THE CITY OF BURLESON TEXAS

Department Memo

City Council Regular Meeting

DEPARTMENT: **Development Services**

FROM: **Tony D. McIlwain, Development Services Director**

MEETING: **November 9, 2026**

SUBJECT:

Consider and take possible action on an ordinance amending Chapter 14, "Businesses", of the Code of the Ordinances by amending various sections of Article XII "Short -Term Rental Registration" to provide for new definitions, to provide that the hotel occupancy tax ordinance be satisfied to receive a short-term rental permit or any renewal, to provide that any short-term rental permit may be denied or revoked for failure to comply with the hotel occupancy ordinance, and to provide that short-term rentals must collect and remit tax pursuant to the City's hotel occupancy tax ordinance. *(Final Reading) (Staff Contact: Tony D. McIlwain, Development Services Director)*

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
Dynamic & Preferred City Through Managed Growth	2.2 Promote sustainable residential and commercial development through strategic and long-term planning; providing business – friendly environment; continuing efficient development review process; and enhancing partnership with the development community.

SUMMARY:

The City defines short-term rental as a residential premises, or portion thereof, used for lodging accommodations to occupants for a period of not **less than one or more than thirty (30) consecutive days,** other than an ongoing month-to-month tenancy granted to the same renter for the same premises. The definition of short-term rental does not include a hotel, motel, bed and breakfast, executive suite, or other nonresidential use.

Currently the City does not actively pursue the collection of local hotel occupancy tax (HOT) from short-term rentals (STRs). During the August 3rd City Council meeting, Staff was directed to amend the ordinance regulating short-term rentals to add in the requirement for the payment of local hotel occupancy tax (HOT).

Staff is recommending amendments to the following sections of Chapter 14, “Businesses”, Article XII, “Short-Term Rental Registration”:

§ 14-572. Definitions. *Adds a definition for Hotel Occupancy Tax Ordinance.*

§ 14-574. Short-Term Rental Permit Required. *Adds provision for Hotel Occupancy Tax Ordinance*.

§ 14-577. Expiration of Permit; Renewals. *Adds provision for Hotel Occupancy Tax Ordinance.*

§ 14-582. Revocation of Permit. *Adds provision for failure to comply with the Hotel Occupancy Tax Ordinance.*

§ 14-583. Hotel Occupancy Taxes. *Adds a new section to Chapter 14.*

Staff briefed Council on utilizing 3rd party vendors as an option to assist with the identification of STRs and collection of HOT. Council elected not to move forward with contracting the services of a 3rd party vendor. Should that change, the procurement method of 3rd party services would involve either a:

1) cooperative contract;
2) “piggyback” on an existing contract (e.g. Fort Worth);
3) direct source/obtain proposals; or
4) formal RFP process.

Staff also discussed an electronic tax administration system for HOT/MOT collections. If the City pursues this option, it must also allow the HOT/MOT collectors (hotels, motels, STRs) to withhold from the tax payment one percent of the amount of the tax collected as reimbursement for the cost of collecting the tax. Staff currently receives local HOT/MOT without an electronic tax administration system and is not recommending this option to the Council at this time.

Per Council direction at the October 19, 2026, City Council meeting, the proposed ordinance will take effect on January 1, 2027.

RECOMMENDATION:

Staff recommends the City Council approve the proposed Ordinance amendments to Chapter 14, “Businesses”, Article XII “Short -Term Rental Registration”.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

May 1, 2023: City Council approved the STR registration process, a $150 permit fee, and no direction to actively collect HOT-MOT.

August 3, 2026: Council directed Staff to amend the ordinance regulating short-term rentals to add in the requirement for the payment of local hotel occupancy tax (HOT).

October 19, 2026: Council conducted the first reading of the ordinance.

REFERENCE:

ARTICLE XII: SHORT-TERM RENTAL REGISTRATION - City of Burleson, TX

FISCAL IMPACT:
Proposed Expenditure/Revenue: n/a
Account Number(s): n/a
Fund: n/a
Account Description: n/a
Procurement Method: n/a

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