



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

February 26, 2026

TO: The Honorable Kriselda Valderrama
Chair, Economic Matters Committee

FROM: Marc Elrich
County Executive

RE: House Bill 993 - Real Property - Short-Term Rentals

House Bill 993 prohibits a county or municipality from enacting a local law or ordinance prohibiting an operator from offering a property as a short-term rental for less than 31 consecutive days solely because they are a lessee or sublessee of the property. The bill allows a county or municipality to enact a law prohibiting an operator from operating more than one property in the jurisdiction as a short-term rental if the operator is a lessee or sublessee of the property. The bill allows property owners to limit the ability of lessees or sublessees to list the property as a short-term rental.

House Bill 993 protects the ability of property owners and their tenants to engage in subleasing a property as Short-term rental, thereby opening financial options for lessees who might otherwise need to break a lease. A key reason for the regulation of short-term rentals is to stop the oversaturation of the local housing market with short-term rentals in such a way that it reduces housing supply or increases prices of rental housing. Because renters in Montgomery County are disproportionately people of color and are disproportionately low-income, such distortions of the local housing market could have a negative impact on their housing outcomes. However, given the demographics of renters in Montgomery County, if there is demand among leasees/subleasees to operate their homes as short-term rentals (and such a practice is permitted by the landlord), it is possible there could be positive impact from this practice.

As such, I suggest the following amendments to House Bill 993 to balance the ability of renters across the State to operate their properties as short-term rentals with protecting the housing market supply: permit a county to enact a local law to restrict the ability of an owner or leasee/subleasee to operate a property as a short-term rental unless the property is the primary residence of the operator; exclude accessory dwelling units from the definition of a short-term rental; and reduce from 31 to 30 the number of consecutive days a short-term rental can be used to provide housing. These changes would align House Bill 993 with the policies of Montgomery County governing Short-term rentals and provide guardrails while enabling a leasee/subleasee to financially benefit from operating a property as a short-term rental. Please see the attached document for specific amendment language and I respectfully urge the committee to issue a favorable report incorporating these changes.

**Amendments Requested by the Montgomery County Executive to SB 666/HB 993 First Reader
Version**

Amendment 1

On page 1, in line 3 after “FOR the purpose of” insert “changing the number of consecutive days that a residential dwelling unit or portion of the unit can be operated as a Short-term rental unit;”.

On page 1, after line 10, insert

“BY repealing and reenacting, with amendments,

Article – Real Property

Section 14–126 Annotated Code of Maryland (2013 Replacement Volume and 2025 Supplement)”

Amendment 2

On page 1, after line 18, insert

“§14–126.

(a) (1) In this section the following words have the meanings indicated.

(2) “Emergency services” includes fire, rescue, and ambulance

services and a mobile crisis team as defined in § 10–1401 of the Health – General Article.

(3) “Governing body” has the meaning stated in § 1–101 of the Local Government Article.

(4) “Municipality” has the meaning stated in § 1–101 of the Local Government Article.

(5) “Rental license” means any certificate, license, or permit required to rent residential real property issued by a county or a municipality.

(6) (i) “Short-term rental unit” means a residential dwelling unit or a portion of the unit used to provide housing for less than ~~31~~**30** consecutive days.

(ii) “Short-term rental unit” does not include a hotel or motel, boarding house, group residential facility for students, fraternity or sorority house, or similar housing.”

Amendment 3

On page 2, in line 4, strike “**INCLUDING**” and insert “**EXCLUDING**”.

On page 2, in line 5, strike “**31**” and insert “**30**”.

Amendment 4

On page 2, after line 16, insert

“(3) THE GOVERNING BODY OF A COUNTY OR MUNICIPALITY MAY ENACT A LOCAL LAW OR ORDINANCE PROHIBITING AN OPERATOR FROM OFFERING A PROPERTY AS A SHORT-TERM RENTAL IF THE PROPERTY IS NOT THE PRIMARY RESIDENCE OF THE OPERATOR.”