

## **Testimony on behalf of County Executive Marc Elrich on Bill 22-23 Transient Housing - Short Term Rental License, and ZTA 23-04, Residential Uses – Short Term Residential Rental**

Thank you for the opportunity to testify on behalf of County Executive Elrich regarding Bill 22-23, Transient Housing - Short Term Rental License and ZTA 23-04, Residential Uses – Short Term Residential Rental. The County Executive thanks the Council President for introducing this legislation.

There are 158 short-term residential rentals licensed, but we believe there are more than 1200 in Montgomery County. Most short-term rentals operate without issues, there are some that do not, creating serious community impacts and, in at least one case, potential threats to public safety. These cases have made us aware of shortcomings in County Law and prompted us to rethink licensing requirements and compliance.

The legislation assigns the administration of short-term residential rental licensing to the Department of Housing and Community Affairs. While the Department of Health and Human Services does tremendous work with limited resources, home rentals in residential areas are not the same as hotels, they are more akin to rental housing already managed by DHCA. This move will allow us to utilize the expertise of the code enforcement and rental housing teams in inspections and compliance.

Currently, the County relies on self-attestation to determine compliance and compliance is entirely complaint driven. Penalties - when levied – can be less than the cost of a single rental. The County receives 2-3 complaints per week, generally for unlicensed or re-occurring problem properties. The complaints fall into several categories:

### **Special events**

Only registered guests are allowed at a rental, but we see issues with special occasions when other family members visit those staying at a home. We have also seen promoted, ticketed events and parties with acute community impacts.

Increasing the maximum penalty for violations and establishing a process for suspending or revoking a license will allow us to address issues more swiftly.

### **Overcrowding**

The total number of overnight guests who are 18 years or older is limited to 6, and the total number of overnight guests over 18 years of age per bedroom is limited to 2. Some larger homes can accommodate more guests, but this is not always the case, especially when multiple families stay together. We see examples of overcrowding with guests sleeping in areas of the home that lack adequate egress or life-safety equipment.

The legislation allows no more than 6 guests, and no more than 2 per bedroom. The bill also requires smoke and carbon monoxide detectors.

### **Primary residence requirements**

A dwelling unit where the short-term residential rental is located must be the primary residence of the applicant. It is extremely difficult and time consuming to determine if this is the case.

The legislation requires the applicant is the owner of the property and the property is that person's primary residence as listed by the State Department of Assessments and Taxation.

### **Lack of notification to neighbors**

Neighbors often find out that a short-term residential rental is licensed in their neighborhood after the 30-day challenge period has passed.

The legislation requires written notice to neighbors and clarifies the process for challenging an application.

### **Maximum allowable rentals in a calendar year**

The maximum of 120 days in a calendar year is not enforceable. The County relies on the neighbors to count the days which pits neighbors versus neighbors.

The legislation requires a point of contact and a registry of guests to be kept and made available to inspectors.

Drafting this legislation included our talented staff in the Department of Health and Human Services, the Department of Housing and Community Affairs, and the Office of the County Attorney. We look forward to engaging with the PHP committee on Bill 22-23 and ZTA 23-04 to address the shortcomings that we have seen in the existing structure as I highlighted, and the solutions proposed in this legislation.