

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO AMEND CHAPTER 18AA OF THE CITY OF  
GAITHERSBURG CODE, SECTION 18AA-2. ENTITLED, "DEFINITIONS,"  
TO REFLECT DEFINITIONS IN CHAPTER 24, "ZONING"; ESTABLISH  
SECTION 18AA-3.1 SHORT-TERM RENTAL LICENSING; AND SECTION  
18AA-5. TO INCLUDE SHORT-TERM RENTALS

Chapter 18

**RENTAL HOUSING LICENSING**

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**Sec. 18AA-2. Definitions.**

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

*Boarding house.* A dwelling in which, for compensation, lodging and meals are furnished to at least three (3) but not more than five (5) guests. A boarding house shall not be deemed a home occupation. Any boarding house lawfully established on October 1, 1985, under regulations previously in effect as to the permissible number of guests, may continue to operate under the requirements in force prior to October 1, 1985, and shall not be considered a nonconforming use.

*Common ownership community.* A development subject to a declaration enforced by a homeowners' association, a condominium, and a cooperative housing project, as those terms are used in state law.

*Common ownership community fees.* Fees charged by the entity authorized to impose a fee on the owner or occupant of a dwelling unit in a common ownership community for services or the benefit of common areas in the community.

*City manager.* The city manager or his designee.

*Dormitory.* A building or portion thereof used for sleeping purposes in connection with a school or college or other institution.

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<del>Single strikethrough</del>	<i>Deleted from existing law by original bill.</i>
<u><u>Double underlining</u></u>	<i>Added by Amendment.</i>
<del><b>Double boldface strikethrough</b></del>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*Dwelling.* A building or portion thereof arranged or designed to provide living facilities for one or more families, excepting trailers and mobile homes.

*Dwelling unit.* A group of rooms located within a building and forming a single habitable unit with facilities which are used or intended to be used for living, sleeping, cooking and eating purposes.

*Dwelling, multiple-family.* A residence designed for or occupied by three (3) or more families with separate housekeeping and cooking facilities for each.

*Dwelling, single-family.* A detached residence designed for or occupied by one family only, excluding trailers and mobile homes.

*Dwelling, two-family.* A residence designed for or occupied by two (2) families only, with separate housekeeping and cooking facilities for each.

*Dwelling Unit.* A building or portion thereof providing complete living facilities for not more than one (1) family, including, at a minimum, a kitchen, and facilities for sanitation and sleeping.

*Dwelling, Single Unit Attached.* One (1) of a group of three (3) or more single dwelling units sharing common party walls or floors. Each dwelling unit must have one (1) direct entrance from the outside. This term does not include townhouses.

*Dwelling, Multiple-Unit (Family).* A building containing three (3) or more dwelling units which may or may not share a common entry. This term includes apartment buildings, condominiums and cooperatives.

*Dwelling, Semidetached (Duplex).* One (1) of two (2) single unit attached dwellings located on abutting lots meeting the following criteria:

(a) The dwellings are joined by a party wall along the common lot line and extending from the basement floor to the highest point of the roof with no openings; and

(b) No other buildings or structures adjoin either dwelling unit.

*Dwelling, Single Unit Detached.* A building designed and intended for use as a single dwelling and entirely separated from any other building or structure on all sides.

*Dwelling, Townhouse.* One of a group of three (3) or more dwelling units in the same building, each of which units is separated from any adjacent unit by a continuous vertical party wall without openings extending from the lowest floor level of the unit to the highest point of the roof along the party wall division line, and each of which dwelling units has its own entrance directly from the outside.

*Family.* One or more persons occupying a single housekeeping unit and using common cooking facilities; provided, that unless all members are related by blood or marriage, no such family shall contain over five (5) persons.

*Guest unit.* A single accommodation that is intended for occupancy by one or more transient guests, but not including short-term rentals, school or college dormitories, or fraternity or sorority houses.

*Hotel.* Any building containing ten (10) or more guest ~~rooms~~ units where, for compensation, lodging, meals or both are provided for ten (10) or more guests, excluding a fraternity or sorority house, school or college dormitory, tourist home, motel or hotel-apartment as defined herein.

*Hotel, apartment.* A building designed for or containing both guest units for transient guests and multiple family dwelling units and which maintains an inner lobby through which all guests and tenants must pass to gain access to dwelling or guest units.

*Mobile home.* A moveable or portable dwelling built on a chassis connected to utilities and designed without permanent foundation for year-round living.

*Owner.* Any person, firm, partnership, association, company or corporation having a legal or equitable interest in the rental facility, including, but not limited to, a mortgagee and an assignee of rents. It shall also mean any person who, alone or jointly or severally with others, shall have the charge, care or control of any structure as executor, administrator, trustee or guardian of the estate of the owner. Any person, firm, company, association or corporation whose name appears on the property tax bills shall be deemed to be owner of the rental property.

*Rental housing unit.* Any space in any building which for a consideration is made available to a person or persons for dwelling or lodging purposes and, in any building containing three (3) or more rental housing units, spaces within the building used for access, storage, trash disposal, cleaning, utilities or recreational purposes. Rental housing units may be contained within ~~single-family units, two-family semidetached, and multiple-family unit~~ dwellings, townhouses, urban cottages, mobile homes, rooming house, boarding house, dormitory, ~~tourist home~~, hotel, motel and apartment-hotel as defined herein, provided they are otherwise allowed by Chapter 24 of this Code.

*Roominghouse.* A dwelling in which lodging is furnished for compensation to at least three (3) but not more than five (5) guests. Any roominghouse lawfully established on October 1, 1985, under regulations previously in effect as to the permissible number of guests, may continue to operate under the requirements in force prior to October 1, 1985, and shall not be considered a nonconforming use.

*Short-term rental.* The offering of lodging accommodations in a residential dwelling unit or accessory building for periods of less than 30 consecutive days to

transient guests. A short-term rental must be accessory and secondary to the primary use of a dwelling unit for residential household living purposes and shall conform to all applicable requirements set forth in the short-term rental regulations adopted pursuant to section 2-10 of the city code.

*~~Townhouse.~~* One of a group of three (3) or more dwelling units in the same building, each of which units is separated from any adjacent unit by a continuous vertical party wall without openings extending from the lowest floor level of the unit to the highest point of the roof along the party wall division line; and each of which dwelling units has its own entrance directly from the outside.

*Urban cottage.* A subordinate accessory dwelling unit, either freestanding or part of another structure on a lot, that because of its size, facilities or usage is secondary to the primary dwelling unit located on the lot.

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**Sec. 18AA-3.1 Short-term rental license—Required.**

All owners of any occupied short-term rental units shall have a valid, unrevoked license issued by the city manager pursuant to this chapter and are subject to the requirements of Sections 18AA-4 through 18AA-12 and to any applicable requirements set forth in the short-term rental regulations adopted pursuant to section 2-10 of the city code. As part of the license, a short-term rental host must:

- (a) Provide documentation and a signed declaration of compliance attesting to compliance with subsections (b) through (i)
- (b) Comply with all applicable City, State, and Federal laws.
- (c) Ensure that all dwelling units have approved working smoke alarms and carbon monoxide alarms in every bedroom and on every level of the home as required by Chapter 11.
- (d) Post the following information in a conspicuous place within each dwelling unit used as a short-term rental:
  - 1. Emergency contact information
  - 2. Contact information for the short term rental host or authorized agent
  - 3. Street address
  - 4. Floor plan indicating fire exits and escape routes
  - 5. Neighborhood Services Division contact information
  - 6. City and Association rules regarding parking, noise, and trash.

- (e) Maintain a minimum short-term rental liability insurance policy of at least \$1,000,000, which names the City as an additional insured.
- (f) Maintain and keep readily available for inspection, a guest registry that includes at a minimum:
  - 1. The name of each guest
  - 2. Check in/out dates
  - 3. Rent paid
- (g) Post valid license number on all listings advertising the short-term rental dwelling unit.
- (h) Remit all local taxes and required fees.
- (i) Submit written approval of short-term rental from Home Owners Association or Condominium Association, if applicable, indicating that the common ownership community fees are no more than 30 days past due.

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Sec. 18AA-5. - Same—Issuance.

- (a) Upon receipt of a properly completed application and the required fee, the city manager or designee shall issue a rental housing or short-term rental license and shall cause an inspection to be made of the premises described in the application. The license shall be posted in a conspicuous place on the premises or maintained in the custody of the property manager.
- (b) If the application is for premises less than two (2) years old at the time of application, a final license shall be issued promptly after the satisfactory completion of all inspections required by other applicable laws, ordinances or regulations and rental application has been filed with the city manager.
- (e) (b) All multi-family apartment houses shall be issued a final license upon receipt of a completed application form and fee which shall be established by resolution of the city council.

ADOPTED by the City Council this 21st day of October, 2019.

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JUD ASHMAN, MAYOR and  
President of the Council

DELIVERED to the Mayor of the City of Gaithersburg this 21st day of October, 2019. APPROVED by the Mayor of the City of Gaithersburg this 21st day of October, 2019.

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JUD ASHMAN, MAYOR

THIS IS TO CERTIFY, that the foregoing Ordinance was adopted by the City Council of the City of Gaithersburg, in public meeting assembled on the 21st day of October, 2019; and that the same was APPROVED by the Mayor of the City of Gaithersburg on the 21st day of October, 2019. This Ordinance will become effective on the 10th day of November, 2019.

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Tony Tomasello, City Manager