

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 705 (Delegate Valderrama)  
Environment and Transportation

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**Real Property - Short-Term Rentals**

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This bill prohibits a governing body of a county or municipality from enacting a local law or ordinance that prohibits an operator from offering a property as a short-term rental solely because the operator is a lessee or sublessee of the property. “Short-term rental” means a residential dwelling unit, or a portion thereof (including an accessory dwelling), used to provide housing for less than 31 consecutive days. It does not include a hotel, motel, boarding house, student group residential facility, fraternity or sorority house, or similar housing. Nothing in the bill may be interpreted as prohibiting a property owner from prohibiting or restricting the use of the property by a lessee or sublessee as a short-term rental.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State finances or operations.

**Local Effect:** The bill is not anticipated to materially affect local finances or operations.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** State statute does not expressly regulate the operation of “short-term rental” units. However, several local government jurisdictions, including Anne Arundel, Montgomery, and Prince George’s counties and Baltimore City have enacted laws and ordinances regulating the operation and administration of such units.

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## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Harford, Talbot, and Wicomico counties; Maryland Association of Counties; Maryland Municipal League; Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2025  
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Analysis by: Donavan A. Ham

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510