

ORDINANCE NO. 1204 – AS AMENDED

AN ORDINANCE OF THE COMMISSIONERS OF CAMBRIDGE, MARYLAND ENACTING A NEW ARTICLE VII OF CHAPTER 4 (BUILDINGS AND HOUSING) OF THE CITY CODE ENTITLED “SHORT TERM RENTALS” FOR THE PURPOSE OF ESTABLISHING RULES AND REGULATIONS REGARDING SHORT TERM RENTALS IN THE CITY OF CAMBRIDGE; PROVIDING THAT THE TITLE OF THIS ORDINANCE SHALL BE DEEMED A FAIR SUMMARY AND GENERALLY RELATING TO SHORT TERM RENTALS IN THE CITY OF CAMBRIDGE.

WHEREAS, pursuant to Md. Code Ann., Local Gov’t § 5-202 and § 3-27(1) of the Charter of the City of Cambridge (the “Charter”), the Commissioners of Cambridge are generally authorized and empowered to pass ordinances not contrary to the Constitution and laws of the State of Maryland or the Charter as they may deem necessary for the good government of the City of Cambridge (the “City”); for the protection and preservation of the City’s property, rights, and privileges; for the preservation of peace and good order; for securing persons and property from violence, danger, or destruction; and for the protection and promotion of the health, safety, comfort, convenience, welfare, and happiness of the residents of the City and visitors thereto and sojourners therein; and

WHEREAS, pursuant to § 3-27(35), the Commissioners of Cambridge have the express authority to license and regulate any business, occupation, trade, calling, or place of amusement or business and in general may require permits or licenses to be obtained where necessary for regulatory purposes in the interest of the public health, safety, or morals and to establish and collect fees and charges for all licenses or permits issued under the authority of the Charter; and

WHEREAS, the Commissioners of Cambridge are desirous of enacting rules and regulations regarding short term rentals in the City, including the permitting thereof.

WHEREAS, the Commissioners of Cambridge find that the provisions set forth herein are necessary to protect the public health, safety, and welfare.

SECTION 1. NOW, THEREFORE, BE IT ORDAINED by the Commissioners of Cambridge that a new Article VII of Chapter 4 (Buildings and Housing) of the City Code, entitled “Short Term Rentals,” be and is hereby enacted, as follows:

**CHAPTER 4 – BUILDINGS AND HOUSING
ARTICLE VII – SHORT TERM RENTALS**

Sec. 4-92. Purpose.

The city recognizes that short term rentals (“STRs”) can have an overall positive effect on the attractiveness, financial growth, and vibrancy of the city. The purpose of this article is to provide for STRs within the city, thus encouraging economic development, tourism, property investment, and improvements in the city, while regulating the same for the preservation and protection of the health, welfare, and safety of STR owners and occupants as well as the property owners and occupants in those neighborhoods in which STRs operate.

Sec. 4-93. Definitions.

As used in this article, the following terms shall have the meanings indicated below:

Agent means an individual at least twenty-one (21) years of age designated by the operator in lieu of themselves as the 24-hour emergency contact for a lawfully operating STR.

Bed and breakfast means a private owner-occupied residence in which not more than six (6) bedrooms are rented to tourists or travelers, and in which breakfast is provided and included in the room rate.

Occupant means the individual(s) who have lawfully obtained the exclusive use and possession of the STR from its operator, including their guest(s).

Operator means any individual or entity that operates a STR, including the owner. For purposes of this article, a lessee may serve as an operator of a STR only when expressly authorized in writing by the owner.

Owner means any individual or entity that holds legal title to the STR.

Owner occupied means an individual owner who makes their primary residence on the real property upon which the STR is located, as evidenced by a homestead exemption, voter registration, vehicle registration, driver's license, or similar documentation.

Operator occupied means a property lessee, as documented in a valid lease agreement with the owner, who, with the express permission of the owner, makes their primary residence on the real property upon which the STR is located, as evidenced by a homestead exemption, voter registration, vehicle registration, driver's license, or similar documentation.

Short term rental, or STR, means the rental of a habitable dwelling space, or a portion thereof, upon written agreement, by the owner or operator to one (1) or more individuals for occupancy, dwelling, lodging, or sleeping purposes ~~for a period of more than three (3) days but less than thirty (30) consecutive days in a calendar year. The rental of units within city-approved hotels, motels, bed and breakfasts, and time share projects shall not be considered to be a STR and is not subject to this article. Additionally, any such rental for three (3) or less consecutive calendar days is not considered an STR and is not subject to this article;~~ ***provided, however, that the following shall not be considered an STR and are not subject to this article:***

- (a) The rental of units within city-approved hotels, motels, bed and breakfasts, and time share projects;***
- (b) The rental of a habitable dwelling space, or a portion thereof, pursuant to a lease agreement having a term of at least one (1) month; or***
- (c) The rental of a habitable dwelling space, or a portion thereof, for three (3) or fewer nights in a calendar year.***

Short term rental, or STR, permit means the permit issued by the city that identifies the subject property as a lawful STR, the STR permit number, the name(s) and contact information of the owner(s), operator(s), and agent(s), as applicable, and a 24-hour emergency contact phone for at least one (1) of the foregoing.

Sleeping area means a room within a dwelling designed or used for sleeping, including a bedroom. Tents, hammocks, recreational vehicles, and/or other vehicles and outdoor areas shall not be considered a sleeping area.

Sec. 4-94. Permit required.

No STR shall operate within the city without a current valid STR permit.

Sec. 4-95. STR permit.

- (a) *Application.* Application for a STR permit shall be made either in writing or electronically to the municipal utilities commission city on a form provided by the city. Application for a STR permit shall be accompanied by an application fee of one hundred dollars (\$100.00) for a Type 1 permit and two hundred dollars (\$200) for a Type 2 permit and shall include the following information:
- (1) A list of all owners, operators, and agents of the STR including names, addresses, telephone numbers, and current email addresses of each.
 - (2) A complete description of the premises to be operated as an STR.
 - (3) A narrative describing the location of the available parking.
 - (4) The name, address, and 24-hour telephone number of all contact individuals, whether the owner, operator, or agent, who shall be responsible and authorized to respond to complaints concerning the use of the STR.
 - (5) An attestation that all owners have met and shall continue to meet all standards and other requirements of this article including, but not limited to: maintenance of insurance coverage of the STR in accordance with this article and that the STR has the required and necessary smoke detectors and fire extinguishers required by law.
 - (6) A copy of the standard lease agreement and house rules for the STR.
 - (7) A plan, sketch, or drawing, to scale, of the premises to be operated as an STR, with the use of each room labeled, including locations of structures, areas to be rented, expected use of specific rooms, decks, patios, porches, swimming pools, outdoor entertainment areas, garages, fences, screening, roads, paved areas, walkways, and parking spaces.

- (8) Maximum occupancy of the STR based on the number, size, configuration, and furnishings of the bedrooms, and per the applicable provisions of this Code and/or State law or regulation.
 - (9) ~~Notarized signature~~ **Signature(s)** of the applicant(s) representing that all contents of the application are true and accurate to the best of their personal knowledge, information, and belief and acknowledging that any material misrepresentations or omissions are grounds for denial, suspension, or revocation of the STR permit.
- (b) *Completeness of application.* Applications shall not be considered complete until all documentation required under this article has been submitted and the full application and permit fees have been paid. Incomplete applications will not be accepted.
 - (c) *Acknowledgement by applicant.* In connection with submission of the application, each applicant and each owner, if other than the applicant, shall acknowledge that any STR permit granted by the city does not supersede any property-specific restrictions against STRs that may exist under law, agreement, lease, covenant, homeowner's association policies, or deed restriction.
 - (d) *Registration of non-owner occupied residential dwelling unit.* No STR permit shall be issued for any non-owner occupied residential dwelling unit until and unless such unit is duly registered in accordance with § 4-42 of this Code. The failure to maintain such registration following issuance of a STR permit may be grounds for suspension or revocation of the STR permit, in addition to any other penalties provided for in § 4-42 of this Code.
 - (e) *Review.* Upon receipt of a completed application for a STR permit and payment of the required fee, the municipal utilities commission, in consultation with other appropriate city departments, shall determine if the applicant has complied with all requirements of this article as well as all other applicable laws and regulations, including but not limited to the Unified Development Code. If the applicant is in full compliance, the city shall issue the STR permit to the owner(s).
 - (f) *Limitations on issuance.*
 - (1) The Commissioners of Cambridge reserve the right to limit, by resolution, the number of STR permits to be issued at any given time when, in the opinion of the Commissioners, such limitation is in the best interest of the city.

Sec. 4-96. Expiration and renewal of STR permit.

- (a) Unless otherwise revoked by the city pursuant to this article, a STR permit expires three (3) years from the date of issuance.
- (b) A STR permit holder shall apply for renewal no earlier than three (3) months prior to the expiration of the permit on a form provided by the city. The permit holder shall update the information contained in the original permit application, or most recent renewal thereof, as

required under this article, as amended from time to time, if any such information has changed. The permit holder shall sign a statement affirming that there is either no change in the information contained on the original permit application, or most recent renewal thereof, as applicable, or that any information that has been updated is accurate and complete. Complete applications for renewal received after the expiration of a current permit shall be treated as applications for a new permit.

- (c) The city shall follow the procedures set forth in this article when determining whether to renew a permit.
- (d) The fee for the renewal of a Type 1 STR permit is one hundred dollars (\$100.00), and the fee for renewal of a Type 2 STR permit is two hundred dollars (\$200.00).

Sec. 4-97. Non-transferability.

A STR permit is not transferable to another owner, operator, unit, or location.

Sec. 4-98. Types.

- (a) *Type 1 STR Regulations.* This subsection applies to a STR located on property that is owner or operator occupied.

- (1) A Type 1 STR may include the rental of less than an entire dwelling unit, subject to the following:

- (i) A sleeping area must include, at a minimum, the shared use of a full bathroom;
- (ii) The owner or operator shall generally be present on the property; and
- (iii) The property shall not have any outstanding city-issued violations affecting the health, safety, or welfare of any occupants thereof, including, but not limited to, violations of the city's property maintenance or building codes.

- (b) *STR (Type 2) Regulations.* This subsection applies to a STR located on property that is not owner or operator occupied.

- (1) A Type 2 STR use is subject to the following:

- (i) A sleeping area must include, at a minimum, the shared use of a full bathroom;
- (ii) The owner or operator is generally not present on the premises and has a designated operator or agent, as applicable; and
- (iii) The property shall not have any outstanding city-issued violations affecting the health, safety, or welfare of any occupants thereof, including, but not limited to, violations of the city's property maintenance or building codes.

Sec. 4-99. General standards.

All STRs permitted pursuant to this article are subject to the following:

- (a) *Parking.* If the STR has private parking, e.g., a driveway or private lane, then the STR shall not be permitted to occupy more than one (1) on-street parking space. If there is no private parking, then a maximum of two (2) on-street parking spaces will be permitted. No parking shall be permitted within public alleys or access easements as defined by this Code and applicable laws and regulations. Landscaped areas, e.g., yards, shall not be utilized for parking.
- (b) *Insurance.* The owner shall keep, at a minimum, an insurance policy sufficient for personal injury liability of guests.
- (c) *Life safety.*
 - (1) STRs and the premises upon which they are located shall conform to all applicable State and local laws and regulations, including but not limited to all applicable provisions of this Code.
 - (2) A standard five (5)-pound extinguisher shall be properly mounted and accessible on each floor of the STR.
 - (3) Smoke and carbon monoxide detectors shall be installed and conform to all applicable State and local laws and regulations, including but not limited to all applicable provisions of this Code.
 - (4) Each bedroom shall have a window or other direct means of exit to the exterior of the premises in the event of an emergency.
- (d) *Conduct on premises.*
 - (1) STR operators shall be responsible for informing their occupants of all relevant city laws and regulations and occupants' liability for violations of same.
 - (2) Excessive noise or other disturbance outside the STR is subject to the penalties set forth in this Code.
- (e) *Tenant indoor notification.* The operator shall post in a conspicuous location of the STR the following minimum information:
 - (1) Location of required off-street parking, other available public parking, and prohibition of parking on landscaped areas.
 - (2) Quiet hours and noise restrictions pursuant to this Code.
 - (3) Twenty-four (24) hour contact person and phone number.

- (4) Property maintenance requirements.
 - (5) Trash pick-up requirements, including location of trash cans and recycling bins, as applicable.
 - (6) City emergency numbers.
 - (7) Notice that failure to conform to the occupancy and parking requirements is a violation of this article and/or other provisions of this Code, for which the occupant may be subject to penalties as set forth herein.
- (g) ~~Hotel occupancy tax~~ **Taxes.** ~~Owner~~ **The owner** must remit all applicable federal, State, and local ~~hotel occupancy~~ taxes in a timely manner, pursuant to applicable laws and regulations, including this article. If the ~~Owner~~ **owner** is using a STR management computer application such as VRBO, Expedia, or AirBnb, then any ~~city hotel occupancy~~ **such** taxes **due to the city** may be automatically deducted and remitted to the city. **The provisions of this article do not exempt the payment of applicable taxes on any rental of property not defined as an STR hereunder.**

Sec. 4-100. Inspections.

To ensure continued compliance with the requirements of this article, a STR may be inspected whenever a complaint is filed with the city in accordance with the city's established code enforcement policies and procedures.

Sec. 4-101. Enforcement and penalties.

- (a) The operation of an STR in the city without a valid current STR permit shall be a violation of this article.
- (b) The failure to operate an STR in the city in accordance with the terms and conditions of a valid current STR permit shall be a violation of this article and shall be grounds for suspension or revocation of an STR permit, in the city's sole discretion.
- (c) *Emergency contact.* The owner or operator of the STR shall provide the city with a twenty-four (24) hour contact number for the operator or a designated agent § 4-95(a)(4) of this article, and shall provide timely updates to city of any changes thereto. Should a law enforcement officer or code enforcement officer respond to the STR and issue a citation for any violation of applicable law, including this Code, the owner, operator or their agent shall be called by the officer. The owner, operator, or their agent shall attempt to contact the occupants within one (1) hour of the call to address the complaints. Should a second complaint be filed during the occupants' stay, the owner or operator must take appropriate steps, in accordance with the lease agreement and/or house rules, to ensure future complaints do not occur. STR permits shall be revoked if three (3) or more confirmed citations are issued for different occupants at a permitted STR within any six (6) month period, regardless of to whom the citations are issued.

Failure to provide updated information to the city regarding the designated agent shall be a violation of this section.

- (d) In addition to the suspension or revocation of a STR permit, any violation of the provisions of this article, including the failure to operate an STR in accordance with the terms and conditions of a valid current STR permit, shall be punishable as a municipal infraction and subject to a fine of two hundred dollars (\$200.00) for an initial violation and five hundred dollars (\$500.00) for a repeat violation. Each day that a violation continues shall be deemed a separate offense and subject to a separate fine without the need for additional notices or citations and may be joined in a single prosecution.
- (e) The provisions of this section are in addition to and not in lieu of any criminal or civil penalties as provided by applicable State and local laws and regulations.

Sec. 4-102. Suspension and revocation; procedures.

In addition to the city's authority to suspend or revoke a STR permit set forth elsewhere in this article, the city is authorized to suspend or revoke a STR permit whenever such permit is issued in error or on the basis of incorrect information supplied or where it is determined that the subject premises, building, structure, unit, or portion thereof is in violation of the provisions of this article or any other applicable State or local law or regulation, including this Code, and where such violation(s) have not been abated to the city's satisfaction. The procedures to suspend or revoke a STR permit are as follows:

- (a) The city shall give written notice to the owner and operator, if any, regarding the suspension or revocation and the grounds therefor.
- (b) If a STR permit is revoked, the subject property shall not be issued another STR permit for a period of six (6) months.

Sec. 4-103. Appeals.

If the city denies issuance or renewal of a STR permit or suspends or revokes a STR permit issued under this article, the city's decision is final and not subject to further appeal unless the owner files a written appeal within ten (10) business days with the City Manager. The City Manager's decision shall be final and not subject to further review or appeal.

Sec. 4-104. Other restrictions on use of premises.

This article does not create any right to operate a STR in violation of any lease, license, deed restriction, covenant, easement, or other legal encumbrance.

Sec. 4-105. Application fees and fines

All application fees and fines received in the furtherance of this article shall go into a special fund within the finance department to be used exclusively for the purposes of economic

development and beautification projects for the city and are to be designated and allocated accordingly and exclusively for those purposes by the City Manager.

SECTION 2. The recitals to this Ordinance are incorporated herein and deemed a substantive part of this Ordinance.

SECTION 3. With respect to the substantive provisions of this Ordinance set forth in Section 1, language added after the date of introduction is in bold, italicized font and language deleted after the date of introduction is crossed out with a double strikethrough.

SECTION 4. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance, it being the intent of the Commissioners of Cambridge that this Ordinance shall stand, notwithstanding the invalidity of any section, subsection, sentence, clause, phrase, or portion hereof.

SECTION 5. All ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 6. The title of this Ordinance, or a condensed version thereof, shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.


SECTION 7. This Ordinance shall become effective immediately upon passage.

ATTEST:

THE COMMISSIONERS OF CAMBRIDGE

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Thomas M. Carroll, City Manager

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By: _____
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Lajan Cephas, President of the Commissioners

**Introduced the 22nd day of August, 2022
Passed the 12th day of September, 2022
Effective the 12th day of September, 2022**