88R8211 SCL-F

By:  Gates H.B. No. 2665

A BILL TO BE ENTITLED

AN ACT

relating to regulation of short-term rental properties by municipalities and counties; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Subtitle C, Title 7, Local Government Code, is amended by adding Chapter 247 to read as follows:

CHAPTER 247.  REGULATION OF SHORT-TERM RENTAL PROPERTIES

Sec. 247.001.  DEFINITIONS. In this chapter:

(1)  "Local law" means an ordinance, order, regulation, or similar measure adopted by a municipality or county.

(2)  "Short-term rental property" means a residential property, including a single-family dwelling or a unit in a condominium, cooperative, mixed-use development, or time-share, that is rented wholly or partly for a fee for a period not longer than 30 consecutive days. The term does not include:

(A)  a unit that is used for a nonresidential purpose, including an educational, health care, retail, restaurant, banquet space, or event center purpose or another similar use;

(B)  a bed and breakfast; or

(C)  a commercial lodging establishment, including a hotel or motel, that is not taxed as residential property under Title 1, Tax Code.

Sec. 247.002.  CERTAIN LOCAL LAWS AUTHORIZED. A municipality or county may not adopt or enforce a local law applicable to a short-term rental property or a residential property intended to be used as a short-term rental property other than a local law that requires the owner or operator of the property to:

(1)  register the property as a short-term rental property, including requiring the registrant to:

(A)  identify the property's owner and operator, and the owner's agent, as applicable;

(B)  identify the address of the property; and

(C)  pay a reasonable annual administrative fee in the amount necessary to process and administer the registration, not to exceed $100 a year;

(2)  obtain all required tax registrations, receipts, or certificates issued by the state, a county, or a municipality;

(3)  update the registration when information in the registration changes;

(4)  comply with parking, noise, and solid waste handling and containment requirements applicable to other properties as well as short-term rental properties; and

(5)  designate and maintain at all times a local responsible party who:

(A)  is domiciled in this state;

(B)  resides less than 50 miles from the property; and

(C)  is capable of responding, including by telephone, to a complaint or other immediate problem not later than two hours after the complaint is made or the problem arises.

Sec. 247.003.  CERTAIN LOCAL LAWS PROHIBITED. Except as provided by this chapter, a municipality or county may not adopt or enforce a local law that:

(1)  expressly or effectively prohibits the use of a property as a short-term rental property;

(2)  regulates the duration or frequency of use of a property as a short-term rental property; or

(3)  limits the number of occupants in a short-term rental property.

Sec. 247.004.  EFFECT ON HOTEL OCCUPANCY TAXES. This chapter does not affect the authority of a municipality or county to impose a hotel occupancy tax on a person using a short-term rental property in the same manner as the tax is imposed on a person using other property the use of which is subject to the tax.

Sec. 247.005.  CONSTRUCTION OF CHAPTER. (a) This chapter may not be construed to:

(1)  affect regulations of a private entity, including a property owners' association as defined by Section 202.001, Property Code;

(2)  affect residential tenancies under Chapter 92, Property Code; or

(3)  otherwise limit a property owner's rights under the laws of this state.

(b)  A short-term rental property is subject to applicable federal, state, and local laws regarding rental discrimination. This subsection is not intended to:

(1)  impose an additional obligation other than an obligation that exists under applicable federal, state, and local law; or

(2)  create an additional cause of action.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.