



TOWN OF OCEAN CITY

The White Marlin Capital of the World

April 1, 2022

To Whom it May Concern:

You are receiving this letter because the Town of Ocean City's Department of Planning and Community Development has identified your company to be a hosting platform or property manager, as defined by Ocean City's Rental Housing Ordinance (Chapter 14, Article V, hereinafter "Ordinance"). Recent amendments to the Ordinance affect your obligations and operations as a hosting platform or property manager. The purpose of this letter is to inform you of these amendments, share the attached Ordinance and Frequently Asked Questions, and to explain in more general terms below how to comply with your obligations under the Ordinance.

Background

The Ordinance became effective on March 21, 2022. To comply with the Ordinance, property owners are required to have a rental license or business license, whichever is applicable to their premise for habitation. Property owners shall be in compliance with all applicable provisions of the Town's Code. Property owners shall be compliant with Maryland law on the payment of sales and use tax. The property owner shall certify that all taxes relating to the rental of property are paid current at the time of license issuance and renewal. The license shall be displayed as the Ordinance requires. Additionally, the Ordinance has other requirements of the property owner.

Your company should read and understand the obligations for hosting platforms and property managers contained in the Ordinance. A few of the main requirements are:

- Platforms and property managers shall include in all advertising, whether by print, electronic, audible or in any other form or substance that is designed to inform as to the availability of any property for rent, the applicable Ocean City license control number. A hosting platform or property manager that does not input the information to create the advertisement or listing, shall provide a mandatory field on their online site in which the Ocean City rental license control number or the business license control number are required to be entered. This field shall be displayed on/in the advertisement or listing.
- Platforms and property managers must verify that any rental housing unit offered for rent is licensed through one of the verification methods approved by the Division (see below) before the platform or property manager may advertise, list or otherwise facilitate a booking transaction for the rental housing unit.

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- Platforms and property managers are required to reverify the license validity if the platform or property manager has been notified that the rental housing unit cannot lawfully be rented if the property owner ceases renting through the platform or property manager and commences doing so again, or if it has been more than twelve months since the license was last verified.
- Platforms and property managers shall make a record of all rental housing unit rentals in Ocean City, advertised, listed, or otherwise facilitated by that platform or property manager; maintain the records for at least five (5) years; and make the records available for inspection by the Town upon lawful request. The records must include the name and Ocean City rental license control number or business license control number of the property owner who provided the rental housing unit; the expiration date of the rental or business license; the street address of the rental housing unit; the date of the booking transaction; and the start and end dates of each rental.
- If a licensed unit cannot be lawfully rented or the license is suspended or revoked, the platform or property manager may not advertise, list or otherwise facilitate booking transactions for that rental housing unit.
- A platform or property manager may not collect or receive a fee in exchange for facilitating reservations, advertisements, or listings of a rental, for serving as a communication conduit between property owners and renters, or for otherwise facilitating booking transactions for rentals if the rental housing unit cannot lawfully be used for a residential rental.

Methods of Compliance With Obligation to Verify Licenses

There are several methods available for platforms and property managers to verify that hosts are lawfully registered.

- Method 1: Call the License Inspector, Monday through Friday, during normal business hours, #410-289-8861.
- Method 2: Come to City Hall and we will look the property up for you.
Finance Department
301 N. Baltimore Avenue
Ocean City, Maryland 21842
- Method 3: Check the Town GIS Mapping Tool (Rental License Viewer) located here: <https://tocgis.maps.arcgis.com/home/index.html>. Each property can be looked up to find out if they have a valid rental license or business license control number.

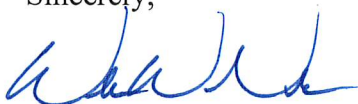
- Method 4: A municipal portal that allows the Town access to rental housing unit data for the corporate limits of Ocean City, to include but not limited to the following information: the Town license number, the property listing ID number given by the company, the address or location information provided by the property owner/property manager/host, and the property owner name if it is available.
- Method 5: A monthly report submitted to the Town of Ocean City Department of Planning and Community Development that contains each rental housing unit the hosting platform or property manager is facilitating in the corporate limits of Ocean City, to include but not limited to the following information: the Town license number, the property listing ID number given by the company, the location if any posted by the property owner/property manager/host, and the associated URL to the listing.

Next Steps

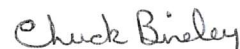
- Implement any necessary changes to the design and functionality of your platform or website to accommodate compliance with the Ordinance.
- Inform your “hosts” of the requirement to be licensed and all other requirements of the Ordinance.
- Discontinue booking services for any listings or “hosts” that you have not verified as having a valid license.
- Ensure the platform and/or property manager is including the proper information in all advertisements.
- Ensure the required records are being maintained.

Thank you in advance for your cooperation. Compliance should be completed by May 1, 2022, for rental licenses and June 1, 2022, for business licenses. If you have any questions regarding this letter or the requirements of the Ordinance, please consult the FAQ and feel free to contact us at BNeville@oceancitymd.gov, #410-289-8855, or CBireley@oceancitymd.gov, #410-289-8941.

Sincerely,



William Neville
Director of Planning and Zoning
Town of Ocean City



Chuck Bireley, CPA
Director of Finance
Town of Ocean City

www.oceancitymd.gov

P.O. BOX 158 • OCEAN CITY, MARYLAND • 21843-0158



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City Hall – (410) 289-8221 • FAX – (410) 289-8703