

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 993
Economic Matters

(Delegate Valderrama, *et al.*)

Judicial Proceedings

Real Property - Short-Term Rentals

This bill prohibits a governing body of a county or municipality from enacting a local law or ordinance that prohibits an operator from offering a property as a short-term rental solely because the operator is a lessee or sublessee of the property. However, the bill authorizes local governments to enact a local law or ordinance 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. “Short-term rental” means a residential dwelling unit, or a portion thereof (including an accessory dwelling), used to provide housing for less than 31 consecutive days. It does not include a hotel, motel, boarding house, student group residential facility, fraternity or sorority house, or similar housing. Nothing in the bill may be interpreted as prohibiting (1) a property owner from prohibiting or restricting the use of the property by a lessee or sublessee as a short-term rental or (2) a county or municipal government from requiring an operator to register a short-term rental.

Fiscal Summary

State Effect: The bill does not directly affect State finances or operations.

Local Effect: The bill does not directly affect local government finances.

Small Business Effect: Minimal.

Analysis

Current Law: State statute does not expressly regulate the operation of “short-term rental” units. However, several local government jurisdictions, including Anne Arundel, Montgomery, and Prince George’s counties, and Baltimore City have enacted laws and ordinances regulating the operation and administration of such units.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 705 of 2025.

Designated Cross File: SB 666 (Senator Harris) - Judicial Proceedings.

Information Source(s): Kent, Washington, and Worcester counties; Maryland Municipal League; Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2026
jg/jkb Third Reader - March 20, 2026
Revised - Amendment(s) - March 20, 2026

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