

Ordinance No. 2024-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS ADDING CHAPTER 6.70 ENTITLED “SHORT TERM RENTALS” TO CHAPTER 6, “BUSINESS LICENSES AND REGULATIONS” OF THE CODE OF ORDINANCES; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in April 2021, Council directed staff to research regulation and potential policies for the short-term rental industry in Georgetown as well as regional best practices; and

WHEREAS, in November 2022, Council directed staff to develop short-term rental regulations in response to industry data showing a significant increase in short-term rentals citywide; and

WHEREAS, the upward trend in the number short-term rentals in residential neighborhoods is expected to continue due to destination events like the Red Poppy Festival and Two Step Inn forecasting higher demand from seasonal visitors; and

WHEREAS, based on lessons learned from other cities where short-term rentals are more numerous, the introduction of regulations is an important step in preparing the Georgetown community for future growth in the short-term rental industry; and

WHEREAS, the Council supports the use of property for rental use in the short-term and acknowledges the business goals of short-term rental owners and the economic value of the short-term rental industry; and

WHEREAS, Council seeks to minimize potential adverse impacts to Georgetown residents from short-term rentals, namely public safety risks, illegal parking, traffic, trash, increased density, and affordable housing shortages; and

WHEREAS, short-term occupants and operators must be aware of local rules to enhance compliance and public safety; and

WHEREAS, the establishment of a short-term rental permit requirement will help protect the health and safety of the City’s residents as well as occupants of a short-term rental; and

WHEREAS, requiring the registration of all short-term rental properties will help ensure the appropriate hotel occupancy taxes are paid.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS THAT:

Section 1. The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

Section 2. Chapter 6.70 of the Code of Ordinances is hereby added as shown in Exhibit A.

Section 3. The application fee for registration for a short-term rental permit shall be waived applications submitted within sixty (60) days of the effective date of this Ordinance.

Section 4. All ordinances or resolutions that are in conflict with the provisions of this ordinance are, and the same are hereby, repealed and all other ordinances or resolutions of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

Section 5. If any provision of this ordinance, or application thereof, to any person or circumstance, shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are hereby declared to be severable.

Section 6. The Mayor is hereby authorized to sign this ordinance and the City Secretary to attest. This Ordinance shall become effective and be in full force and effect November 1, 2024 in accordance with the provisions of the City Charter of the City of Georgetown.

PASSED AND APPROVED on First Reading on the _____ of _____, 2024.

PASSED AND APPROVED on Second Reading on the _____ of _____, 2024.

CITY OF GEORGETOWN, TEXAS

Josh Schroeder, Mayor

ATTEST:

Robyn Densmore, City Secretary

APPROVED AS TO FORM:

Skye Masson, City Attorney

EXHIBIT A

CHAPTER 6.70. - SHORT-TERM RENTALS

Sec. 6.70.010. Purpose.

This Chapter is intended to regulate short-term rentals within the municipal city limits of the City of Georgetown. This Chapter allows the rental of residential properties to short-term visitors, while preserving the quality of life and character of Georgetown neighborhoods. This Chapter ensures that owners and operators are following City, state, and federal law. This Chapter also ensures that the number of occupants within such rental units does not exceed the design capacity of the structure to cause health and safety concerns, and that minimum health and safety standards are maintained in such units to protect visitors from unsafe or unsanitary conditions.

Sec. 6.70.020. Definitions.

Bedroom means the living area(s) of the dwelling unit that is designed and furnished for sleeping and which has proper egress as required by Chapter 15.03 of the Code of Ordinances.

City Manager means the City's City Manager or the City Manager's designee.

Director means the City's Downtown & Tourism Director or designee.

Local contact person means the person designated by the owner or operator who shall be available twenty-four (24) hours per day, seven (7) days per week for the purpose of:

- (1) Responding promptly to complaints regarding the condition, operation, or conduct of occupants of the short-term rental unit; and
- (2) Taking remedial action to resolve such complaints.

The owner or operator may be listed as the local contact person.

Occupant means any individual person living in, sleeping in, or possessing a building or portion thereof. A person is not required to be paying rent, providing in-kind services, or named in any lease, contract, or other legal document to be considered an occupant.

Operator means every natural person, firm, partnership, association, social or fraternal organization, corporation, estate, trust, receiver, syndicate, branch of government, or any other group or combination acting as a unit who is the proprietor of a short-term rental with authority to act in that capacity, whether in the capacity of owner, lessee, sub-lessee, mortgagee in possession, licensee, or any capacity.

Owner means a person who owns the real property where a short-term rental is located.

Premises means property, a lot, plot, or parcel of land, including any structures or portions of structures thereon.

Short-term rental means any residential structure, including a single-family home, an accessory structure, or a unit in an apartment or condominium building, or any portion thereof, used for lodging accommodations to occupants for a period of less than thirty (30) consecutive days. The

definition of short-term rental does not include a hotel, motel, bed and breakfast, executive suite, or other non-residential use as defined in the Unified Development Code. Properties rented for longer than 30 days that are still advertised as available on a nightly basis fall into this category.

Sec. 6.70.030. Short-term rental permit required.

- (a) It shall be unlawful for any person to own or operate a short-term rental within the city without a valid short-term rental permit issued pursuant to this Chapter.
- (b) Only one short-term rental permit shall be approved for an address. An owner or operator who desires to operate more than one short-term rental unit per address shall apply for a special exception.
- (c) Short-term rentals in operation at the time of the effective date of this Ordinance shall have sixty-days to obtain a short-term rental permit.

Sec. 6.70.040. Permit application.

- (a) *Application Requirement.* An owner of a short-term rental shall submit to the city an application for a permit to the City.
- (b) *Application Contents.* Applications shall be in writing on the form prescribed by the Director, and contain the following information:
 - 1. The physical address of the short-term rental;
 - 2. The number of bedrooms in the short-term rental and the number of off-street parking spaces available on the property where the short-term rental is located;
 - 3. The owner's name, address, email address, and telephone number;
 - 4. If the owner is not an individual, then the name, address, and email address of a natural person who has the legal authority to act for the owner;
 - 5. The operator's name, address, email address, and telephone number and written verification from the owner that the operator is authorized to operate the premises as a short-term rental;
 - 6. If the operator is not a natural person, then the name, address, and email address of a natural person who has the legal authority to act for the operator;
 - 7. The name and website link to all internet platforms that host advertisement or take reservations for the short-term rental at any time during a 12-month period from the date of application;
 - 8. The name, address, email address, and twenty-four (24) hour telephone number of a local contact person;
 - 9. A statement that the owner or operator of the short-term rental is in compliance with and will maintain compliance with the requirements of this Chapter, and with all applicable state and local laws, including applicable Fire and Building Code requirements regarding occupancy, smoke and carbon monoxide detectors, and fire extinguishers, and that the owner or operator shall be liable for any violations of applicable state and local laws;

10. Verification that the owner or operator has no delinquent hotel occupancy taxes due on the residential premises in accordance with City Code Chapter 4.20;

11. Any other information deemed necessary for review of the application by the Director.

(c) *Application fee.* The short-term rental non-refundable permit application fee is one-hundred dollars (\$100.00) and must be paid when the application is submitted.

(d) *Permit Issuance.* The Director shall issue a short-term rental permit to the owner or operator if the Director determines:

1. All fees required under this Chapter and taxes, including hotel occupancy taxes required under Chapter 4.20 of the Code of Ordinances of the City of Georgetown have been paid to the City;
2. The applicant has submitted a complete application and has complied with all requirements for issuance of a short-term rental permit; and
3. The applicant has not made a false statement as to a material matter in the application for the short-term rental permit.

(e) *Permit Denial.*

1. The Director may deny the short-term rental permit application if:

- i. The applicant provided false or misleading information on the application form;
- ii. The owner is overdue in payment to the city of taxes, fees, fines or penalties or fails to provide documentation when requested showing all occupancy taxes have been paid for the property;
- iii. The applicant has failed to provide the required information in Subsection (b);
- iv. The applicant or property has pending complaints for violations of this Chapter or any other provision of the Code of Ordinances or the Unified Development Code; or
- v. The applicant or the property is the subject of repeated substantiated violations of City Code or state law during a 24-month period prior to applying for a short-term rental permit or renewal of a permit provided that the denial will be based on:
 1. the frequency of any repeated violations;
 2. whether a violation was committed intentionally or knowingly; and
 3. any other information that demonstrates the degree to which the owner or occupant has endangered public health, safety, or welfare.

2. The Director shall deliver written notice to the applicant that short-term rental permit application has been denied and the basis for the denial.

3. The applicant shall have the right to appeal the denial pursuant to Section 6.70.120.

Sec. 6.70.050. Change of information.

Any change of information provided in a short-term rental application form must be reported to the City within ten (10) days and be continuously updated as changes occur.

Sec. 6.70.060. Transferability.

A short-term rental permit is not transferable and shall not be assigned nor transferred to another person or entity. Any attempt to transfer a permit or attempt to use another person's permit may be grounds for revocation of a permit.

Sec. 6.70.070. Expiration of permit; renewals.

- (a) A short-term rental permit expires upon the earlier of the following occurrences:
 - 1. One (1) year after the date of issuance; or
 - 2. When the ownership of the short-term rental changes.
- (b) An owner shall file an application to renew a short-term rental permit in the form provided by the City at least thirty (30) days prior to the expiration of the current permit.
- (c) Every complete application for a short-term rental renewal permit shall include updates, if any, to the information contained in the original permit or any subsequent renewals. The permit holder shall sign a statement affirming that there is either no change to such information, or that any updated information is accurate and complete.
- (d) The director may require such certifications deemed necessary and proper to ensure continuing compliance with this article.
- (e) If the renewal application satisfies the conditions of this Chapter and all other applicable ordinances, application for renewal of a short-term rental permit shall be approved by the director or designee.
- (b) A nonrefundable permit renewal application fee of fifty dollars (\$50.00) shall accompany any renewal application.

Sec. 6.70.080. Notice to Neighbors.

- (a) No later than ten (10) days after the issuance of a permit under this Chapter, the owner or operator shall provide by mail or email, or otherwise distribute by hand, a written notice to neighbors within two hundred (200) feet of the short-term rental property address advising that a short-term rental permit has been issued for the property.
- (b) The notice shall include: the permit number, the identity of the owner and the operator of the short-term rental, the name and contact information for the local contact person, and a city website address where the information is also posted.
- (c) The neighbors shall be informed by the owner or operator whenever there is a change in contact information.

Sec. 6.70.090. Additional requirements.

- (a) The short-term rental permit including the City’s permit number must be conspicuously displayed inside the entrance to a short-term rental and must be included in all marketing for the rental unit including online advertisements and marketing.
- (b) The occupancy limit must be posted at the entrance of the short-term rental.
- (c) Each short-term rental owner or operator shall provide in the short-term rental working smoke and carbon monoxide detectors, with alarms, in accordance with adopted codes, and at least one (1) working type A fire extinguisher that has been inspected within the last calendar year. The premises shall otherwise comply with applicable Code of Ordinance requirements, including but not limited to all building and fire codes. Each bedroom must have a working window for exit in the event of a fire.
- (d) The owner or operator of the short-term rental must provide the following information to all occupants:
 - (1) The contact information for the local contact person, which must also be posted in the short-term rental in a prominent location.
 - (2) City contact information, website, and emergency numbers.
 - (3) A parking plan identifying the location of parking spaces to be used in conjunction with the short-term rental.
 - (4) A floor plan of the short-term rental identifying bedrooms, other living spaces, and emergency evacuation routes.
 - (5) Summary of applicable local regulations and restrictions related to parking, noise ordinance, water conservation and emergency management protocol.

Sec. 6.70.100. Hotel Occupancy Taxes.

It is a condition of the initial and continued validity of a short-term rental permit that the owner or operator has paid and remains current on the payment of all hotel occupancy taxes owed to the City under the Texas Tax Code. Failure to timely pay the hotel occupancy taxes is considered a violation of this Chapter and may result in revocation of a short-term rental permit.

Sec. 6.70.110. Revocation of permit.

- (a) The Director may revoke a permit for any of the following reasons:
 - (1) Failure to comply with any provision of the city ordinances or any state or federal law applicable to the operation of the short-term rental or the property on which it is located.
 - (2) Providing false or misleading information on a short-term rental application form.
 - (3) Failure to notify a change of information required pursuant to Sec 6.70.070.
 - (4) Failure to pay any hotel occupancy tax required under Chapter 4.20 of the Code of Ordinances.
 - (5) Failure to pay a fee required pursuant to this Chapter at the time payment was due.

- (b) Prior to denying or revoking a permit, the director shall deliver written notice of the possible revocation, the basis of the revocation, and a statement that the owner or operator has ten (10) days after delivery to comply with the notice to prevent revocation.
- (c) Upon revocation of a permit, the director shall send written notice of revocation, the basis of the revocation, and a statement informing the owner or operator of the right to appeal a revocation pursuant to Section 6.70.120
- (d) Once during a registration period, the director may reinstate a revoked short-term rental permit if the basis of the revocation is remedied, and the owner or occupant has paid a fifty dollar (\$50) reinstatement fee.

Sec. 6.70.120. Appeals.

- (a) If the director denies the issuance or renewal of a short-term permit or revokes a short-term-rental permit, the action is final unless the owner or operator files a written appeal to the City Manager within ten (10) calendar days of delivery of the notice of revocation.
- (b) If a written request for an appeal is filed with the City Manager within the ten-day period, the City Manager shall hear the appeal within thirty (30) days from the city's receipt of the appeal unless otherwise agreed by the city and the appellant.
- (c) Failure to file an appeal in accordance with this section is a waiver of appeal and the director's decision shall be final.
- (d) At the appeal hearing, the City Manager may only affirm or reverse a denial or revocation if the appellant proves that the director erred in denying or revoking the short-term rental permit as of the date of the revocation or denial. The City Manager may not consider the appellant's subsequent remedial measures or payments in determining whether to affirm or reverse the director's decision. The decision of the City Manager is final as to administrative remedies, and no rehearing or appeal may be granted.

Sec. 6.70.130. Compliance and enforcement—Penalty provisions.

- (a) Any person who violates a provision of this chapter or fails to comply with any of the requirements thereof, shall be subject to *penalties* as prescribed by law. Any person violating any provision of this chapter is subject to punishment as provided in Section 1.08.010 and entitled *General Penalty* of the Georgetown Code of Ordinances.
- (b) Penalties provided for in this article are in addition to any other criminal or civil remedies that the city may pursue under federal, state, or local law.