

First Reading _____

Second Reading _____

ORDINANCE 2024 - _____

AN ORDINANCE TO AMEND CHAPTER 14, ARTICLE II, ENTITLED LICENSED OCCUPATIONS, SECTION 14-38, ENTITLED SUSPENSION AND REVOCATION; AND ARTICLE V, ENTITLED RENTAL HOUSING, SECTION 14-173, ENTITLED ENFORCEMENT; SECTION 14-174, ENTITLED LICENSE; INSPECTION OF PREMISES; RECORDS; SECTION 14-175, ENTITLED VIOLATION; SECTION 14-176, ENTITLED ENFORCEMENT; AND SECTION 14-177, ENTITLED PREMISES FOR HABITATION/RENTAL HOUSING UNITS IN R-1 SINGLE FAMILY RESIDENTIAL DISTRICT AND MH MOBILE HOME RESIDENTIAL DISTRICT, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND

WHEREAS, the Mayor and City Council desires to protect and preserve the Town’s primary residential neighborhoods, to include year-round residents, from the impacts of rental units, and provide safe residential neighborhoods; and

WHEREAS, Charter Sections 801-803 state the Mayor and City Council of Ocean City shall have the power to regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes; and within the individual zoning districts the Mayor and Council may regulate and restrict the use of buildings, structures or land; and

WHEREAS, the Mayor and City Council has considered the character of the districts and their suitability for particular uses, and with a view to conserving the value of neighborhoods and encouraging the most appropriate use of land throughout the Town, they desire to prevent overcrowding of land and avoid undue concentration of population in the wrong zones caused by rental properties, to protect against noise and other disturbances; and

WHEREAS, that in order to promote and protect the public’s health, safety and welfare, it is necessary and reasonable to amend the Code of the Town of Ocean City to update the rental housing program to add minimum length of stay requirements in certain circumstances, in the R-1 single family residential district and MH mobile home residential district, and to provide occupancy limitations in the R1 and MH zones, and to update the enforcement process to address rental properties.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 14, ARTICLE II, ENTITLED LICENSED OCCUPATIONS, SECTION 14-38, ENTITLED SUSPENSION AND REVOCATION; AND ARTICLE V, ENTITLED RENTAL HOUSING, SECTION 14-173, ENTITLED ENFORCEMENT; SECTION 14-174, ENTITLED LICENSE; INSPECTION OF PREMISES; RECORDS; SECTION 14-175, ENTITLED

VIOLATION; SECTION 14-176, ENTITLED ENFORCEMENT; AND SECTION 14-177, ENTITLED PREMISES FOR HABITATION/RENTAL HOUSING UNITS IN R-1 SINGLE FAMILY RESIDENTIAL DISTRICT AND MH MOBILE HOME RESIDENTIAL DISTRICT OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND, BE AND THEY ARE HEREBY AMENDED, AS FOLLOWS:

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Chapter 14 - Businesses

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ARTICLE II. - LICENSED OCCUPATIONS

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Sec. 14-34. Payment of license fees; term of license; fee schedule

...

(b) The license fees to be paid annually as above provided to the Mayor and City Council of Ocean City for conducting the businesses and engaging in occupations and activities herein named, at the place designated in the license certificate issued therefor, shall be as from time to time passed by resolution of the Mayor and City Council of Ocean City; provided, however, that any such license not timely obtained shall be subject to a late charge of ten percent after 15 days and two percent each month every 30 days thereafter.

...

(51) Premises for habitation:

- a. Condominium units, cooperatives, and townhouses, whether rented individually or by a rental pool agreement, per unit.
- b. 1. Apartments, cottages.
2. Hotels, motels, inns, motor courts, cabins or other similar establishments offering accommodations on the premises for public rental.
- c. Rooming houses, boarding houses, dormitories or private houses offering rooms for public rental (per room).
- d. Single family home.
- e. Any other rental housing unit.

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Sec. 14-38. Suspension and revocation.

- (a) *Suspension of a business license.* The city manager may suspend a business license for a period of time not to exceed 30 days if the city manager determines that a licensee or an employee of a licensee has committed any one or more of the following acts:
 - (1) A licensee has breached any condition upon which their license was issued or has failed to comply with the provisions of this chapter.
 - (2) A licensee has committed an offense under a law or ordinance regulating business, a crime involving moral turpitude, or an unlawful sale of merchandise or prohibited goods.
 - (3) A licensee has engaged in an unlawful activity or nuisance related to the business.
 - (4) A license has failed to correct a building, zoning, fire or life safety violation within the timeframe directed in the notice of violation.
- (b) *Revocation of a business license.* The city manager may revoke a business license if the city manager determines:
 - (1) A license has been mistakenly or improperly issued, or issued contrary to law.
 - (2) A license has been obtained through fraud, misrepresentation, a false or misleading statement, evasion or suppression of a material fact in the license application.
 - (3) A cause of suspension under this section occurs and the license has been previously suspended within the preceding 12 months.
 - (4) There is any violation of the provisions of this chapter or any other ordinance of the town, or any statute of the state or any statute of the United States of America, other than motor vehicle violations, if the city manager determines the violation is contrary to the public health, safety and general welfare.
- (c) *Hearings.* Upon reasonable belief that a violation of this chapter has occurred, the city manager shall notify the licensee in writing of the alleged violation and pending penalty by hand-delivery to the licensee or an employee of suitable age and discretion, or certified mailing, and shall schedule a hearing within three business days after notice of said violation. At the hearing the licensee shall have the opportunity to be heard as to why the license should not be suspended or revoked. After the hearing thereon, if the city manager determines upon a preponderance of the evidence, that a violation has occurred, the city manager may take the appropriate action as herein set forth in subsections (a) and (b) of this section for a business license and 14-176(a) and (b) for a rental license. If the licensee fails to appear, without good cause, the city manager may consider the evidence and make a determination in the absence of the licensee. If mitigating circumstances so warrant, in lieu of a suspension, the city manager may levy a fine not to exceed \$1,000.00 per violation.
- (d) *Appeals.* If the city manager fines, suspends or revokes a license, the city manager shall send to the licensee, by certified mail, return receipt requested, written notice of the action and the right of appeal. The licensee may appeal the decision of the city manager to the

city council in accordance with the following procedures. The filing of an appeal does not stay the action of the city manager in fining, suspending or revoking a license until the city council makes a final decision.

- (1) The aggrieved licensee may, not later than ten calendar days after receiving notice of the fine, suspension or revocation, file with the city clerk a written request for an appeals hearing before the city council.
- (2) If a written request is filed with the city clerk within the ten-day limit, the city council shall consider the request. The city clerk shall set a date for the hearing within three business days from the date the written request is received.
- (3) The city council shall hear and consider evidence offered by any interested person to determine whether the city manager properly fined, suspended or revoked the license in accordance with the provisions of this chapter. The formal rules of evidence do not apply. If the licensee fails to appear, without good cause, the decision of the city manager shall become final.
- (4) The city council shall grant or deny the appeal by majority vote. Failure to reach a majority vote will result in denial of the appeal. Any dispute of fact must be decided on a basis of a preponderance of the evidence. The decision of the city council is final.
- (5) If the city council denies the appeal of a revocation, the aggrieved licensee may not reapply until at least 12 months have elapsed since the date of the city council's action.

(Code 1999, § 14-38; Ord. No. 2007-16, 7-2-2007; Ord. No. 2007-22, 10-1-2007; Ord. No. 2022-03, 3-21-2022)

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ARTICLE V. - RENTAL HOUSING

Sec. 14-171. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Booking transaction means a reservation transaction between a property owner or their agent and a prospective renter for the rental of a housing unit.

Code violations means violations of this Code or any other code, law, ordinance or regulation adopted and incorporated by reference in this Code.

Division of rental housing means the department of planning and community development or such other department or agency charged by the Mayor and City Council of Ocean City with the duty to implement and enforce the provisions of this article.

Hosting platform means an entity that in exchange for a fee:

- (1) Facilitates reservations of rental housing units;

- (2) Serves as a conduit of communication between property owners and property managers and renters; or
- (3) Otherwise facilitates any transactions for rental housing units.

Long Term Rental Housing Unit means the use or occupancy, in exchange for consideration, of all or part of a dwelling unit to provide accommodations to a person for thirty-one (31) or more consecutive days in a calendar year. (Excluding hotels, motels, apartments, dormitories and employee housing).

Person means an individual, group of individuals, partnership, joint venture, corporation, association and any other entity, however named or called.

Property manager means an individual or company that oversees the day-to-day operations of a rental housing unit, including but not limited to, making a rental housing unit available for use by renters.

Rental housing unit means any space in any building which, for a consideration, is made available by any person to another person for habitation purposes.

Short Term Rental Housing Unit means the use or occupancy in exchange for consideration, of all or part of a dwelling unit to provide accommodations to a person for no more than thirty (30) consecutive days in a calendar year. (Excluding hotels, motels, apartments, dormitories and employee housing).

(Code 1972, § 61C-2; Code 1999, § 14-171; Ord. No. 2021-12, 5-17-2021; Ord. No. 2022-03, 3-21-2022)

Sec. 14-172. Purpose.

The purpose of this article is to ensure compliance with all laws, ordinances and regulations applicable to rental housing units within the corporate limits of Ocean City. It is further the purpose of this article to promote and ensure safe, healthy and habitable housing conditions in rental housing units, to prevent deterioration of rental housing units and to encourage responsible management, maintenance and use of rental housing units by the inspection and licensing of these units.

(Code 1972, § 61C-1; Code 1999, § 14-172)

~~Sec. 14-173. – Enforcement. Reserved.~~

~~The Mayor and City Council of Ocean City may initiate proceedings in the Circuit Court for Worcester County, Maryland, or any other court of competent jurisdiction to enforce the provisions of this article.~~

Sec. 14-174. License; inspection of premises; records.

- (a) *Licensing generally; certifications.* Any person renting a premises for habitation described in section 14-34(b)(51) of the Code or a rental housing unit shall obtain the applicable license from the town in accordance with chapter 14, article II. The holder of a license shall be the property owner of the premise for habitation or rental housing unit. Application for

a rental license (non-business license uses) and/or business license (for hotels, motels, apartments, dormitories, lodging/rooming house and employee housing) (hereinafter collectively "license") shall be on forms prescribed by the town. All property owners shall ~~certify to provide~~ provide to the town the name, address and telephone number of an local agent qualified and legally authorized by the owner: (1) accept service of process; (2) to address any issue on the property to include authorizing repairs and other remedial action; (3) respond to any code violation accept notice and authorize repairs on behalf of the property owner. and be able to respond in sixty (60) minutes to the property. The application shall contain a consent to inspection during reasonable hours for the entire term of the license and a declaration by the property owner stating the number of bedrooms on the property and the required and/or approved onsite parking available. The property owner shall not provide incorrect information in the application.

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- (c) *Review of license application.* The division of rental housing (hereinafter "division") or its designee shall issue or deny a license within 14 days of receiving an application. The division shall receive all applications and coordinate a review process involving the building official, zoning administrator, license inspector, fire marshal and other appropriate Ocean City, county or state agencies. A license may be denied by the division or its designee if material false statements exist in the initial or renewal application; a license is obtained fraudulently or deceptively for oneself or for another; a license is used fraudulently or deceptively; a rental housing unit has been cited for a violation of chapter 30, article V and failed to remediate the noise issue; the property owner fails to comply with chapter 14, article V; the property owner or occupant thereof is in violation of an order issued pursuant to chapter 18; or a rental housing unit fails to comply with all other provisions of the Code. The issuance of a license is not to be construed as proof or acknowledgment by the town that the subject property complies with all applicable laws. The division or its designee shall provide not less than ten days' notice of a denial, in writing, setting forth the code violation(s) and reason(s) for such denial, and allowing the property owner an opportunity to be heard as to why the license should not be denied and advising the property owner if any corrective measures can be taken. If the property owner fails to show cause or fails to take corrective action as directed by the division or its designee, the director or his designee may deny the application.

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- (e) *Inspection of rental housing ~~units~~.*
- (1) *Inspection prior to issuance of license.* An inspection of the property for which application has been made may be conducted prior to the issuance of a license upon recommendation of any reviewing agency. If an inspection indicates that a rental housing unit is not in compliance with all applicable laws as required, the license application may be denied until remedial action, as determined by the ~~division~~, department who issued the violation remedies the violation.
- (2) *Inspections during term of license.*
- a. ~~The division, Upon~~ recommendation of any appropriate Ocean City, County or State agency, ~~shall cause the~~ there shall be an inspection of a rental housing unit

when there exists the belief that a property is not in compliance with all applicable laws. The inspection shall be coordinated between Town departments. Inspection scope and procedures as set forth in Chapter 10 (the International Property Maintenance Code, as amended), Chapter 34, Chapter 110, and this article, shall be followed.

- b. Rental properties shall obtain and maintain all required and/or approved, on-site parking, as parking spots available for use by the renter or tenant(s). Parking spots shall not be used for any other purposes.
 - c. The owner may request any appropriate Ocean City, county or state agency to perform an inspection of a rental housing unit(s). ~~Ocean City inspection procedures as set forth in the International Property Maintenance Code, as adopted in chapter 10, and this article, shall be followed.~~ A qualifying inspection will stand for one calendar year from date of inspection.
 - d. If an inspection indicates that a rental housing unit(s) is not in compliance with all applicable laws, the license may be subject to suspension, revocation or other remedial action as determined by the city manager in consultation with the division, or its designee. The city manager shall follow the procedures in section 14-38. A license may be suspended or revoked immediately by the city manager in consultation with the division, or its designee, if, in the opinion of city manager and the division, the health, safety or welfare of the person(s) in the rental housing unit, or ~~if~~ the general public are in imminent danger. Revocation or suspension of a license shall be in addition to and not in substitution for such other penalties as may be provided for in other laws or ordinances.
 - e. The property owner may appeal the suspension or revocation of the license as stated in section 14-38(d).
 - f. If a license is suspended or revoked, the rental housing unit cannot lawfully be used for a rental.
- (f) *Term of license.* Licenses shall be issued for a term of one year, pursuant to section 14-34 and renewable for additional one-year terms, subject to payment of the license fee, certification of tax payment, and compliance with all applicable laws.

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- (i) *Records.*

(1) The property owner of the rental housing unit shall:

- ~~(1)~~a. Make a record of all their rentals;

- (2)~~2~~b. Maintain said record of the rentals for at least five years;
- (3)~~3~~c. On request, make the records available to the division for inspection;
- (4)~~4~~d. Prominently display in the rental housing unit emergency contact information for the property owner or their authorized representative; and
- (5)~~5~~e. Include in all advertisements or listings, whether by print, electronic, audible or in any other form or substance designed to inform as to the availability of any property for rent, the valid rental license control number or business license control number of the rental housing unit.

(2) The property owner of the rental housing unit(s) shall not advertise the unit(s) or building as having more bedrooms than permitted on the unit's or the building's approved building permit plans.

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(1) Rooms. No room or garage shall be converted into a bedroom without complying with all Town requirements and permitting processes.

Sec. 14-175. Violation.

- (a) *Generally.* Any violation of this article by the property owner of the rental housing unit(s) shall be unlawful and is subject to a municipal infraction. Each day of violation shall be considered a separate violation. Prior to a municipal infraction being issued, the license inspector or other Town employee, will provide the property owner written notice of the violation and allow the property owner ten days from the date of the letter to correct said violation.
- (b) *Violation of an emergency order.* A rental housing license or a business license may be revoked by the ~~division~~ city manager if the holder of the license violates or allows an occupant of the rental housing unit to violate an emergency order issued pursuant to chapter 18. Such revocation shall be processed in accordance with section 14-174(~~de~~)(2)(~~bd~~).
- (c) *Process not exclusive.* The issuance of an infraction to enforce this article does not preclude the town from pursuing any other civil remedy or enforcement action authorized by law.

(Ord. No. 2022-03, 3-21-2022)

Sec. 14-176. - Enforcement.

(a) Suspension of a license. The city manager may suspend a business license in accordance with section 14-38. The city manager may suspend a rental license for a period of time not to exceed thirty (30) days if the city manager determines that a licensee has committed or allowed to be committed any one or more of the following acts:

- (1) A licensee has breached any condition upon which their license was issued;

- (2) A licensee has failed to comply with the provisions of this chapter;
- (3) A licensee has failed to comply with chapters 10, 34 and 110 of the Code;
- (4) A licensee has engaged in an unlawful activity or nuisance related to the use of the property;
- (5) Any adverse effect on public health, safety and the general welfare; or
- (6) If there are three (3) documented calls for service that require a response and/or citations issued to the property for different incidents in a twelve-month period year.

If there are three (3) documented calls for service, that require a response, for disturbance of the peace, public drunkenness, drinking in public, harassment, loitering, public urination, lewd conduct, overcrowding, exceeding occupancy loads or noise, vandalism, parking nuisances, trespassing and/or citations issued to the property for different incidents on the property, on the parking lot for the building or dwelling, in a twelve-month period year, the rental license is automatically suspended for up to thirty (30) days. The owner or local agent must have been notified of the call for service. A call for service includes a response by law enforcement, the fire marshal's office and/or an official from the division or its designee. The twelve-month period starts from the first call for service or citation. The procedure for suspension of a rental license shall follow section 14-38 (c) and (d). This is limited to acts of the owner(s), and his renters, guests, and invitees.

(b) Revocation of a license. The city manager may revoke a business license in accordance with section 14-38. The city manager may revoke a rental license if the city manager determines that a licensee has committed any one or more of the following acts:

- (1) A license has been mistakenly or improperly issued, or issued contrary to law;
- (2) A license has been obtained through fraud, misrepresentation, a false or misleading statement, evasion or suppression of a material fact in the license application;
- (3) A cause of suspension under this section occurs and the license has been previously suspended within the preceding twelve (12) months; or
- (4) There is any violation of the provisions of this chapter or any other ordinance of the town, or any statute of the state or any statute of the United States of America, other than motor vehicle violations, if the city manager determines the violation is contrary to the public health, safety and general welfare.

The procedure for revocation of a rental license shall follow section 14-38 (c) and (d).

(c) Other. The Mayor and City Council of Ocean City may initiate proceedings in the Circuit Court for Worcester County, Maryland, or any other court of competent jurisdiction to enforce the provisions of this article.

Sec. 14-177. – Premises for Habitation/Rental Housing Units in R-1 single family residential district and MH mobile home residential district.

- (a) Length of Stay. A dwelling in the R-1 single family residential district and the MH mobile home residential district shall not be rented for less than five (5) consecutive days from May 1 through September 30 and shall not be rented for less than three (3) consecutive days from October 1 through April 30.
- (b) Occupancy. The maximum occupancy in a dwelling in the R-1 single family residential district and the MH mobile home residential district being used as a premises for habitation/rental housing unit, is two (2) persons per bedroom, plus two additional persons, excluding children aged ten (10) years old and younger, between the hours of 12:00 midnight and 7:00 A.M, provided that occupancy does not exceed the maximum allowed occupancy under Chapter 10 and the dwelling's or buildings' allowed occupancy use for its provided fire protection features required under Chapter 34.

14-1768—14-200. - Reserved.

...

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on November _____, 2024.

ADOPTED AND PASSED by the required vote of the elected membership of the City Council and approved by the Mayor at its meeting held on _____.

ATTEST:

DIANA L. CHAVIS, Clerk

RICHARD W. MEEHAN, Mayor

Approved as to form:

MATTHEW M. JAMES, President

HEATHER STANSBURY
Ayres, Jenkins, Gordy & Almand, P.A.
Office of City Solicitor

ANTHONY J. DELUCA, Secretary

First Reading _____

Second Reading _____

ORDINANCE 2024 - _____

AN ORDINANCE TO AMEND CHAPTER 110, ENTITLED ZONING, ARTICLE I, ENTITLED IN GENERAL, SECTION 110-2, ENTITLED DEFINITIONS, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND

WHEREAS, the Mayor and City Council desires to protect and preserve the Town’s primary residential neighborhoods, protect year-round residents from the impacts of rental units, and provide safe residential neighborhoods; and

WHEREAS, Charter Sections 801-803 state the Mayor and City Council of Ocean City shall have the power to regulate and restrict the density of population and the location and use of buildings, structures, and land for trade, industry, residence, or other purposes; and within the individual zoning districts the Mayor and Council may regulate and restrict the use of buildings, structures or land; and

WHEREAS, the Mayor and City Council has considered the character of the districts and their suitability for particular uses, and with a view to conserving the value of neighborhoods and encouraging the most appropriate use of land throughout the Town, they desire to prevent overcrowding of land and avoid undue concentration of population in the wrong zones caused by rental properties; and

WHEREAS, while pursuing these goals the Mayor and City Council desire to update the definition of “family” in the Town to reflect modern concepts of what a family may be while continuing to control occupancy in districts to an appropriate level.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 110, ENTITLED ZONING, ARTICLE I, ENTITLED IN GENERAL, SECTION 110-2, ENTITLED DEFINITIONS OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND, BE AND THEY ARE HEREBY AMENDED, AS FOLLOWS:

...

Chapter 110 – ZONING

ARTICLE I. - IN GENERAL

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Sec. 110-2. - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

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(1) *R-1, single-family residential, and MH, mobile home districts.* The term "family" means an individual or two or more persons ~~who are related by blood or marriage~~ living together, sharing household expenses, and occupying and using the entire premises as a single housekeeping unit with a single culinary facility and legally sharing in the ownership or possession of the premises and, including caregivers employed and residing on the premises, or a group of not more than four persons living together by joint agreement and occupying a single housekeeping unit with single culinary facility on a cost sharing basis. not exceeding the number of occupants allowed by the building code, housing code, fire code, and if rented, the rental housing code.

(2) *R-2A, low density multiple-family; R-2, medium residential, R-3, general residential, all commercial districts, and the mixed use and overlay districts.* The term "family" means an individual or two or more persons ~~who are related by blood or marriage~~ living together, sharing household expenses, sharing household duties and occupying and using the entire premises as a single housekeeping unit with a single culinary facility, or a group of persons not exceeding the number of occupants allowed by building and housing code, fire code, and if rented, the rental housing code regulations living together by joint agreement and occupying a single housekeeping unit with single culinary facility on a cost sharing basis.

Editor's note— The effective date of this definition shall be January 1, 2004~~25~~, except that any rental leases in effect on the effective date of this definition shall not be affected by this definition until the end of the current rental term.

...

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on November _____, 2024.

ADOPTED AND PASSED by the required vote of the elected membership of the City Council and approved by the Mayor at its meeting held on _____.

ATTEST:

DIANAL. CHAVIS, Clerk

RICHARD W. MEEHAN, Mayor

Approved as to form:

MATTHEW M. JAMES, President

HEATHER STANSBURY
Ayes, Jenkins, Gordy & Almand, P.A.
Office of City Solicitor

ANTHONY J. DELUCA, Secretary