

By: Landgraf

H.B. No. 3169

Substitute the following for H.B. No. 3169:

By: Lozano

C.S.H.B. No. 3169

A BILL TO BE ENTITLED

AN ACT

relating to regulation of short-term rental units by certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 7, Local Government Code, is amended by adding Chapter 218 to read as follows:

CHAPTER 218. REGULATION OF SHORT-TERM RENTAL UNITS

Sec. 218.001. DEFINITIONS. In this chapter:

(1) "Short-term rental unit" means a dwelling that is:

(A) used or designed to be used as the home of a person, family, or household, including a single-family dwelling or a unit in a multi-unit building, including an apartment, condominium, cooperative, or timeshare; and

(B) rented wholly or partly for a fee and for a period of less than 30 consecutive days.

(2) "Short-term rental unit listing service" means a person who facilitates, including by listing short-term rental units on an Internet website, the rental of a short-term rental unit.

Sec. 218.002. APPLICATION OF CHAPTER. This chapter applies only to a municipality that:

(1) has a population of less than 1,000; and

(2) borders Lake Travis.

Sec. 218.003. AUTHORIZED MUNICIPAL LAWS. (a) In regard to

1 a short-term rental unit, a municipality may prohibit:

2 (1) the use of the unit to promote activities that are
3 illegal under municipal or other law;

4 (2) the provision or management of the unit by a
5 registered sex offender or any person having been convicted of a
6 felony;

7 (3) the serving of food to a tenant unless the serving
8 of food at the unit is otherwise authorized by municipal law;

9 (4) the rental of the unit to a person younger than 18
10 years of age; or

11 (5) the rental of the unit for less than 24 hours.

12 (b) In regard to a short-term rental unit, a municipality
13 may require:

14 (1) a unit provider to:

15 (A) designate an emergency contact responsible
16 for responding to complaints regarding the unit; and

17 (B) have the unit inspected on an annual basis by
18 the local building code department or fire marshal, as applicable,
19 to verify that the unit meets state and municipal requirements; and

20 (2) either:

21 (A) a unit provider or property manager on the
22 provider's behalf to maintain property and liability insurance for
23 the unit in an amount required by the municipality; or

24 (B) the unit provider to provide proof that the
25 short-term rental unit listing service that lists the unit is
26 maintaining property and liability insurance for the unit in an
27 amount required by the municipality.

1 Sec. 218.004. PROHIBITED MUNICIPAL LAWS. Except as
2 provided by this chapter, a municipality may not:

3 (1) adopt or enforce an ordinance, rule, or other
4 measure that:

5 (A) prohibits or limits the use of property as a
6 short-term rental unit; or

7 (B) is applicable solely to short-term rental
8 units, or short-term rental unit providers, short-term rental unit
9 tenants, or other persons associated with short-term rental units;
10 or

11 (2) apply a municipal law, including a noise
12 restriction, parking requirement, or building code requirement, or
13 other law to short-term rental units or short-term rental unit
14 providers, short-term rental unit tenants, or other persons
15 associated with short-term rental units in a manner that is more
16 restrictive or otherwise inconsistent with the application of the
17 law to other similarly situated property or persons.

18 Sec. 218.005. CONSTRUCTION OF CHAPTER. (a) This chapter
19 does not prohibit:

20 (1) a lessor, through the terms of a lease agreement,
21 from restricting the use of the leased property as a short-term
22 rental unit; or

23 (2) a property owner from placing a restrictive
24 covenant or easement on the property that restricts the future use
25 of the property as a short-term rental unit.

26 (b) This chapter does not prohibit a municipality from
27 contracting with a third party to provide services that assist in

1 ensuring compliance with municipal requirements imposed in
2 accordance with this chapter. The third party may be a short-term
3 rental unit listing service.

4 SECTION 2. This Act takes effect September 1, 2023.