OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

June 12, 2026

TO: Natali Fani-Gonzalez, President
Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: Executive Regulation 27-25 – Licensing for Bed and Breakfasts and Short-Term Residential Rentals

Executive Regulation 27- 25 establishes the procedures to apply for a license for the operation of a bed and breakfast or short-term residential rental in Montgomery County, including license application, approval, suspension and revocation under Code Sections 54-42 through 54-49. This applies to a county resident who operates a bed and breakfast or a short-term residential rental in compliance with Chapter 54, Article III, and these regulations.

Per Bill 22-23, this Executive Regulation may be adopted under Method (3) procedure. The proposed regulations were published in the County Register on December 1, 2025, and the public comment period ended January 1, 2026. DHCA received a comment from North White Oak Civic Association (NWOCA). No other comments were received during the comment period.

Comments Received

NWOCA stated:
The regulation does not mention notification of any civic associations and HOAs. We note that section 54.43(n) of the county code states that, where applicable, notification must be provided to "any applicable homeowners associations, condominium, housing cooperative." However, sections 54.00.02.02 (g) and (h), pertaining to notification, makes no provision for homeowners associations or civic associations. We request the regulation be revised to include homeowners associations and duly incorporated civic associations to those entities to be notified in writing when an application for a STR license is filed, renewal is being requested, so as to be eligible to challenge, when necessary, an application under section 54-46 of the county code.

DHCA response:

Section 54.43(m) of the County Code already requires that, where applicable, notice be provided to "any applicable homeowners associations, condominium, housing cooperative." Because this requirement is expressly set forth in the County Code, it is not necessary to restate it in the implementation of the regulation. The regulation operates in conjunction with, and is subject to, the governing statute. Accordingly, notice to applicable homeowners' associations remains required pursuant to Section 54.43(m), regardless of whether it is repeated in Sections 54.00.02.02(g) or (h).

With respect to civic associations, the County Code does not currently require written notice to duly incorporated civic associations upon the filing or renewal of a short-term rental (STR) license application. An executive regulation may clarify, interpret, or implement provisions of an existing law, but it may not create new substantive requirements, rights, or obligations beyond those authorized by the enabling legislation. Regulations must remain consistent with the law they are adopted to carry out and must fall within the scope of authority delegated by the legislative body. Requiring written notice to civic associations would constitute a new substantive obligation not presently contained in the County Code. As such, adding civic associations to the list of entities entitled to notice would require an amendment to the Code by the legislative body, rather than revision through executive regulation.

NWOCA stated:
Contact for emergencies. Our association supports public transparency regarding what properties have STR licenses and who the Designated Representative or Owner-Authorized Agent is. We would recommend that contact information be provided on the DHCA electronic database with the Designated Representative or Owner-Authorized Agent so that neighbors would be able to contact someone in case of an emergency such as a fire or other activities that could put neighbors at risk.

DHCA response:
DHCA does not publish emergency contact information for any other license types administered by the Department, including traditional residential rental properties. Requiring publication of emergency contact information solely for STR properties would create an inconsistent licensing standard not contemplated by the County Code or existing regulatory practice.

In the event of an emergency, such as a fire, gas leak, or other condition posing an immediate risk to life, health, or property, residents and neighbors should contact the appropriate emergency response agencies (e.g., fire, police, or emergency services). Emergency personnel are trained and authorized to respond to such situations and have established protocols for accessing ownership and contact information as needed. In these circumstances, responding agencies may coordinate directly with DHCA to obtain licensing information or to facilitate notification of the owner, Designated Emergency Representative, or Owner-Authorized Agent, as appropriate.

Additionally, releasing emergency contact information raised concerns about how it might be published or used once publicly available, including risks of privacy violations, misuse, and unintended non-emergency contact.

Publishing this information could subject owners or designated representatives to harassment or inappropriate use of personal contact details unrelated to legitimate emergency situations.

For these reasons, DHCA will not require the publication of emergency contact information in the public licensing database. Existing emergency response mechanisms, combined with inter-agency coordination, provide an appropriate and effective means of addressing emergencies without expanding public disclosure requirements beyond those established for other DHCA license types.

NWOCA stated:
Need for a provision to prevent regulatory "arbitrage." We believe the regulation should contain a prohibition against an owner switching a property back-and-forth between a short-term rental under Chapter 54 of the code and a traditional residential property rental Chapter 29. Our association is aware of one instance where a property owner is switching back and forth between renting a single-family home and then getting a different license to treat it as a short-term rental. After the owner has reached the 120 days maximum rental period under short-term rental they then apply to rent it under chapter 29 (never having lived in the property the requisite 6 months for short-term rental). We believe the regulation should have a 12-month waiting period before a property can be switched from a short-term rental to a traditional residential rental (or vice versa).

DHCA response:

Chapter 54 of the County Code expressly requires that an applicant for a short-term residential rental (STR) license be the primary resident of the property; however, it does not require that the applicant be the property owner. The Code regulates traditional residential rentals under Chapter 29 and short-term rentals under Chapter 54 as separate licensing frameworks. The Code does not prohibit a property from holding licenses under both chapters at the same time, provided each license is issued to the appropriate party, and all applicable statutory requirements are met.

Consistent with Chapter 54, we have implemented verification requirements to confirm and document primary residency. Applicants must provide evidence demonstrating that the property is their principal residence in accordance with the Code before an STR license is issued or renewed.

Additionally, Licensing Staff will cross-check applicable databases and property records to verify license information and ensure that Chapter 29 and Chapter 54 licenses are not being utilized by the same individual in a manner inconsistent with statutory requirements.

Under the current legal structure, a property owner may hold a Chapter 29 rental license for a dwelling unit, while a tenant who meets and verifies the primary residency requirement may independently obtain and hold a Chapter 54 STR license for short-term rental activity at the same property. Each chapter establishes its own eligibility standards and operational conditions, and compliance is evaluated separately under each regulatory scheme. DHCA will not accept this request.

NWOCA stated:

Disclosure of prior revocation of short-term rental license. Section 54.00.02.02 (f) of the proposed regulation requires the disclosure of any prior revocation of a license under Chapter 54 of the County Code. Given the we have seen owners of short-term rentals also rent properties under Chapter 29, we would recommend this provision require disclosure of a license revocation of that chapter of the code as well.

DHCA response:
Section 54.00.02.02(f) of the proposed regulation previously required disclosure of any prior revocation of a license issued under Chapter 54 of the County Code. Considering the concern raised, specifically that some property owners may operate under both Chapter 54 (short-term rentals) and Chapter 29 (traditional residential rentals), DHCA agrees that disclosure of prior revocations under Chapter 29 is also relevant to the licensing review process.

Accordingly, DHCA has accepted this recommendation and modified Section 54.00.02.02(f) to require disclosure of any prior revocation of a license issued under Chapter 29, in addition to Chapter 54. This revision promotes consistency, enhances transparency, and ensures that relevant compliance history is considered when evaluating an application.

After the comment period, the Office of the County Attorney and DHCA revised ER 27-25 54.00.02.01(e) and 54.00.02.02(c). The changes have been outlined below.

54.00.02.01 Definitions
(e) Primary Resident: An individual who occupies or who intends to occupy the property or dwelling unit for at least 183 days of each calendar year and uses, considers, and treats the property as their primary residence for all legal and tax purposes.

54.00.02.02 Bed and Breakfast Short-Term Residential Rental License Application Requirements
(c) Proof of Primary Residence. To establish that they are a primary resident of the property, an applicant must submit at least one or more of the following documents that must reflect the applicant's occupancy of the property: (adding additional proof)

(5) a lease;

(6) title vehicle insurance card or policy displaying your address;

(7) checking, savings or financial account statement; or

(8) property tax bill

DHCA has carefully drafted these regulations to support the effective implementation of the Transient Housing Law (Bill 22-23). In developing the regulations, DHCA thoughtfully considered the comments received during the public comment period. Accordingly, DHCA respectfully submits these regulations and is confident they will promote clarity, consistency, and compliance.

Enclosures: Executive Regulation 27-25
Fiscal Impact Statement for Executive Regulation 27-25

cc: Tommy Heyboer, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer
Ken Hartman-Espada, Assistant Chief Administrative Officer
Tricia Swanson, Director of Strategic Partnerships
Scott Bruton, Director, Department of Housing and Community Affairs

MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject	Number
Licensing for Bed and Breakfast and Short-Term Residential Rental	27-25
Originating Department	**Effective Date**
Department of Housing and Community Affairs	06-12-2026

Department of Housing and Community Affairs
Montgomery County Regulation on:

LICENSING FOR BED AND BREAKFASTS AND
SHORT-TERM RESIDENTIAL RENTALS

Issued by: County Executive
COMCOR 54.00.02
Authority: Section 54-2 of the County Code
Supersedes: N/A
Council Review: Method (3) Under Code Section 2A-15
Register Vol. 42, No. 12
Comment Deadline: December 31, 2025
Effective Date: _____
Sunset Date: N/A

SUMMARY: The regulation establishes the procedures to apply for a license for the operation of a bed and breakfast or short-term residential rental in Montgomery County, including license application, approval, suspension and revocation under Code Sections 54-42 through 54-49. This applies to a county resident who operates a bed and breakfast or a short-term residential rental in compliance with Chapter 54, Article III, and these regulations.

ADDRESS: Department of Housing and Community Affairs
1401 Rockville Pike, 4th Floor
Rockville, Maryland 20852

STAFF CONTACT: Tiffany Johnson, Program Manager
Department of Housing and Community Affairs
Licensing and Registration Program
tiffany.johnson@montgomerycountymd.gov

COMCOR 54.00.02 Licensing for Bed and Breakfasts and Short-Term Residential Rentals

54.00.02.01 Definitions

(a) **Abutting and Confronting Neighbor**: Any property that shares a common boundary with, faces, is directly across from, or is located in the same cul-de-sac with the property that is the subject of the application.

(b) **Applicant:** A person who applies for a license to operate a bed and breakfast or a short-term residential rental under Chapter 54 of the Montgomery County Code.

(c) **Designated Representative**: An individual over the age of 18 who resides within 15 miles of the rental property and can be contacted by renters for emergency purposes or otherwise if the applicant is unavailable.

(d) **Owner-Authorized Agent**: An individual authorized in writing by the property owner to act on their behalf.

(e) **Primary Resident**: An individual who occupies or who intends to occupy the property or dwelling unit for at least 183 days of each calendar year and uses, considers, and treats the property as their primary residence for all legal and tax purposes.

(f) **Record of Overnight Visitors**: A record that at a minimum contains the following information:

(1) the name of each overnight visitor;

(2) the residence address of each overnight visitor, including state, city or town, street, and street number or rural mail delivery route number;

(3) the age of each overnight visitor;

(4) the number of the room or facility occupied by each overnight visitor; and

(5) the date and time of registration and checkout of each overnight visitor.

54.00.02.02 Bed and Breakfast and Short-Term Residential Rental License Application Requirements

(a) **License applicant qualifications.** To qualify for a bed and breakfast or short-term residential rental license, an applicant must:

(1) be the owner of the property or the owner's authorized agent; and

(2) meet all other requirements set out in Section 54-43 of the County Code.

If the applicant is a business entity, the individual submitting and signing the application must be the applicant's authorized agent and must certify that they are the primary resident of the property or dwelling unit. If the applicant is an individual, the individual must be and must certify that they are the primary resident of the property or dwelling unit.

(b) **Self-certification requirements.** As part of the application process, the applicant must self-certify compliance with Section 54-43 "Application for a License," on a form to be provided by the Department.

(c) **Proof of Primary Residence.** To establish that they are a primary resident of the property, an applicant must submit at least one or more of the following documents that must reflect the applicant's occupancy of the property:

(1) a current Maryland driver's license or identification card;

(2) most recent tax return;

(3) W-2 from the most recent year;

(4) recent utility bill with applicant's name;

(5) a lease;

(6) title vehicle insurance card or policy displaying your address;

(7) checking, savings or financial account statement; or

(8) property tax bill.

(d) **Owner-Authorized Agent:** If an owner-authorized agent submits the application, they must provide a written, notarized consent from the property owner to act on behalf of the property owner. If the owner is a corporate entity, the written, notarized consent must be provided by an individual with authority to bind the entity legally.

(e) **Designated Representative**: When submitting the application, applicants must provide the full name, mailing address, and operational phone number of the designated representative.

(f) **Prior Revocation of License**: An applicant must disclose any prior revocation of a license under Chapter 54 and Chapter 29 of the County Code where:

(1) the applicant was the former licensee;

(2) the applicant was a member of a former licensee's household; or

(3) the property is the same dwelling unit that was the subject of a former license.

(g) **Notification to Abutting and Confronting Neighbors:** The applicant must provide the address, lot, parcel, and block number of each abutting and confronting property. This requirement applies only to single-family homes, townhouses, duplexes, and condominiums with properties stacked above or below.

(h) **Notification to Neighboring Units in a Multifamily and Condominium Property:** For multifamily and condominium units, applicants must provide the unit numbers and mailing addresses of all units across from or sharing a ceiling, floor, or wall with the dwelling unit that is the subject of the application.

(i) **Additional Information Request:** The Department may at any time during the application process require the applicant to supplement the supporting documentation to resolve any conflict, inconsistency, inadequacy, or other concern presented in the documentation provided or as a result of the discovery of additional information from outside sources.

54.00.02.03 Denial of Applications

(a) The Director may deny any bed and breakfast or short-term residential rental license application that does not conform to Chapter 54 of the County Code or any other applicable law or regulation, or other reasons, including the following:

(1) falsified or inaccurate information submitted during the self-certification process. The Director may review any additional information available in making this determination;

(2) any existing violations of the County Code at the time of application or violations discovered during an inspection pursuant to Section 54-45(b) of the County Code;

(3) failure to complete the application, including providing all required documentation, within 60 days of initial license application submission; or

(4) the presence on the property of a licensed or unlicensed Accessory Dwelling Unit (ADU), as such term is defined in Section 59-3.3.3 of the Zoning Ordinance.

(b) The Director must deny an application where any of the conditions in Section 54-49 of the County Code existed within three years prior to the date of application.

54.00.02.04 Suspension or Revocation of Licenses

(a) The Director may suspend or revoke a license if any of the conditions in Section 54-47 of the County Code are met.

(b) In determining whether a licensee has operated in a manner that is dangerous to the health and safety of the community or is a nuisance because of noise or other activity, the Director may consider any available information, including but not limited to complaints or reports to law enforcement, fire and rescue services, or any other County agency.

(c) If the Director suspends the license:

(1) the Department will issue a written notification to the license holder;

(2) all violations must be corrected within the specified timeframe; and

(3) the license holder may submit a formal request to the Director for reinstatement following corrective actions.

Approved:

Marc Elrich, County Executive — Date: 06-12-2026

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

Neal Anker
Assistant County Attorney — Date: 6/10/2026

MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject	Number
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Originating Department	**Effective Date**
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(b) **Self-certification requirements.** As part of the application process, the applicant must self-certify compliance with Section 54-43 "Application for a License," on a form to be provided by the Department.

(c) **Proof of Primary Residence.** To establish that they are a primary resident of the property, an applicant must submit at least one or more of the following documents that must reflect the applicant's occupancy of the property:

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(i) **Additional Information Request:** The Department may at any time during the application process require the applicant to supplement the supporting documentation to resolve any conflict, inconsistency, inadequacy, or other concern presented in the documentation provided or as a result of the discovery of additional information from outside sources.

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(1) falsified or inaccurate information submitted during the self-certification process. The Director may review any additional information available in making this determination;

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(a) The Director may suspend or revoke a license if any of the conditions in Section 54-47 of the County Code are met.

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(c) If the Director suspends the license:

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Approved:

Marc Elrich, County Executive — Date: 06-12-2026

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

Neal Anker — Date: 6/10/2026

Neal Anker
Assistant County Attorney

Fiscal Impact Statement

Office of Management and Budget

Executive Regulation 27-25	**Licensing for Bed & Breakfasts and Short-Term Residential Rentals**
Regulation Summary	Executive Regulation 27-25 establishes the procedures for licensing the operation of bed-and-breakfasts and short-term residential rentals in Montgomery County, including application, approval, suspension, and revocation processes under Code Sections 54-42 through 54-49. The regulation applies to County residents operating such establishments in accordance with Chapter 54, Article III, and related requirements.
Fiscal Impact Summary	The proposed regulation will not impact County revenues or expenditures, as it primarily defines the procedures for obtaining a license to operate a bed-and-breakfast or short-term residential rental in Montgomery County.

Fiscal Year	**0**	**0**	**0**	**0**	**0**	**0**	**Total**
Personnel Costs	$0	$0	$0	$0	$0	$0	$0
Operating Expenses	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Impact	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis	DHCA does not anticipate significant expenditure impacts from ER 27-25, as funding for 5.0 FTEs and related operating costs to implement Bill 22-23 - Transient Lodging Facilities - Short-Term Residential Rental, was appropriated in FY25. DHCA has determined, however, that although earlier estimates identified 1,472 active listings, its verification process confirms that approximately 676 short-term rental units were active based on FY26 second-quarter data.
Staff Impact	The regulation is not expected to impact staff time or duties.
Actuarial Analysis	The regulation is not expected to impact retiree pension or group insurance costs.
Information Technology Impact	The regulation is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.
Other Information	
Later actions that may impact revenue or expenditures if future spending is projected	The regulation does not authorize future spending.
Contributors	Tiffany Johnson, Manager, Licensing and Regulation Program, Department of Housing and Community Affairs (DHCA) Pofen Salem, Finance and Administration Division Chief, DHCA Joy Champaloux, Management and Budget Specialist, DHCA Anita Aryeetey, Lead Fiscal and Policy Analyst, Office of Management and Budget