

CITY OF MALDEN

ORDINANCE NO. 2025-XX

AN ORDINANCE AMENDING THE CITY OF MALDEN CODE OF ORDINANCES BY ADDING A NEW CHAPTER REGULATING SHORT-TERM RENTALS

BE IT ORDAINED by the City Council of the City of Malden, as follows:

SECTION 1. Purpose and Intent

The purpose of this ordinance is to provide a process through which the City of Malden can permit the operation of Short-Term Rentals (STRs) in a way that balances private interests with public needs, protects the housing stock of the city from conversion to exclusive short-term rental use, maintains residential character, preserves housing availability for long-term residents, and safeguards public health, safety, and welfare.

SECTION 2. Definitions

For the purposes of this chapter, the following words, terms, and phrases shall have the meanings given herein:

Booking Agent: Any person or entity that facilitates reservations or collects payment for a Short-Term Rental on behalf of or for an Operator.

Building Commissioner: The City of Malden Building Commissioner or designee.

Dwelling Unit: A single unit providing complete independent living facilities, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

Operator: The person or entity who offers a residential unit for use as a Short-Term Rental. The Operator must be the owner and occupant of the property.

Owner: Any person or entity who, alone or severally with others, has legal or equitable title to any building, structure, or property, or the agent of the person or entity.

Owner-Occupied: A property with a dwelling unit that is the primary residence of the Owner. Primary residence means a property with a dwelling unit where the Owner resides for at least 9 months out of a 12-month period.

Primary Residence: The property address where a person resides for at least 9 months out of a 12-month period, where the resident intends to return, and which is documented as such person's legal address for voting, tax assessment, and other governmental purposes.

Short-Term Rental (STR): The use of a residential dwelling unit or accessory building for temporary lodging of guests for a period of fewer than 28 consecutive days in exchange for compensation of any kind.

SECTION 3. Registration Requirements

1. **Registration Required:** No person shall operate a Short-Term Rental without first obtaining a Certificate of Registration from the Building Commissioner.
2. **Registration Process:** a. The Operator shall submit a complete application on a form provided by the City. b. The application shall include at minimum: i. The name, address, telephone number, and email address of the Operator. ii. Floor plan of the dwelling unit indicating the specific rooms to be used as part of the Short-Term Rental. iii. Proof that the dwelling unit is on property that is the Operator's Primary Residence. iv. Proof of property and liability insurance coverage. v. A sworn affidavit that the Operator is in compliance with all applicable local, state, and federal laws, including but not limited to building and fire safety codes. vi. A certificate of compliance with the requirements of this chapter following inspection by the Building Commissioner. vii. Payment of all applicable fees as set forth in the City's fee schedule.
3. **Registration Limitations:** a. Registrations are valid for a period of one (1) calendar year and shall expire on December 31st. b. Registrations are not transferable to a different Owner or property. c. An Owner may only register one Short-Term Rental property within the City, which must be their Primary Residence.
4. **Registration Renewal:** a. Registrations must be renewed annually. b. Applications for renewal shall be submitted no earlier than sixty (60) days and no later than thirty (30) days before the expiration of the current registration. c. Renewal applications shall include updated information and documentation as required for initial registration.

SECTION 4. Operational Requirements

1. **Owner Occupancy Requirement:** All Short-Term Rentals must be located within an Owner-Occupied property. The Owner must maintain the property as their Primary Residence.

2. **Types of Short-Term Rentals Permitted:** a. **Home Share:** Rental of a bedroom, dwelling unit(eg. unit in 2 or 3 family home which owner occupy's one of the units), or defined sleeping area within the Owner's Primary Residence while the Owner remains present on the property. b. **Limited Share:** Rental of the Owner's entire Primary Residence while the Owner is away for temporary purposes.
3. **Limited Share Restriction:** Limited Share Short-Term Rentals shall not exceed ninety (90) total days in any calendar year.
4. **Registration Fees:** a. Initial Registration Fee: \$200 for Home Share and \$300 for Limited Share. b. Annual Renewal Fee: \$100 for Home Share and \$200 for Limited Share. c. Late Registration or Renewal Fee: Additional \$100. d. Registration fees shall be reviewed annually by the City Council and may be adjusted as necessary.
5. **Occupancy Limitations:** a. Occupancy shall be limited to two (2) persons per bedroom, plus two (2) additional persons. b. The total number of bedrooms used for a Short-Term Rental shall not exceed the number of bedrooms approved for the dwelling unit on the building permit.
6. **Safety Requirements:** a. Each Short-Term Rental unit shall: i. Meet all building, health, and fire safety code requirements. ii. Have working smoke detectors, carbon monoxide detectors, and fire extinguishers. iii. Post an emergency exit plan in a conspicuous location. iv. Maintain a functioning landline telephone or reliable cellular service. v. Be equipped with a properly functioning and maintained heating, ventilation, and air conditioning system. vi. Be free from any outstanding building, electrical, plumbing, mechanical, fire, health, housing, police, or zoning code enforcement matters.
7. **Local Contact Person:** The Operator shall designate a local contact person who lives within 25 miles of the Short-Term Rental property and is available to respond within one (1) hour to issues or emergencies that arise during any Short-Term Rental.
8. **Information for Guests:** The Operator shall provide to guests the following information: a. Contact information for the Operator or designated local contact person. b. Emergency exit plan and instructions. c. Copy of the Certificate of Registration. d. Copy of this ordinance. e. Parking restrictions or requirements. f. Trash and recycling collection schedules and procedures. g. Noise restrictions and quiet hours (10:00 PM to 7:00 AM).
9. **Good Neighbor Guidelines:** The Operator shall create and maintain a set of Good Neighbor Guidelines that shall be provided to guests. These guidelines shall include: a. Reminder that the Short-Term Rental is in a residential area. b. Requirement to respect the quiet and privacy of neighbors. c. Information about parking, trash disposal, and recycling requirements. d. Prohibition of events, parties, or large gatherings.

10. **Insurance Requirements:** The Operator shall maintain liability insurance appropriate to cover the Short-Term Rental use in the aggregate of not less than \$1,000,000 (one million dollars) or shall conduct such Short-Term Rental operations through a Booking Agent that provides equal or greater coverage.
11. **Taxes and Fees:** a. The Operator shall comply with all applicable federal, state, and local tax requirements, including the collection and remittance of state and local room occupancy taxes. b. City of Malden Community Impact Fee: In addition to the state room occupancy tax, a community impact fee of 3% of the total amount of rent for each short-term rental shall be collected and remitted to the City. This fee shall be paid quarterly. c. Affordable Housing Trust Fund Contribution: An additional fee of 1% of the total amount of rent shall be collected and remitted to the City's Affordable Housing Trust Fund. d. All fees collected pursuant to this section shall be deposited as follows: 50% to the City's General Fund, 30% to support affordable housing initiatives, and 20% to support infrastructure improvements in residential neighborhoods. e. The Operator or Booking Agent shall collect and remit all required taxes and fees to the City's Treasurer. If a Booking Agent collects rent on behalf of an Operator, the Booking Agent shall collect all required taxes and fees and remit the same to the City. f. Failure to collect and pay all applicable taxes and fees shall constitute a violation of this ordinance and may result in the suspension or revocation of the Certificate of Registration.

SECTION 5. Prohibitions

1. The following are expressly prohibited: a. Non-owner-occupied Short-Term Rentals. b. Commercial meetings, corporate retreats, weddings, or similar gatherings. c. Events, parties, or other gatherings in excess of the maximum occupancy limit. d. Rental for less than 24 consecutive hours. e. Operation of a Short-Term Rental without a valid Certificate of Registration. f. Operation of a Short-Term Rental in any dwelling unit that is subject to affordable housing restrictions. g. Operation of a Short-Term Rental in a manner that creates a public nuisance.

SECTION 6. Inspections

1. **Initial Inspection:** Prior to the issuance of any Certificate of Registration, the Building Commissioner shall conduct an inspection of the proposed Short-Term Rental to ensure compliance with this ordinance and all applicable codes.
2. **Annual Inspection:** The Building Commissioner shall conduct an annual inspection of all registered Short-Term Rentals prior to the renewal of the Certificate of Registration.
3. **Complaint-Based Inspections:** The Building Commissioner may conduct inspections in response to complaints regarding potential violations of this ordinance or applicable

codes.

SECTION 7. Record Keeping

1. The Operator shall maintain records of all Short-Term Rental activity for a period of three (3) years, including: a. The number of days the residential unit was rented as a Short-Term Rental. b. The names and contact information of all guests. c. The room rates charged. d. All tax returns filed related to the Short-Term Rental.
2. These records shall be made available to the City upon request.

SECTION 8. Data Reporting Requirements

1. **Booking Agent Requirements:** a. All Booking Agents shall provide to the City, on an annual basis, a report which includes: i. The total number of Short-Term Rentals in the City listed by the Booking Agent. ii. The location of each Short-Term Rental listed on the Booking Agent's platform. iii. The total number of nights each Short-Term Rental was rented during the preceding month. iv. The amount of rent collected by the Booking Agent. v. The amount of tax and community impact fees collected by the Booking Agent.
2. **Data Sharing Agreement:** a. All Booking Agents operating within the City must enter into a data sharing agreement with the City. b. Booking Agents shall remove any listings from their platforms that have not been properly registered with the City within 24 hours of notification by the City.
3. **Confidentiality:** a. Any personal data collected pursuant to this section shall be handled in accordance with applicable privacy laws and shall be used solely for the purpose of enforcing this ordinance.

SECTION 9. Enforcement, Violations, and Penalties

1. **Enforcement Authority:** The Building Commissioner shall be responsible for enforcing this ordinance.
2. **Violation Notice:** Upon determination that a violation has occurred, the Building Commissioner shall issue a written notice to the Owner specifying the nature of the violation and the corrective action required.
3. **Penalties:** a. First Violation: A warning and order to cease the violation immediately. b. Second Violation: A fine of \$300 and a 30-day suspension of the Certificate of Registration. c. Third Violation: A fine of \$500 and revocation of the Certificate of

Registration. d. Operating without a Certificate of Registration: A fine of \$300 per day for the first week and \$500 per day thereafter. e. Failure of a Booking Agent to remove non-compliant listings: \$100 per day per listing. f. Failure to collect or remit required taxes and fees: \$100 per day plus interest at the rate of 1% per month on the unpaid balance.

4. **Revocation of Certificate:** a. The Building Commissioner may revoke a Certificate of Registration for any of the following reasons: i. Failure to comply with this ordinance or any applicable laws, rules, or regulations. ii. Conduct of a Short-Term Rental operation in a manner that creates a public nuisance. iii. Submission of false or misleading information on the registration application. iv. Failure to maintain the property as the Owner's Primary Residence. v. Three or more violations within a 12-month period.
5. **Appeals:** Any person aggrieved by a decision of the Building Commissioner under this ordinance may appeal such decision to the Zoning Board of Appeals within thirty (30) days of the Building Commissioner's decision.

SECTION 10. Annual Review and Reporting

1. **Annual Report:** The Building Commissioner shall prepare and submit to the City Council an annual report on Short-Term Rentals in the City, which shall include: a. The number of registered Short-Term Rentals. b. The distribution of Short-Term Rentals throughout the City by ward. c. The total amount of registration fees, taxes, and community impact fees collected. d. A summary of violations and enforcement actions. e. Recommendations for amendments to this ordinance, if any.
2. **Public Hearing:** The City Council shall hold a public hearing on the annual report and consider any recommended amendments to this ordinance.

SECTION 11. Severability

Should any section, paragraph, or provision of this ordinance be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of this ordinance as a whole or any part hereof other than the part so declared to be invalid.

SECTION 12. Effective Date

This ordinance shall take effect sixty (60) days after its adoption and publication as required by law.

APPROVED:

Mayor, City of Malden

City Clerk, City of Malden

Date of Adoption: _____, 2025