



Department of Housing and Community Affairs

Short Term Rentals

What is a short-term residential rental?

A short-term residential rental is the residential occupancy of a room, apartment, detached single-family home, townhouse, or condominium for less than 30 consecutive days for a specific rental fee. It includes a bed and breakfast or an Airbnb unit. An accessory dwelling unit (ADU) is not considered a short-term residential rental and cannot be operated as such.

Who runs the program?

The Department of Housing and Community Affairs (DHCA) administers the Bed and Breakfast and Short-Term Residential Rental Program. DHCA is charged with ensuring compliance with and enforcing Montgomery County Code, Chapter 54, Article III, Bed and Breakfast and Short-Term Residential Rental which requires that the operation of a bed and breakfast and a short-term residential rental be licensed.

What does the law require?

DHCA is charged with ensuring compliance with and enforcing Montgomery County Code, Chapter 54, Article III, Bed and Breakfast and Short-Term Residential Rental which requires that the operation of a bed and breakfast and a short-term residential rental be licensed.

The Bed & Breakfast and Short-Term Residential Rental Program allows residential property owners who meet certain requirements to rent habitable living space for a fee for less than thirty (30) consecutive days.

Exceptions

If your property is in one of these areas of Montgomery County, please **do not** submit a request for a rental license as outlined in the licensing requirements.

The law does not apply to short-term residential rentals located in the following local municipalities:

- Chevy Chase Village
- Town of Chevy Chase
- Town of Chevy Chase View
- City of Gaithersburg
- Town of Somerset
- Town of Washington Grove

- Town of Kensington
- City of Rockville
- Town of Laytonsville
- Town of Poolesville
- Town of Garrett Park

Requirements

Non-refundable Application fees:

STR - \$325

Bed & Breakfast - \$125

Make sure all items are completed before applying ESPECIALLY your Tax ID

01

Obtain a Maryland State Sales Use and Tax ID Application

NOTE: The State must approve your application before continuing with the application process.

02

Montgomery County's Short-Term Rental and Room Rental-Transient Tax

As a provider that receives payments for a short-term rental, you are liable to pay the Room Rental-Transient Tax. If you use an online broker such as HomeAway, VRBO (Vacation Rental By Owner), FlipKey, Hometogo, Homelidays, VacationRentals, Airbnb, Craigslist, etc., you are still responsible for paying the tax. However, your online broker may pay the tax on your behalf.

03

Additional Requirements for Bed and Breakfast Rentals Only

Apply for a permit of occupancy with the Department of Permitting Services. If you are serving hot food, obtain a Food Service Facility License from the Department of Health and Human Services.




Requirement 1: TAX ID


Sales and Tax ID - An application for a bed and breakfast license or short-term residential rental or a license renewal for either use **must include the State Sales Tax and Use Registration number (Sec. 54-43)**

Your TAX ID is issued by the Comptroller of Maryland. This is **not** something that can be obtained through Montgomery County Government.

Link to apply for a Tax ID along with a guide is located on our website under the Short Term Rental Process guide.


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Register a New Business 

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IRS

Direct File


Direct file is the new free service allowing eligible taxpayers to prepare and electronically file their tax return online directly with the IRS.



Nonprofit with frozen federal funds?


Let us know

www.marylandtaxes.gov/federalfunds



You have now successfully registered your Business on Maryland Tax Connect. For additional assistance email us at MDTAXCONNECTHELP@marylandtaxes.gov or contact Taxpayer Services Monday-Friday, 8:30am-4:30pm. EDT at 1-800-638-2937 or 410-260-7980.

Requirement 2: Montgomery County's Short-Term Rental and Room Rental-Transient Tax

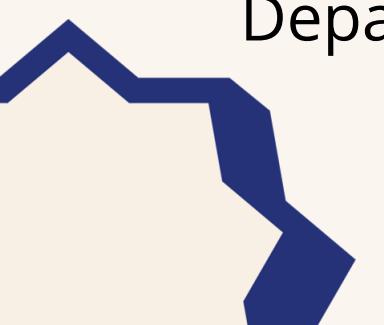


The Room Rental-Transient Tax rate is 7% of the total room rental collected.

If you rent your home, or part of your home, for periods of 30 days or fewer, you are required to pay the County's Room Rental Transient Tax (Hotel Tax). The Room Rental Transient Tax requirement pertains to each instance that you rent your home, or part of your home, for 30 days or less.

As a provider that receives payments for a short-term rental you are liable to pay the tax—**if you use an online broker** such as, HomeAway, VRBO (Vacation Rental By Owner), FlipKey, Hometogo, Homelidays, VacationRentals, Airbnb, Craigslist, etc., you are still responsible for paying the tax. However, your online broker may pay the tax on your behalf.

For additional information on the Room Rental-Transient Tax, your responsibilities as a provider, and instructions on how to apply for a Room Rental-Transient Tax account, go to the Montgomery County Department of Finance website at **<https://www.montgomerycountymd.gov/finance/taxes/hotel-tax.html>**



Requirement 3a: Bed and Breakfast Rentals

Apply for permit of occupancy with the Department of Permitting Services

<https://www.montgomerycountymd.gov/DPS/Process/zspe/bed-and-breakfast.html>

2425 Reedie Drive, 7th Floor, Wheaton, MD 20902 7:30am - 4pm, Mon- Fri

Bed and Breakfast REGISTRATION

OVERVIEW

FAQ



A Bed and Breakfast means a detached house that is owner-occupied with no more than 5 guest rooms for rent and customarily serves breakfast to guests. A Bed and Breakfast is used for short-term overnight accommodation of paying guests. The Bed and Breakfast use is not permitted by right in all zones. If you have any questions, contact a zoning staff member.

Requirement 3b: Bed and Breakfast Rentals

Apply for a Food Service Facility License with the Department of Health and Human Services

Any person planning to distribute, prepare, handle, or dispense food for public consumption with or without charge must apply for a Food Service Facility License.

A license must be obtained prior to opening a business. Licenses expire on January 31st and must be renewed each year. A Use and Occupancy Permit must be obtained through the Department of Permitting Services at 240-777-6200.

<https://www.montgomerycountymd.gov/HHS/LandR/FoodServiceFacility.html>

Environmental Health | Food Service Facilities

OVERVIEW

FAQ's



"Food Service Facility" means restaurants, coffee shops, cafeterias, cafés, luncheonettes, taverns, sandwich stands, soda fountains, retail markets, and food operations in industries, institutions, hospitals, clubs, schools, camps, churches, catering kitchens, commissaries, or similar places in which food or drink is prepared for sale or for service on the premises or elsewhere, or any other operations where food is served or provided for the public with or without charge. Code of Maryland Regulations – 10.15.03 – Food Service Facilities and Montgomery County Code – Chapter 15 – Eating and Drinking Establishments. ***Home kitchens will not be licensed!***

For assistance with services, email
HHSMail@montgomerycountymd.gov

For assistance with plan reviews and modeling, email
HHSL&RPlanReview@montgomerycountymd.gov

Frequently Asked Questions



When will my license be approved?

All applications will be approved 30-60 days after the application is submitted. If any information is missing DHCA Licensing staff will reach out by email.

I just applied, what do I do next?

After applying for a Short Term License, the applicant must inform their neighbors. Residents may submit a challenge to the license at 240-777-0311. If a challenge is received the applicant will be notified and given time to write a rebuttal.

Can residential rental licenses be denied?

Yes, if a license applicant fails to provide all required information and the appropriate licensing fee, does not meet the requirements for a short-term residential rental license or a license was revoked within the last 36 months. A license may also be delayed or denied if a license application challenge is received within 30 days of the license application date.

Frequently Asked Questions



For what reasons can a license be suspended or revoked?

A license may be revoked or suspended if a licensee of a short-term residential rental is found to

- (1) have operated the property in a manner that is dangerous to the health and safety of the community or is a nuisance because of noise or other activity
- (2) has violated Montgomery County Code, Chapter 54, Transient Lodging Facilities, or any other applicable law or regulation
- (3) has been convicted of violating any of the provisions of the Criminal Law Article of the Maryland Code listed in Section 54-20 while operating the bed and breakfast or short-term residential rental. If a license holder does not agree with DHCA's decision to suspend or revoke a license, an appeal may be sent to the Board of Appeals for reconsideration as per Section 54-48 Appeals if it is submitted within 30 days of DHCA's decision.

If my license is revoked, can I apply again?

For a period of 3 years, the property is not allowed to be licensed as a Short-term Rental or Bed and Breakfast.

Short Term Rental Guide & Application

<https://www.montgomerycountymd.gov/dhca/index.html>



Department of Housing and Community Affairs

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Short Term Rental

Short Term Rental FAQ

Short Term Rental Process Guide

 **Rental Marketplace**
Department of Housing and Community Affairs



DHCA Rental Marketplace

Find Rental Housing in Montgomery County, Maryland.

Use our [Rental Marketplace](#) feature. More information on one-bedroom, two-bedroom, and three-bedroom rentals.

CONTACT US

1401 Rockville Pike 4th Floor Rockville, MD 20850

240-777-0311

dhca.licensing@montgomerycountymd.gov

<https://www.montgomerycountymd.gov/dhca/housing/licensing/short-term-rental.html>