



House Bill 705

Real Property – Short-Term Rentals

MACo Position: **OPPOSE**

To: Environment and Transportation
Committee

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From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **OPPOSES** HB 705. This bill preempts a county from prohibiting renters from posting a unit on AirBnB or other short-term rental platforms. Counties are wary of such a wide-open policy inviting detrimental investor behavior that could shrink available housing stock and overwhelm neighborhoods.

Maryland is currently facing several challenges to growth resulting from both the pandemic and greater national economic headwinds. Affordable housing is a top priority for counties, who have supported a historic number of policies aimed at solving Maryland's affordable housing challenges. This effort to wisely target housing supply and availability is meaningful for local officials and the communities they serve. If enacted, HB 705 could effectively undermine the progress the state has made in addressing this crisis.

Short-term rentals have been shown to affect the affordability of housing markets, the extent of which is largely dependent on their concentration in the market. Several services have been developed, including AirDNA and others, which aim to help investors target affordable housing units for conversion into short-term rental vehicles, compounding the housing shortage and further driving up costs for Marylanders. Both Montgomery & Prince George's Counties, the two largest jurisdictions in the state, have enacted policies to regulate the use of short-term rentals, citing increased demand and burdens on local communities.

As drafted, HB 705 would preempt a county from prohibiting a renter from posting their units on AirBnB or other short-term rental sites for periods shorter than 31 consecutive days. The intent of this legislation is to preempt counties from enacting similar policies to those recently adopted in New York City. In 2023, responding to an onslaught of increasing illegal short-term rental listings, City officials began requiring licenses for hosts, and restricted the rental of units for less than 30 days in some areas. In Maryland, counties have adopted a wide range of policies to regulate short-term rentals in their local markets, many of which aim to prevent investors from monopolizing the affordable housing supply and driving up costs.

HB 705 represents a step back for Maryland in addressing our state's affordable housing challenges. For this reason, MACo urges the Committee to give an **UNFAVORABLE report on HB 705**.