



# SHORT TERM RENTALS

Council Presentation  
February 6, 2023

# Short Term Rentals (STRs)

- What are short term rentals (STRs)?
- Who are the Providers?
- How do we regulate STRs?
- Are there any Issues or Complaints?
- Can we legally regulate STRs?
- How do other Cities regulate STRs?
- Regulation Options/ Recommendations
- Next steps

# What is a Short Term Rental (STR)?

- In general, 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.
- The precise legal definition of a short-term rental varies by community.
- Generally Short Term Rental pertains to a stay that is less than 30 days.

# PROVIDERS



## How do we regulate and enforce?

- There are no existing STR reporting or registration requirements
- Neighborhood Services estimates approximately 8-to-10 cases over the last 5 years
- Enforcement is complaint driven

# ISSUES/ COMPLAINTS

## ➤ Citizen Concerns:

- Use leads to transient element within neighborhood
- Recurring, unfamiliar people in the neighborhood
- Multiple cars parking in front of home
- Disruptive behavior (drinking, loud music)
- Commercial use in residential area

# WHAT DO OUR ORDINANCES ALLOW?

- Old Town Overlay allows Bed and Breakfast Establishments.
- Definition:
  - **Bed and Breakfast.** *A house, or portion thereof, where short-term lodging rooms and meals are provided. The operator or caretaker of the bed and breakfast establishment shall live on the premises or an adjoining premises.*
- Staff does not consider bed and breakfast establishments as short term rentals.
- The term short term rental is not defined in our zoning code, not is it listed as an allowable use. Consequently, staff interprets this to mean that STRs are not allowed.
- The short term rental of a house or room is distinct and different from the longer term leasing (greater than 30 days) of a house or room.
- Changes to the zoning code will be required if Council is to allow short term rentals.

# WHAT CAN WE LEGALLY REGULATE?

- City can legally define a STR and implementing land use regulations
- City can legally implement registration and inspections requirements
- City can subject STRs to hotel occupancy tax requirements
- City can require a higher level of zoning scrutiny (ie SUP) and public notice
- City can require health and safety regulations and occupancy limitations
- Texas Supreme Court has not issued an opinion on the issue of STR
- Lower courts decisions favor cities' ability to regulate STRs
- *Draper v. City of Arlington*
- *City of Grapevine v. Muns*
- *Anding v. City of Austin*
- *Zaatari v. City of Austin*: the court invalidated Austin's ban on short-term rentals of non-homestead properties
- City cannot regulate STR occupancy based on race, gender or religion

# OTHER CITIES

| CITY                 | SHORT TERM RENTAL ORDINANCE | REGISTRATION REQUIRED | INSPECTION REQUIRED | ALLOWED BY RIGHT IN RESIDENTIAL DISTRICTS |
|----------------------|-----------------------------|-----------------------|---------------------|---|
| Arlington            | Yes                         | Yes                   | Yes                 | No  |
| Cedar Hill           | No                          | No                    | No                  | No  |
| Cleburne             | No                          | No                    | No                  | No  |
| Coppell              | Yes                         | Yes                   | Yes                 | No  |
| Dallas               | Yes                         | Yes                   | No                  | No  |
| Eules                | Yes                         | Yes                   | Yes                 | No  |
| Fort Worth           | Yes                         | Yes                   | Yes                 | No  |
| Grand Prairie        | Yes                         | Yes                   | Yes                 | No  |
| Keller               | No                          | No                    | No                  | No  |
| Mansfield            | No                          | No                    | No                  | No  |
| North Richland Hills | No                          | No                    | No                  | No  |
| The Colony           | Yes                         | Yes                   | Yes                 | No  |

# OPTIONS

## ➤ Options to consider:

- Do not regulate
  - Enforce nuisance violations through normal city practices (i.e. police and code enforcement)
- Regulate via an ordinance; staff recommends
  - Require Registration
  - Require payment of Hotel Occupancy Tax
  - Protect integrity of single family zoned areas through the enforcement of the zoning ordinance

# DISCUSSION and/or QUESTIONS