

Councilor Stevens- EXHIBIT A

ARTICLE 4.13 - SHORT-TERM RENTAL

Sec. 4.13.001. Purpose and applicability.

The purpose of this article is to establish regulations for the registration and use of Short-Term Rentals for single-family living units. The requirements of this article apply only to Short-Term Rentals, as defined herein, located in residential zoning districts established under Chapter 15, Zoning of the City of Leon Valley Code of Ordinances. Nothing in this article, however, shall be construed to be a waiver of the requirement to assess and collect hotel occupancy taxes for any residential rental for a period of less than 30 consecutive days of property that is located outside of such residential only zoning districts.

Sec. 4.13.002. Definitions.

Advertise means the written, audio, oral or other methods of drawing the public's attention whether by brochure, written literature or on-line posting to a Short-Term Rental to promote the availability of the Short-Term Rental.

Hotel Occupancy Tax means the hotel occupancy tax as defined in Chapter 11 of the Leon Valley Code of Ordinances and V.T.C.A. Texas Tax Code, Chapter 351.

Local Emergency Contact means an individual other than the applicant, who resides within 20 miles of the subject property, and who is designated by the owner/applicant to act as the owner's authorized agent if the owner has traveled outside of the immediate area or is otherwise unavailable. The local emergency contact should be reachable on a 24-hour basis, have access to the Short-Term Rental Property, and be authorized by the owner to act in the owner's absence to address any complaints, disturbances, and emergencies.

Nuisance party means an assembly of persons for a social activity or for a special occasion in a manner which constitutes a substantial disturbance of the quiet enjoyment of private or public property. This includes, but is not limited to, excessive noise or traffic, obstruction of public streets by crowds or vehicles, public drunkenness, the service of alcohol to minors, fights, disturbances of the peace and litter.

Owner means any person, agent, operator, firm, trust, corporation, limited liability company, partnership or business organization having a legal or equitable interest in the property; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or code official of the estate of such person if ordered to take possession of real property by a court. The term "owner" does not include the holder of a non-possessory security interest in the property.

Party means a social gathering of people or special event, including those who have not rented the residence, for the primary purpose of eating, drinking or entertainment in a manner that is disruptive to the surrounding properties.

Short-Term Rental (STR) means a residential dwelling unit, apartment, condominium or accessory dwelling, that may or may not be owner or lessee occupied; where sleeping areas are rented to overnight guests for a period less than 30 consecutive days (but not less than 12 hours). The term does not include:

- (1) 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;
- (2) A bed and breakfast; or
- (3) A hotel/residence hotel.

Groups of STRs:

Group A: STRs advertising overnight accommodations for eight (8) or less guests.

Group B: STRs advertising overnight accommodations for more than eight (8) guests but less than thirteen (13) guests.

Group C: STRs advertising overnight accommodations for thirteen (13) or more guests OR a property that has reached Level 2 of Escalated Enforcement at any point during the previous five (5) years.

Sec. 4.13.003. Short-Term Rental registration requirements.

Registration is recommended for all short-term rentals in Leon Valley. Only properties that have been registered are eligible for site-improvement grants and reimbursement of certain safety equipment through the City of Leon Valley's economic development department.

Registration is mandatory for all properties that allow or advertise overnight accommodations for greater than twelve (12) guests or those that have reached Level 2 of Escalated Enforcement (Sec. 4.13.004).

No person shall hereafter advertise, offer to rent or rent, lease, sublease, license or sublicense a residential property within the City as a Short Term Rental for which a registration has not been properly made and filed with the Planning and Zoning Department of the City. Registration shall be made upon forms furnished by the City for such purpose and shall specifically require the include the following minimum information:

- (1) Name, permanent mailing address, active phone number and e-mail address of the property owner of the Short-Term Rental property;
- (2) Name, address, phone number and e-mail address of the designated Local Emergency Contact; and
- (3) The maximum number of occupants permitted for the dwelling unit or sleeping room in accordance with subsection 4.13.005(b) of the Code of Ordinances;
- (4) A submission of a sketch floor plan of the dwelling with dimensional room layout (not required to be to-scale); and
- (5) Site Plan/Survey of the property indicating maximum number of vehicles that can be legally parked on the property, without encroaching onto streets, sidewalks or alleys; other public rights of way or public property.

Sec. 4.13.004. Right to inspect premises.

The City of Leon Valley reserves the right, with reasonable notice to the Owner, to inspect the residential premises to determine compliance with this section as well as with the current adopted version of the International Property Maintenance Code.

- (a) If only a portion of the premises is offered for rent, then that portion plus shared amenities and points of access may be inspected.
- (b) If, upon completion of an inspection, the premises are found to be in violation of one or more provisions of applicable City Codes and Ordinances, the City shall provide written notice of such violation and shall set a re-inspection date for a violation to be corrected prior to its occupancy.

Sec. 4.13.004. Escalated Enforcement of Nuisances at Short-Term Rentals

(a) Level 1

~~(1) Warning mailed via certified mail to registered property owner and any other parties that manage or control property~~

~~(2) Warning to contain nature of violations, applicable laws, optional recommendations for preventing violations in the future, and information on registration tiers and escalated enforcement ladder.~~

~~(b) Level 2~~

~~(1) Prerequisite: Warning mailed via certified mail must have been provided in accordance with Level 1 of Escalated Enforcement.~~

~~(2) Citation is provided to owner or agent.~~

~~(3) Requirement to register as Type C STR and written plan of action, approved by staff, to eliminate or prevent recurrence of nuisance.~~

~~(c) Level 3~~

~~(1) Prerequisite: Warning must have been mailed via certified mail in accordance with Level 1 of Escalated Enforcement, Citation must have been provided in accordance with Level 2 of Escalated Enforcement~~

~~(2) Citation Given and Cease and Desist Demand Provided to Owner or Agent via certified mail or in-person, or both~~

~~(3) Requirement to Obtain Certificate of Occupancy.~~

~~(4) Requirement to have a detailed plan of action, approved by staff, addressing past violations and how they will be mitigated in the future~~

~~(d) Level 4~~

~~(1) Prerequisite: Level 1, Level 2, and Level 3 of Escalated Enforcement~~

~~(2) Citation Given for violation.~~

~~(2) Revocation of Certificate of Occupancy, Eligible to re-apply for Certificate of Occupancy and Register as Type C STR no sooner than 365 days from the date of Citation.~~

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Sec. 4.13.005. Restrictions on Short-Term Rentals.

- ~~(a) External signage. There shall be no external on-site or off-site advertising signs or displays indicating the property is a Short-Term Rental.~~
- ~~(b) Unconstitutional – Zaatari v. City of Austin, Freedom of Assembly Limit on occupants allowed. No more than two adult guests per bedroom, plus no more than two additional adults shall be allowed when renting a property as a Short-Term Rental, except that there shall be a maximum occupancy of ten people, adult and children.~~
- ~~(c) Limits on the number of vehicles. There shall be a maximum of one car per bedroom, or the maximum number of cars that can be accommodated in the garage and driveway, without extending over the public rights-of-way (alleys and sidewalks) whichever is less.~~
- ~~(d) Advertisements and contracts. Any advertisement of the property as a Short-Term Rental and all rental contracts must contain language that specifies the allowed maximum number of occupants and maximum number of vehicles.~~
- ~~(e) Other restrictions. It is unlawful:~~
 - ~~(1) To operate or allow to be operated a Short-Term Rental without first registering, in accordance with this article, the property in which the rental is to occur;~~

- ~~(2) To advertise or offer a Short-Term Rental without first registering, in accordance with this article, the property in which the rental is to occur; documented advertisement of the subject property as a Short-Term Rental, online or offline, shall be considered evidence of a violation of this article;~~
- (3) To operate a Short-Term Rental that does not comply with all applicable city and state laws and codes;
- ~~(4) To operate a Short-Term Rental without paying the required hotel occupancy taxes;~~
- (5) To offer or allow the use of a Short-Term Rental for the sole or primary purpose of having a party venue;
- ~~(6) To fail to include a written prohibition against the use of a Short-Term Rental for party venue in every advertisement, listing, or other publication offering the premises for rent;~~
- (7) To operate or allow to be operated a Short-Term Rental wherein a nuisance party occurs; and
- (8) Permit the use of Short-Term Rental for the purpose of housing sex offenders; operating a structured sober, recovery or other purpose living home or similar enterprise; selling illegal drugs; selling alcohol or another activity that requires a permit or license under the Alcoholic Beverage Code or operating as a sexually oriented business.
- ~~(9) It is unlawful to have a short-term rental within 10250 feet of another short-term rental. Short term rentals registered through the city of Leon Valley prior to December 31, 2024 are exempt from this requirement.~~

Sec. 4.13.006. Brochure and safety features.

- (a) *Informational brochure.* Each registrant operating a Short-Term Rental ~~shall be recommended to provide to~~ guests a brochure that includes:
 - (1) The registrant's 24-hour contact information;
 - (2) A local responsible party's 24-hour contract information if the owner is not with in the city limits when guests are renting the premises;
 - (3) Pertinent neighborhood information including, but not limited to, ~~parking restrictions,~~ restrictions on noise and amplified sound, and trash collection schedules; and
 - (4) Information to assist guests in the case of emergencies posing threats to personal safety or damage to property, including emergency and non-emergency telephone numbers for police, fire and emergency medical services providers and instructions for obtaining severe weather, natural or manmade disaster alerts and updates.
- (b) *Safety features.* Each Short-Term Rental registrant shall provide, in the premises, working smoke detectors in accordance with adopted codes, ~~and at least one working carbon monoxide detector and alarm if natural gas is available on property,~~ and one working fire extinguisher. ~~The premises shall, otherwise, comply with applicable Code of Ordinance requirements, including, but not limited to, Building and Fire Codes.~~

~~Sec. 4.13.007. Notification of approval of Short-Term Rental.~~

~~Within ten days of the approval of a Short-Term Rental, the City will send notice to all property owners within 200 feet of the property and shall include the 24-hour complaint line, and pertinent information about this Article.~~

Sec. 4.13.008. Registration term, fees, and renewal.

- (a) All registrations approved under this Chapter shall be valid for a period of ~~one~~ three years from the date of its issuance.

(b) The fee for registration of a Short-Term Rental shall be ~~\$\$\$425.00 prior to December 31, 2023 and \$75.00 after December 31, 2023~~ with a late fee of twice the established fee. Registration fees not applicable to Group A STRs.

(c) Upon receipt of an application for renewal of the registration, the Director of Planning and Zoning or their designee may deny the renewal if there is reasonable cause to believe that there are grounds for suspension, revocation or other registration sanction as provided in this Article.

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~~(1) The registrant has pled no contest to or been convicted of a violation of any ordinance of the city, or any state, or federal law related to operation of a Short-Term Rental on the premises or has permitted such a violation on the premises by any other person. Such violation may include, but is not limited to, parking, noise, littering, nuisance, destruction of property or disorderly conduct; or~~

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~~(2) There are grounds for suspension, revocation or other registration sanction as provided in this Article.~~

Sec. 4.13.009. Suspension and revocation of Short-Term Rental registration.

(a) The Planning and Zoning director, or his/her designee, may suspend and/or revoke a Short-Term Rental registration if it is determined that the activities set forth above in section 4.13.005 are determined to have occurred at the Short-Term Rental; or a Short-Term Rental unit ~~is listed on a hosting platform or advertised elsewhere without being registered as required~~ has reached Escalated Enforcement Level 4 under section 4.13.0013; or is perpetuating conditions interfering with use and enjoyment of properties within its vicinity; or is delinquent in filing or payment with the City of Leon Valley. Conditions interfering with use and enjoyment of properties within the vicinity of a Short-Term Rental include, but are not limited to:

(1) ~~The occurrence of any of the activities set forth in the Leon Valley of Ordinances including, but not limited to, noise disturbance, nuisance, drug offenses, or disorderly conduct;~~

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(2) ~~Occupancy by several Short-Term Rental users exceeding either (1) the maximum number included in the application for the Short-Term Rental registration or (2) the maximum occupancy permitted pursuant to this chapter;~~

(3) ~~Parking of several motor vehicles exceeding either (1) the maximum number included in the application for the Short-Term Rental registration or (2) the maximum number of motor vehicles permitted at any Short-Term Rental pursuant to this chapter;~~

(4) ~~Uninvited entry of Short-Term Rental occupants upon private property within 500 feet of the short-term rental;~~

(5) ~~The occurrence of one or more nuisance parties;~~

(b) ~~In addition to section 4.13.011, a violation of any of the conditions in section 4.13.009(a) shall result in progressive enforcement:~~

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(1) ~~Upon the first violation, the owner shall receive a written warning that includes a description of enforcement for future violations.~~

(2) ~~Upon the second violation, the registration for the Short-Term Rental shall be terminated and the Short-Term Rental host prohibited from re-applying for a new registration for six months from the date of termination.~~

(3) ~~Upon the third violation, the registration for the Short-Term Rental shall be terminated and the Short-Term Rental host prohibited from re-applying for a new registration for one year from the date of termination.~~

(4) ~~Upon the fourth violation, the registration for the Short-Term Rental shall be terminated and the Short-Term Rental host prohibited from re-applying for a new registration at any time in the future.~~

- (c) During the time period that a Short-Term Rental registration is suspended or revoked, it shall be unlawful to advertise, offer to rent or rent, lease, sublease, license or sublicense the residential property subject to the suspension or revocation the within the City as a Short-Term Rental.

Sec. 4.13.010. Appeal of denial, suspension or revocation of registration.

In the event an applicant has been denied registration or if a registration has been suspended or revoked, the party affected may appeal that action to the city manager by submitting a letter within ten business days of the denial, suspension or revocation. The city manager, or his/her designee, shall review the appeal at a staff level and decide within ten business days of receiving the appeal request and shall have the authority to uphold or reject the action complained of and order that the registration be granted or reinstated. However, should the city manager uphold the denial, suspension or revocation, they shall schedule a hearing before the city council at a regular or special meeting within 30 days of the denial, unless the applicant withdraws the appeal in writing. Such a hearing shall be an administrative hearing, and adherence to formal rules of evidence shall not be required. The decision of the city council may be appealed as allowed by law to any court with jurisdiction.

Sec. 4.13.011. Violations and penalties.

Violation of this Article upon conviction shall be punished by a fine not to exceed the sum of \$500.00 for each offense and each day such violation shall continue shall be deemed to constitute a separate offense. Warnings, citations, and revocations may be issued to dwelling owners, operators, lessors, agents, occupants, tenants, and/or guests, depending on the nature of the violation. Dwelling owners are ultimately responsible for compliance with the requirements and restrictions imposed upon a Short-Term Rental by this article and for the conduct of their dwelling operators, lessors, agents, occupants, tenants, and guests, regardless of whether the owners are present at the dwelling.

Sec. 4.13.012. Collection of Hotel Occupancy Taxes

(a) The City Manager is responsible for drafting and executing Voluntary Collection Agreements (VCAs) with all short-term rental platforms. Agreements shall contain provisions for the quarterly remittance of hotel occupancy taxes to the City of Leon Valley for active STRs.

(b) The City Manager, or their designee, is responsible for drafting and executing Voluntary Collection Agreements (VCAs) with all short-term rental property owners who rent their properties independently or through platforms are not subject to a Voluntary Collection Agreement (VCA) through the platform, corporation, or marketplace.

(b) The City Manager is responsible for providing a Report to the Council on an annual basis containing the amount of hotel occupancy taxes collected from STRs, the amount of hotel occupancy taxes foregone due to noncompliance of a voluntary collection agreement with STR platforms, marketplaces, or owners, and an estimated amount of foregone hotel occupancy tax revenue due to inability to execute voluntary compliance agreements.