711 PENNINGTON AVENUE, HAVRE DE GRACE, MARYLAND 21078 WWW.HAVREDEGRACEMD.COM

410-939-1800

### Notice of Public Work Session

## Ordinance No. 1098 amending City Code 147: Rental Property

The Mayor and City Council will conduct a Public Work Session to discuss Ordinance No. 1098.

An ordinance by the Mayor and City Council of Havre de Grace, Maryland, adopted pursuant to the authority of Article XI-E of the Maryland constitution, the local government article of the Annotated Code of Maryland, and sections 33 and 34 of the Havre de Grace City Charter to amend City Code Chapter 147 Rental Property.

PLACE OF MEETING: City Council Chambers, City Hall

711 Pennington Avenue

Havre de Grace, Maryland 21078

TIME: 6:00 p.m.

DATE: Wednesday, March 15, 2023

A copy of Ordinance No. 1098 is available for review at City Hall and on the website at www.havredegracemd.com.

The public is invited to attend and observe the meeting.



#### CITY COUNCIL PUBLIC WORK SESSION AGENDA

March 15, 2023 6:00 p.m. 711 Pennington Avenue Havre de Grace, Maryland

- 1. Call to Order
- 2. Roll Call
- 3. Ordinance No. 1098 concerning Amending City Code 147 Rental Property

AN ORDINANCE BY THE MAYOR AND CITY COUNCIL OF HAVRE MARYLAND. ADOPTED PURSUANT DE GRACE, TO THE **ARTICLE** XI-E **MARYLAND AUTHORITY** OF OF THE CONSTITUTION, THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND SECTIONS 33 AND 34 OF THE HAVRE DE GRACE CITY CHARTER TO AMEND CITY CODE CHAPTER 147 RENTAL PROPERTY

#### 4. Adjournment

The public is invited to attend and observe the meeting. The meeting will not be live-streamed or videotaped for the City's YouTube channel, but there will be minutes of the meeting.

# CITY COUNCIL READ FILE COVER SHEET

Subject: Ordinance 1098 concerning Amending City Code 147
Rental Property

(2nd Reading)

Date: 3/7/2023

<u>Notice</u> :	Council Meeting will not be seen in the agenda packet.				
<u>Purpose:</u>		FYI Read and Comment as Needed Action Required by March 20, 2023 In Confidential File Drawer			
<u>Approve:</u> Casi Boyer Comment:		□ Yes	□ No	☐ No Comment	
Dave Martin Comment:		□ Yes	□ No	□ No Comment	
		□ Yes	□ No	☐ No Comment	
Jason Robertsor Comment:		☐ Yes	□ No	☐ No Comment	
Tammy Lynn Schneegas Comment:		□ Yes	□ No	□ No Comment	
Carolyn Zinner Comment:	,	☐ Yes	□ No	☐ No Comment	

Note: N/A

OF  HAVRE DE GRACE, MARYLAND  ORDINANCE NO. 1098  Introduced by Council Member Schneegas  Council Member Schneegas						
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6 7 8 Introduced by Council Member Schneegas 9 10						
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11 AN ORDINANCE BY THE MAYOR AND CITY COUNCIL OF						
12 HAVRE DE GRACE, MARYLAND, ADOPTED PURSUANT TO THE						
13 AUTHORITY OF ARTICLE XI-E OF THE MARYLAND						
14 CONSTITUTION, THE LOCAL GOVERNMENT ARTICLE OF THE						
15 ANNOTATED CODE OF MARYLAND, AND SECTIONS 33 AND 34						
	OF THE HAVRE DE GRACE CITY CHARTER TO AMEND CITY					
17 CODE CHAPTER 147 RENTAL PROPERTY 18						
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20 On: <u>2/21/2023</u>						
21 at: <u>7:00 p.m.</u>						
Ordinance introduced, read first time, ordered posted and public hearing scheduled.						
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25 PUBLIC HEARING						
Having been posted and notice of time and place of hearing and title of Ordinance having been	en					
published according to the Charter, a public hearing was held on <u>3/6/2023 at 7:05 p.m.</u> , at						
28 concluded on <u>3/6/2023 at 7:18 p.m.</u>						
29 30						
EXPLANATION						
<u>Underlining</u> indicates matter						
added to existing law.						
[Bold Brackets] indicate matter deleted from existing law.						
Amendments proposed prior to						
final adoption will be noted on a separate page with line						
references or by handwritten						
changes on the draft legislation.						
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#### BE IT DETERMINED, DECIDED, AND ORDAINED, AS FOLLOWS:

Chapter 147 Rental Property shall be amended as follows, with words shown <u>underlined</u> to be added and those shown **[bold brackets]** to be deleted.

Article I Registration of Long-Term Residential Rental Property

§ 147-2 Definitions.<sup>1</sup>

#### **BEDROOM**

A room or space designed to be used for sleeping purposes with two means of egress (one of which may be a window acceptable under the building code) and in close proximity to a bathroom. Space used for eating, cooking, bathrooms, toilet rooms, closets, halls, storage or utility rooms and similar uses are not considered "bedrooms". Space used or intended for general and informal everyday use such as a living room, den, and sitting room or similar is not considered to be a "bedroom".

#### **BOOKING TRANSACTION**

A reservation transaction between a host and a prospective transient guest for a short-term rental.

#### HOST

The owner of a dwelling or Accessory Dwelling Unit who provides or offers to provide all or part of the dwelling unit for short-term residential rental use in exchange for a fee.

#### **HOSTING PLATFORM**

An internet-based entity that, in exchange for a fee:

- 1. Facilitates reservations of short-term rentals;
- 2. Serves as a conduit of communication between hosts and transient guests; or,
- 3. Otherwise facilitates booking transactions for short-term rentals.

#### 63 PERMANENT RESIDENCE

A permanent residence is a dwelling unit where the owner resides for at least 180 total days annually and the owner can furnish a driver's license, voter registration card or official State Homestead Tax Credit designation. For purposes of this article, an owner can only have one permanent residence.

#### SHORT-TERM RENTALS

Any dwelling or portion thereof that is available for use or is used for accommodations or lodging of guests, paying a fee or other compensation for a period of less than thirty consecutive days. Short-term rentals must occur within a dwelling or accessory dwelling unit as defined in the City Code. Tents, sheds, shelters, gazebos, pavilions, recreational vehicles (RVs), boats, or other similar, non-permanent living spaces shall not be deemed a "dwelling or portion thereof" for purposes of this definition.

<sup>&</sup>lt;sup>1</sup> To be added in the appropriate alphabetical order.

#### 77 TRANSIENT GUEST

- A person who uses a hosting platform to facilitate a short-term residential rental or other person
- who contracts directly with the owner or owner's agent to arrange for a short-term rental of a dwelling, bedroom, or Accessory Dwelling Unit.

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Article II Registration and Licensing of Short-Term Rental Property

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- § 147-13 Applicability.
- This Chapter shall apply to all short-term rentals as defined herein. This Chapter does not apply to hotels, motels, inns, bed and breakfasts or group homes as defined in the City Code.

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- 88 § 147-14 License required.
- No person may operate a short-term residential rental without a currently effective license to do so from the Director of Planning. An application will be made available and it will contain the requirements and documentation set forth by the Department of Planning.

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- § 147-15 License Term, Renewal and Fees.
  - (1) Each license shall expire annually from the date of issuance;
  - (2) <u>Before a license expires</u>, the host may submit a renewal application within thirty (30) days of the expiration date;
  - (3) The annual fee for a short-term residential rental license is \$100 per unit;

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- § 147-16 Short-Term Rental District.
- Short-term rentals are only allowed within the Short-Term Rental District (STRD) as shown in
- Appendix 1, except as provided herein. The boundaries of the STRD are Pulaski Highway to the
- north, North and South Juniata Street to the west and the Susquehanna River to the south and east.
- Short-term rentals are not allowed at marinas as defined in the City Code.

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- 105 § 147-17 STRD Location Exceptions.
- Properties located outside of the STRD are allowed if the following criteria are met:
  - (1) The property outside of the STRD was active on a hosting platform for at least 90 days within the year prior to the enactment of this ordinance, or;
    - (2) A property was purchased for the purpose of being utilized as a short-term rental and improvements were being made to the property within one year prior to the enactment of this ordinance.
- The Department of Planning will require documentation from the owner that sufficiently indicates
- one of the above criteria were met, which determination shall be made in the Director of Planning's
- sole discretion. If any property subject to this provision ceases to be used as a short-term rental for
- a period of one-year, then such property will no longer be permitted to be used as a short term
- rental and the balance of this Code provision shall apply.

- 118 § 147-18 Ownership and Tax Registration.
- All applicants for an initial or a renewal license that are hosting four or more short-term rentals:
- (1) Shall provide proof of owner's permanent residence or registered corporate address;

121	(2) The owner must be registered with the State Comptroller and Harford County for the
122	collection of sales and use tax as required under County law.

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- § 147-19 Short-term rental maximum license cap
- 125 (1) The City Council shall set a cap for the number of short-term rental licenses allowed in the STRD to not exceed 60 units.
  - (2) The Department of Planning shall provide the City Council with an annual report that examines the effect short-term rentals have on neighborhoods within the STRD. The examination will look at changes in the neighborhood character, safety, traffic, noise, and other matters deemed important to the Department of Planning and City Council.
  - (3) The City Council will make a decision annually to adjust the number of short-term rentals allowed within the STRD, to change the boundaries of the STRD and/or to adjust use taxes as appropriate.
  - (4) Owners that are interested in utilizing their property as a short-term rental where the maximum cap has been met will be placed on a waiting list. As the cap number is increased or licenses become available, those on the waiting list will be informed of available license on a first-come, first-served basis.

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- § 147-20 Host compliance.
  - (1) The dwelling unit must be maintained in compliance with the City's Building, Fire, Property Maintenance, Zoning and other appropriate laws and codes, as well as the County's Health Department regulations, including a Certificate of Occupancy from the City of Havre de Grace;
- (2) The Host must complete a Life Safety Compliance verification, which indicates the location of smoke alarms, carbon monoxide detectors and fire extinguishers;
  - (3) <u>During the term of any rental</u>, the host must prominently display in an area of the dwelling unit that is readily accessible to the transient guests, emergency contact information for a representative of the host. The emergency contact must be located within 15 miles of the short-term rental and be accessible 24-hours a day and for the entire term of the rental;
  - (4) At all times during the term of a short-term rental, the host must prominently display the license issued by the City;
  - (5) The host must include the license number in any advertisement or listing of the dwelling unit on a hosting platform.

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- § 147-21 Local Designated Responsible Party
- The property owner, or his/her designee, must be capable of being on the property within two hours of being notified. The owner's or his/her designee's contact information must be made available to the City when applying for a license and the contact information must be posted on the exterior of the short-term rental unit.

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- 161 § 147-22 Occupancy
- Occupancy of short-term rentals shall not exceed two people per bedroom, plus one person.

164 § 147-23 Inspections The Department of Planning with 48 hours notice to the property owner or designee, and posted 165 166 on the property, can require an inspection of the short-term rental unit. If the Department is denied an inspection, the Department may immediately revoke the short-term rental license. 167

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- 169 § 147-24 Homeowners' Associations
- The owner must inform the City if the property proposed for a short-term rental is governed by a 170
- Condominium or Homeowners' Association. Properties within such Associations are required to 171
- 172 submit to the City proof that short-term rentals are allowed or must provide an official letter from
- the governing Association demonstrating that the property can be used as a short-term rental in the 173
- 174 respective community.

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- 176 §147-25 Denial, suspension or revocation of license.
- The Director of Planning can deny, suspend or revoke a short-term rental license or renewal license 177
- 178 under the following conditions:
- 179 (1) The Director informs the host of a problem with the short-term rental unit in writing and 180 the issue is not abated within 15 calendar days;
- (2) In situations deemed an emergency by the Director, the license can be suspended 181 immediately by posting the subject property; 182
- (3) Making any material false statement in an application for an initial or renewal license; 183
- 184 (4) Fraudulently or deceptively obtaining the license for oneself or another;
- 185 (5) Fraudulently or deceptively using the license;
- (6) Failing to comply with any provision of this Chapter or of any rule or regulation adopted 186 187 in the City Code.

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- § 147-26 Licenses under special exception approval. 189
- 190 The Board of Appeals may consider a Special Exception for a short-term rental license under the
- 191 findings stated in Chapter 25, Article IV of the City Code for locations outside of the STRD, but
- 192 east of Pulaski Highway.

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- § 147-27 Appeals of licensing decisions. 194
- All appeals of administrative decisions will be heard by the Board of Appeals per Chapter 25, 195
- 196 Article IV of the City Code.

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- 198 § 147-28 Penalties.
- 199 All violations of this code may lead to a suspension, revocation or denial of a license. Any person
- 200 who violates any provisions of this Chapter may be guilty of a misdemeanor and/or receive a fine
- of \$100 for each offense. Each day a violation continues is a separate offense. 201

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- 203 This ordinance becomes effective on June 1, 2023. All Hosts must apply for a license to their
- 204 property within 10 days of the effective date.

206 207	ADOPTED by the City Council of Havre de Grace, Maryland this day of, 2023.						
207	SIGNED by the Mayor and attested by the Director of Administration this day of						
209	2023.						
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212	ATTEST:		MAYOR AND CITY COUNCIL				
213			OF HAVRE DE GRACE				
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216	Stephen J. Gamatoria		William T. Martin				
217	Director of Administration		Mayor				
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220	Introduced/First Reading:	2/21/2023					
221	Public Hearing:	3/6/2023					
222	Second Reading/Adopted:						
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224	Effective Date:						
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228	Legislative History						
229	Ordinance No. 886, adopted 5/21/2007						
230	Ordinance No. 853, As Amended, adopted 3/1/2004						

#### Appendix 1

