SHORT TERM RENTAL ORDINANCE AND FEE SCHEDULE

Council Presentation: May 1, 2023

SHORT TERM RENTAL ORDINANCE

- Short term rental (STR) refers to an activity in which one party, the "host," agrees to rent out all or part of a home to another party, the "guest," on a temporary, time-limited basis.

- City staff provided a briefing to the City Council on STRs during the regular meeting of February 6, 2023.

- At the conclusion of that briefing, Council directed staff to move forward with the creation of an ordinance that addresses STRs.

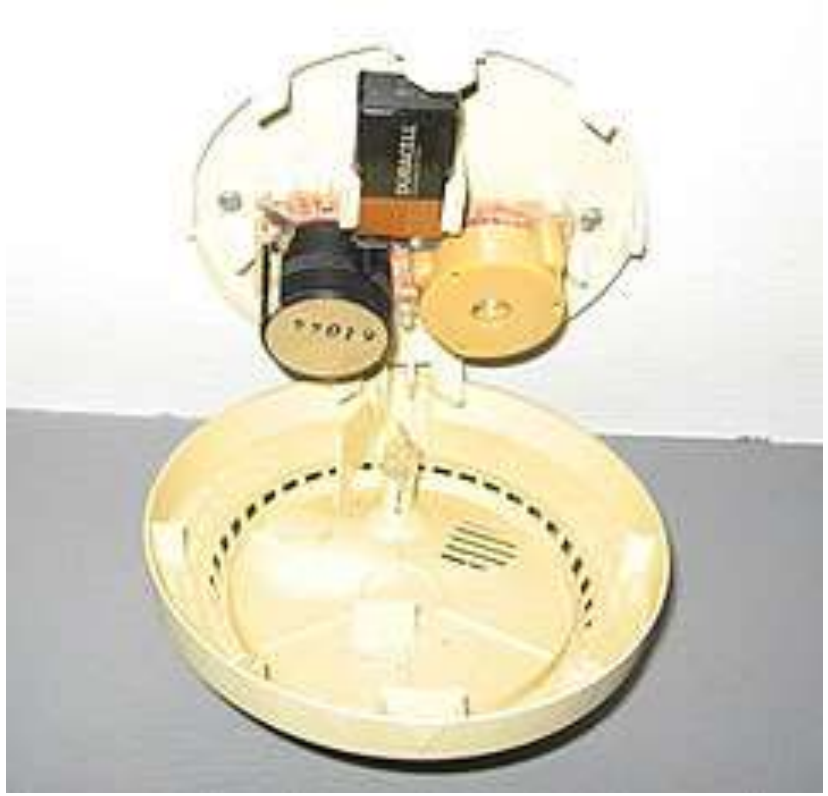
SHORT TERM RENTAL ORDINANCE

- Based on Council's direction, staff has prepared an ordinance providing for the registration, annual permitting and inspections of STRs.
- The application will require the owner/operator's contact information, 24-hour contact information of a local representative and dimensioned floor plan illustrating an evacuation route.
- The ordinance does not contain a provision for the collection of a hotel occupancy tax.

SHORT TERM RENTAL ORDINANCE

- The Development Services Department will review applications, issue permits, collect fees, and manage renewals of STRs. All permits will be tracked within the city's existing permitting software.

- The Fire Marshal's office will conduct inspections of the premises to determine the placement and number of working smoke detectors, carbon monoxide detectors, presence of fire extinguishers, ingress and egress routes, electrical service panels and electrical outlets.



SHORT TERM RENTAL ORDINANCE

- Properties operating without a STR permit or properties causing nuisance violations (e.g. noise, care of premises) will be handled through Code Compliance through issuance of a notice of violation (NOV) and will be given 14 days to apply for permit.
- If non-compliance continues, a citation may be issued daily for violators. A fine may be issued up to $500.

SHORT TERM RENTAL ORDINANCE

- The STR ordinance contains criteria and a process for denial and/or revocation of a permit as well as a process for an appeal of a denied and/or revoked permit.
- Appeals of a denied and/or revoked permit will be heard by the Zoning Board of Adjustments.
- If a permit is revoked, no additional permit may be granted for the same property within a year of the revocation.

STR 2022-23 FEE SCHEDULE AMENDMENT

- As part of this process, staff is also proposing an amendment to the City's 2022-23 fee schedule (CSO# 3069-2022) to provide new fees for the annual permitting of short term rentals.
- Staff is proposing an initial $150 permit and $150 permit renewal fee.
- These fees are non-refundable.

FEES IN OTHER CITIES

CITY	STR ORDINANCE	REGISTRATION REQUIRED	INSPECTION REQUIRED	FEE AMOUNT	H.O.T. COLLECTED
Arlington	Yes	Yes	Yes	$500 with $500 renewal	Yes: 9%
The Colony	Yes	Yes	Yes	None	Yes: 7%
Coppell	Yes	Yes	Yes	$50 ($25 for operators 65 years and older)	Yes: 7%
Euless	Yes	Yes	Yes	$200 with $200 renewal	Yes: 7%
Fort Worth	Yes	Yes	Yes	$150 with $100 renewal	Yes: 7%
Grand Prairie	Yes	Yes	Yes	$480 with $480 renewal	Yes: 7%

CITY COUNCIL OPTIONS

- Approve the STR ordinance and amendment to the fee schedule
- Approve the STR ordinance and amendment to the fee schedule with additional changes
- Approve the STR ordinance and deny the amendment to the fee schedule
- Deny the STR ordinance and corresponding amendment to the fee schedule

STAFF'S RECOMMENDATION

- Staff recommends approval of the short term rental ordinance and amendment to the fee schedule with a suspended start date of June 19th.

- The suspended start date will allow time for staff to create the application, update the permitting database, refine the inspection process and notify any relevant parties of the new ordinance.