



OFFICE OF THE INSPECTOR GENERAL

Megan Davey Limarzi, Esq.
Inspector General

NEWS RELEASE

For Immediate Release

October 11, 2024

OIG Finds 85% of Short-Term Rentals to Be Unregistered

Rockville, Maryland – Montgomery County Maryland Inspector General Megan Davey Limarzi announced today the release of a new Office of the Inspector General (OIG) report, *[Short-Term Residential Rental Program](#)*, OIG Publication #25-04, detailing the results of the OIG’s review of Montgomery County’s administration of the Short-Term Residential Rental (STRR) Program. The review was initiated in furtherance of the OIG’s mission to prevent and detect fraud, waste, and abuse in government activities; and propose ways to increase the legal, fiscal, and ethical accountability of County government departments and County-funded agencies.

In 2017 the Montgomery County Council established standards and licensing regulations governing the occupancy of dwellings for a fee. The resulting STRR program, among other things, adopted a licensure requirement and mandated that the Department of Finance impose a 7% transient tax on the total amount paid for the rental. The County’s Department of Health and Human Services (DHHS) was initially assigned the responsibility of managing the program, but more recently the task was transferred to the Department of Housing and Community Affairs (DHCA).

The OIG’s review found that lax administration and enforcement of STRR provisions in County law over the years has resulted in a loss of hundreds of thousands of dollars in licensing fees and potential tax revenue. The OIG also discovered that more than 85% of STRRs operating in the County are not licensed. Furthermore, the review found that the County is unable to reconcile tax payments received by short term rental brokers against what was collected.

The OIG report details 3 major findings and 7 associated recommendations aimed at strengthening enforcement, increasing oversight, and developing policies and procedures for more effective management of the program.

The full report can be found at

<https://www.montgomerycountymd.gov/OIG/Resources/Files/PDF/IGActivity/FY2025/OIG%20Pub25-04STRR%20Program.pdf>

Please direct all inquiries to: **Email:** ig@montgomerycountymd.gov

Phone: 240-777-8240