

LINDA FOLEY
Legislative District 15
Montgomery County

Environment and Transportation
Committee



The Maryland House of Delegates
6 Bladen Street, Room 220
Annapolis, Maryland 21401
410-841-3052 • 301-858-3052
800-492-7122 Ext. 3052
Linda.Foley@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Testimony: HB87 - Short-Term Rentals and Home Amenity Rentals - Taxation, Regulation, and Crimes

Committee: Ways and Means

Hearing Date: January 28, 2025

Position: Favorable

Good afternoon Chair Atterbeary and Vice Chair Wilkins, thank you for having me here today to testify in favor of HB87 - Short-Term Rentals and Home Amenity Rentals - Taxation, Regulation, and Crimes. For the record, I am Delegate Linda Foley of District 15.

This bill provides updated safety and tax regulations to short-term rentals to protect consumers, reduce unnecessary risk, and ensure Maryland counties receive their fair share and correct tax revenue from short-term rentals.

In the summer of 2024, a residential home in my district rented their property to a group for the sole purpose of holding a large-scale party. This party, titled "Wet Dreams", sold attendance tickets, add-ons including pool-side cabanas, had cars parked on the property's lawn and along the street of the neighborhood, and even had shuttle buses from a local county community center where more cars parked.

Moreover, this party concluded with fireworks -- which are never legal in residential areas -- and likely included drugs and underage drinking. These activities caused a nuisance to the community and unsafe conditions for both attendees and community members.

I do want to note that this party, while held at a property registered with AirBnb, was not an AirBnb rental at the time of the party. Regardless, AirBnb did the right thing by removing this owner from their list of hosts and I thank them for that.

There have been similar events in other parts of the state. Three weeks after the Montgomery County party, a group in Prince George's County sold tickets to attend a pool event in a residential area where one individual was injured as a result of a shooting. In Brandywine, a large pool party at a rental property had somewhere between 600-800 attendees.

While the activities at these events are already illegal in many jurisdictions, two concerns arose from these incidents which this bill addresses.

The first is a matter of safety. As mentioned, some of these rentals involve pools or other amenities but lack safety guidelines. This bill moves short-term rentals into the same category as hotels when it comes to safety regulations, including those applied to pools. For example, any short-term rental with a pool under 2500 square feet would need signage indicating there is no lifeguard on duty.

If the pool were larger than 2500 square feet, one lifeguard would be required for every 50 bathers, a critical safety measure in these crowded pools.

Beyond pools, this bill also aligns short-term rentals with other hotel safety requirements, such as smoke detectors. These measures have proven to be necessary.

In 2022, for example, a Maryland family renting a home for a short period on Long Island tragically lost their two daughters in a fire that could have been prevented. The rental home had 29 code violations and faulty fire alarms.

Centralized collection of short-term rental taxes ensures consistency and fairness for both counties and the industry. A uniform process simplifies compliance for platforms, reduces administrative burdens for counties and STR platforms alike, and establishes clear audit procedures to address gaps in the current voluntary system. By streamlining collections through the Comptroller's Office, this approach creates transparency and accountability in the tax process, benefiting all stakeholders.

I have been working with AirBnb, Vrbo, MACo, and other advocates on this bill. And, I am presenting some sponsor amendments as a result of these conversations.

One amendment removes the requirement that the intermediary fund safety enhancements at short-term rental properties. Another amendment clarifies the Comptroller's authority in the collection of taxes from short-term rentals. I urge the committee to accept these sponsor amendments.

We are attempting to do something that everyone should agree with -- protect consumers and increase tax revenue for counties. For these reasons, I urge a favorable report on HB87 and am happy to answer questions.