

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 22 - BUSINESSES OF THE CODE OF ORDINANCES BY ADDING ARTICLE VIII, SHORT TERM RENTALS; PROVIDING FOR REGULATIONS FOR THE REGISTRATION AND USE OF SHORT TERM RENTALS; PROVIDING FOR REGISTRATION, PROVIDING FOR DEFINITIONS; PROVIDING FOR INSPECTIONS; PROVIDING FOR RESTRICTIONS; PROVIDING FOR BROCHURE AND SAFETY REQUIREMENTS; PROVIDING FOR NEIGHBORHOOD NOTIFICATION; PROVIDING A PENALTY NOT TO EXCEED FIVE HUNDRED AND NO/100 DOLLARS (\$500.00); PROVIDING FOR A SUNSET REVIEW; AMENDING CHAPTER 74 – TAXATION OF THE CODE OF ORDINANCES BY AMENDING THE DEFINITION OF A HOTEL TO INCLUDE SHORT TERM RENTAL UNITS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS/REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.**

**WHEREAS**, the City Council has determined that regulations are needed to address regulations for Short Term Rentals, and

**WHEREAS**, permanent residents desire the option to occasionally utilize their properties for home share rentals, and

**WHEREAS**, the operation of Short Term Rentals should not negatively affect property values, and

**WHEREAS**, Short Term Rentals should be required to pay Hotel Occupancy Taxes, and

**WHEREAS**, the City Council has determined that regulations are needed to protect the public health, safety, morals and general welfare.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF ADDISON, TEXAS:**

**Section 1.** Chapter 22, Businesses, of the Code of Ordinances is hereby amended by adding Article VIII, Short Term Rentals, which shall read in its entirety as follows:

**CHAPTER 22, BUSINESSES**

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**ARTICLE VIII SHORT TERM RENTAL**

Sec. 22-250. - 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 division apply only to Short Term Rentals, as defined herein, located in residential zoning districts established under the city's Zoning Ordinance, Appendix A of the 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 less than 30 consecutive days, or any other applicable provision of the Addison Code of Ordinances.

Sec. 22-251. – 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 in order to promote the availability of the short term rental.

*Hotel Occupancy Tax* means the hotel occupancy tax as defined in Chapter 74 of the Addison Code of Ordinances and Chapter 351 of the Texas Tax Code.

*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.

*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, 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.

*Primary Residence* means the usual dwelling place of the applicant's residential dwelling and is documented as such by at least two of the following: motor vehicle registration, driver's license, Texas State Identification card, voter registration, property tax documents, or utility bill. For purposes of this chapter, a person may have only one primary residence.

*Short Term Rental* (STR) is defined as "the rental of any residence or residential structure, or a portion of a residence or residential structure for a period of less than 30 days". 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.

Sec. 22-252. – Short Term Rental registration requirements.

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 Development Services Department of the City. Registration shall be made upon forms furnished by the City for such purpose and shall specifically require the following minimum information:

- (a) Name, address, phone number and e-mail address of the property owner of the Short Term Rental property.
- (b) Verification of that this Short Term rental property is the applicant's Primary Residence.
- (c) Name, address, phone number and e-mail address of the designated Local Emergency Contact.
- (d) The maximum number of occupants permitted for the dwelling unit or sleeping room in accordance with Sec. 22-254 (b) of the Code of Ordinances.
- (e) A submission of a sketch floor plan of the dwelling with dimensional room layout.
- (f) 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. 22-253. – Right to inspect premises

The Town of Addison 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. 22-254. – 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) 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:
  - 1. There shall be a maximum occupancy of ten (10) persons, adult and children.
- (c) Limits on number of vehicles. There shall be a maximum of one car per bedroom, or the maximum number of cars that can be accommodated within 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 ordinance;
  - 3. To operate a Short term Rental in any location that is not the registrant's primary residence;
  - 4. To operate a Short Term Rental that does not comply with all applicable city and state laws and codes.
  - 5. To operate a Short Term Rental without paying the required hotel occupancy taxes;
  - 6. To offer or allow the use of a Short Term Rental for the sole or primary purpose of having a Party venue;
  - 7. To fail to include a written prohibition against the use of a Short Term Rental for having a Party venue in every advertisement, listing, or other publication offering the premises for rent.
  - 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.

Sec. 22-255. – Brochure and safety features.

- (a) *Informational brochure.* Each registrant operating a Short Term Rental shall provide to guests a brochure that includes:

1. The registrant's twenty-four (24) hour contact information;
  2. A local responsible party's twenty-four (24) hour contact information if the Owner is not within 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;
  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, 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. 22-256. – Notification of Approval of Short Term Rental.

Within ten (10) days of the approval of a Short Term Rental, the Town will send notice to all property owners within two-hundred feet (200 ft.) of the property, and shall include the twenty-four (24) hour complaint line, and pertinent information about this Ordinance.

Section 22-257. – Registration term, fees, and renewal.

- (a) All registrations approved under this Chapter shall be valid for a period of one year for the date of its issuance.
- (b) The fee for registration of a Short Term Rental shall be \$25 with a late fee of twice the established fee.
- (c) Upon receipt of an application for renewal of the registration, the director or their designee may deny the renewal if there is reasonable cause to believe that:
  - (1) The registrant has plead no contest to or been convicted of a violation of any ordinance of the City, or any state, or federal law on the premises or has permitted such a violation on the premises by any other person; or
  - (2) There are grounds for suspension, revocation or other registration sanction as provided in this article.

Section 22-258. – Violations and Penalties.

Violation of this ordinance upon conviction shall be punished by the fine not to exceed the sum of Five Hundred Dollars (\$500.00) for each offense and each and every day such violation shall continue shall be deemed to constitute a separate offense.

Section 22-259. – Sunset Review.

The provisions of this Chapter pertaining to Short Term Rentals shall expire on April 30, 2019 unless extended by Ordinance of the City Council.

**Section 2.** Chapter 74, Taxation, of the Code of Ordinances, Section 74-101. - Definitions is hereby amended by amending the definition of Hotel, which shall read as follows:

*Hotel* means a building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, short term rentals as defined in Section 22-251, tourist home, tourist house, tourist court, lodging house, inn, roominghouse, or bed and breakfast. The term does not include:

- (1) A hospital, sanitarium, or nursing home; or
- (2) A dormitory or other housing facility owned or leased and operated by an institution of higher education, or a private or independent institution of higher education as those terms are defined by the V.T.C.A., Education Code & 61.003, used by the institution for the purpose of providing sleeping accommodations for persons engaged in an educational program or activity at the institution.

**Section 3.** Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Addison hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

**Section 4.** That all ordinances of the City in conflict with the provisions of this ordinance be, and the same are hereby repealed and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**Section 5.** That this Ordinance shall take effect on May 1, 2019 and after publication as may be required by law or by the City Charter or ordinance.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON,  
TEXAS, on this the 12<sup>th</sup> day of March, 2019.

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Joe Chow, Mayor

ATTEST:

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Irma Parker, City Secretary

APPROVED AS TO FORM:

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Brenda N. McDonald, City Attorney

PUBLISHED ON: \_\_\_\_\_