

Amend SB 1979 (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 92, Property Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. STUDY ON REGULATION OF SHORT-TERM RENTAL PROPERTIES

Sec. 92.361. DEFINITIONS. In this subchapter:

(1) "Center" means the Texas A&M University Real Estate Research Center.

(2) "Residential amenity rental property" means a feature or facility that is:

(A) part of a residential property, including a single-family dwelling or a unit in a condominium, cooperative, mixed-use development, or timeshare; and

(B) rented for:

(i) a period of less than 15 hours; and

(ii) a purpose other than providing sleeping accommodations to the lessee.

(3) "Short-term rental property" means a residential property, including a single-family dwelling or a unit in a condominium, cooperative, mixed-use development, or timeshare, 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 nonresidential purposes, 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. 92.362. STUDY AND REPORT ON SHORT-TERM RENTAL PROPERTIES. (a) The center shall compile information related to the impact of municipal ordinances, rules, and other measures regulating short-term rental properties and residential amenity rental properties.

(b) The center shall solicit information from persons

representing the interests of:

- (1) a large urban community;
- (2) a small urban community;
- (3) a coastal community;
- (4) law enforcement; and
- (5) neighborhoods.

Sec. 92.363. REPORT. Not later than December 31, 2024, the center shall submit to the legislature a written report that includes:

(1) a summary of the center's findings on:

(A) the impact of rental properties and residential amenity rental properties on the quality of life in communities where those properties are located, including impacts on crime, noise, local school enrollments, and other unintended consequences;

(B) the ordinances impacting short-term rental properties and residential amenity rental properties;

(C) the economic impact of ordinances on short-term rental properties and residential amenity rental properties;

(D) the remittance of state and local taxes by short-term rental property and residential amenity rental property owners;

(E) local registration and reporting requirements for short-term rental properties and residential amenity rental properties;

(F) the economic impact and hidden costs of short-term rental properties and residential amenity rental properties on communities, including:

(i) responses to resident complaints;
(ii) increased crime;
(iii) inability to fully enforce sex offender registry laws;

(iv) lack of affordable housing for local workers and others;

(v) decreased school enrollments;

(vi) loss of population-based state and

federal funding; and

(vii) other unintended consequences;

(G) increased costs to municipalities, homeowners' associations, and residents from short-term rental properties and residential amenity rental properties in a community in which those properties are located and methods to reimburse those costs from the state; and

(H) lessons from other municipalities and states on successes and failures with short-term rental property and residential amenity rental property regulations; and

(2) legislative recommendations regarding:

(A) whether there is sufficient justification for statewide regulation of short-term rental properties and residential amenity rental properties, considering regulation of land use has long been entrusted to local governments;

(B) potential benefits and costs of adopting statewide regulations of short-term rental properties and residential amenity rental properties;

(C) appropriate protection of local health, safety, morals, and general welfare regulations;

(D) methods to create greater accountability of entities engaged in the business of operating an Internet-based platform to facilitate the rental of short-term rental properties and residential amenity rental properties, including methods to:

(i) audit and increase the payment of state and municipal hotel occupancy taxes; and

(ii) diminish or eliminate disturbances in residential neighborhoods;

(E) methods for the state to reimburse municipalities for hiring additional code enforcement officers and to reimburse homeowners who suffer financial and emotional hardships as a result of living near a short-term rental property or residential amenity rental property;

(F) the ability of municipalities to adequately address the effect of short-term rental properties and residential amenity rental properties on neighborhoods, neighbors, and families through the enforcement of nuisance regulations and

criminal citations, with consideration given to the transient nature of short-term rental property and residential amenity rental property activity;

(G) the ability of municipalities to impose reasonable density restrictions on the location and proliferation of short-term rental properties and residential amenity rental properties to maintain the character of single-family residential neighborhoods;

(H) the value of elected municipal officials having the ability to adopt specific short-term rental property and residential amenity rental property regulations that can effectively address a community's particular needs and economic conditions;

(I) whether a neighborhood should be authorized to prohibit short-term rental properties if the municipality in which the neighborhood is located has adopted an ordinance that requires a higher percentage of property owners to be residents of the neighborhood than the deed restrictions for the neighborhood; and

(J) the effect of state preemption on short-term rental property and residential amenity rental property regulations in other states.

Sec. 92.364. EXPIRATION. Sections 92.362 and 92.363 and this section expire January 1, 2025.