

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

1 municipality or county may not adopt or enforce a local law
2 applicable to a short-term rental property or a residential
3 property intended to be used as a short-term rental property other
4 than a local law that requires the owner or operator of the property
5 to:

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

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

10 (B) identify the address of the property; and

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

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

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

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

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

23 (A) is domiciled in this state;

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

25 and

26 (C) is capable of responding, including by
27 telephone, to a complaint or other immediate problem not later than

1 two hours after the complaint is made or the problem arises.

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

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

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

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

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

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

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

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

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

25 (b) A short-term rental property is subject to applicable
26 federal, state, and local laws regarding rental discrimination.

27 This subsection is not intended to:

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

4 (2) create an additional cause of action.

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