Boda, Director of Housing & Community Development

Subject: GovOS Short-Term Rental Legislation

Date: June 10, 2024

Council,

As discussed in a previous work session, we have prepared legislation for Short-Term Rentals. Our focus is to protect the health and safety of visitors to the City of Salisbury by ensuring that these rentals adhere to the same regulations and requirements as Standard Rentals such as smoke detectors, carbon monoxide detectors, and other similar requirements.

This legislation allows for owner-occupied and non-owner-occupied residences to operate as a Short-Term Rental.

Legislative actions:

- Enable Short-Term Rental regulation.
 - Define Short-Term Rentals and Standard Rental.
 - Define a Rental Owner's License.
 - Allow for electronic transmission of invoices and licenses.
 - Set maximum stay guideline (less than 31 days).
 - Set inspection requirements.
- What we removed from the legislation:
 - Liability insurance requirement (most platforms include or require).
 - Lead Paint certification (MDE requires for leases over 90 days).

This legislation will be making changes to Chapter 15.26 of the Salisbury Municipal Code which covers the rental of a residential residence.

Muir Boda
Director of Housing & Community Development



Housing & Community Development Department
207 W. Main St, Suite 102 Salisbury, MD 21801