

## **BILL ANALYSIS**

C.S.H.B. 3169  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

A constituent in House District 81 had their property rights improperly infringed upon by the municipality in which their property is located. This municipality's inconsistent regulation of the use of short-term rental properties within the municipality has left property owners with little guidance or clarity on the permitted and prohibited uses of their property. C.S.H.B. 3169 seeks to address this issue by creating a standard regulatory framework for short-term rental units in that municipality.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3169 amends the Local Government Code to provide for the regulation of short-term rental units by a municipality that borders Lake Travis and has a population of less than 1,000. The bill authorizes such a municipality to prohibit the following with regard to a short-term rental unit:

- the use of the unit to promote activities that are illegal under municipal or other law;
- the provision or management of the unit by a registered sex offender or any person that has been convicted of a felony;
- the serving of food to a tenant, unless the serving of food at the unit is otherwise authorized by municipal law;
- the rental of the unit to a person younger than 18 years of age; or
- the rental of the unit for less than 24 hours.

C.S.H.B. 3169 authorizes such a municipality to do the following with regard to a short-term rental unit:

- require a unit provider to do the following:
  - designate an emergency contact responsible for responding to complaints regarding the unit; and
  - have the unit inspected on an annual basis by the local building code department or fire marshal, as applicable, to verify that the unit meets state and municipal requirements; and
- either:

- require a unit provider or property manager on the provider's behalf to maintain property and liability insurance for the unit in an amount required by the municipality; or
- require the unit provider to provide proof that the short-term rental unit listing service that lists the unit is maintaining property and liability insurance for the unit in an amount required by the municipality.

C.S.H.B. 3169 prohibits the municipality from adopting or enforcing an ordinance, rule, or other measure that does the following:

- prohibits or limits the use of property as a short-term rental unit; or
- is applicable solely to short-term rental units, or short-term rental unit providers, short-term rental unit tenants, or other persons associated with short-term rental units.

The bill further prohibits the municipality from applying a municipal law, including a noise restriction, parking requirement, or building code requirement, or other law to short-term rental units or persons associated with short-term rental units in a manner that is more restrictive or otherwise inconsistent with the application of the law to other similarly situated property or persons.

C.S.H.B. 3169 establishes that its provisions do not prohibit a lessor, through the terms of a lease agreement, or a property owner from restricting use of property as a short-term rental unit. The bill establishes that a municipality is not prohibited from contracting with a third party, which may be a short-term rental unit listing service, to provide services that assist in ensuring compliance with municipal requirements.

#### **EFFECTIVE DATE**

September 1, 2023.

#### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

C.S.H.B. 3169 differs from the introduced in minor or nonsubstantive ways by conforming to certain bill drafting conventions.