

SHORT TERM RENTAL REGULATION LEGISLATIVE HISTORY

Intergovernmental Relations Office – Brie L. Franco, Officer



SHORT TERM RENTAL LEGISLATION: 85TH SESSION (2017)



SB 451 (Hancock) / HB 2551 (Parker)

- Prohibits a city from adopting or enforcing an ordinance that restricts the use of or otherwise regulates a short term rental based on the property's classification, use, or homestead status
- Requires a city to apply land use regulations in the same manner as another similar property (zoning, residential use, occupancy limits, noise, property maintenance, and nuisance)
- Preempts ordinances that expressly or effectively prohibit the use of a property as a short-term rental or regulate platforms
- Allows a city to require short-term rentals to remit hotel occupancy taxes but cannot require a platform to remit hotel occupancy taxes
- Allows for certain city regulations related to health and safety.
- *SB 451 was passed by the Senate but did not receive a hearing in the House Urban Affairs Committee. Mayor Adler testified against the bill*
- *HB 2551 was left pending in the House Urban Affairs Committee. Mayor Adler testified against the bill*

SHORT TERM RENTAL LEGISLATION: 86TH SESSION (2019)



Preemption Legislation: HB 3778 (Button), HB 3773 (Button), & SB 1888 (Fallon)

- Prohibits a city from adopting an ordinance or rule that prohibits the use of property as an STR or is applicability solely to the STR provider, and any rule or ordinance that is more restrictive to the STR than other similarly situated properties
- Allows but limits a city's authority to adopt registration requirements for STRs
- Allows for the suspension of an STR registration under certain circumstances. HB 3778 allows a city to revoke a license
- Additionally, HB 3778 prohibits a STR rental service from listing a short term rental unit without a permit
- *HB 3778 was left pending in House Urban Affairs Committee. The City testified against the bill.*
- *HB 3773 and SB 1888 did not receive hearings.*

SHORT TERM RENTAL LEGISLATION: 86TH SESSION (2019)



STR HOT taxes: SB 1472 (Powell) & HB 3779 (Button)

- Requires a short-term rental marketplace to collect and remit all applicable taxes to the comptroller.
- Requires the marketplace to collect and remit all applicable taxes to the comptroller, to the credit of the municipality that has a tax assessed on STRs. The bill requires the comptroller to hold 1% of fees imposed by municipalities (up to \$50,000) and remit it to the Texas General Revenue Fund.
- *SB 1472 and HB 3779 did not receive committee hearings.*

STR HOA bill: HB 4176 (Button)

- Allows a property owners association to regulate a short term rental via a dedicatory instrument.
- *HB 3779 did not receive a hearing.*

SHORT TERM RENTAL LEGISLATION: 87TH SESSION (2021)



STR Violations: HB 2515 (Shaheen)

- Requires short-term rental listing companies to remove listings after a city provides written notice that the short-term rental unit is the subject of three ordinance violations.
- Creates a cause of action to obtain an injunction when a short-term rental unit is the subject of at least three ordinance violations in a one-year period.
- *HB 2515 was left pending in the House Business & Industry Committee.*

Refiles: 86th Session STR Bills

The following bills from the 86th session were refiled but did not receive a hearing:

- HB 1960 (Beckley): Refile of HB 3773 (Button) & SB 1888 (Fallon)
- HB 1961 (Beckley): Refile of HB 3778 (Button)
- HB 1962 (Beckley): Refile of SB 1472 (Powell) & HB 3779 (Button)
- HB 1963 (Beckley): Refile of HB 4176 (Button)

SHORT TERM RENTAL LEGISLATION: **LOOKING FORWARD**



- The 88th Legislative Session will begin on January 10, 2023
- Pre-filing for Legislation for the 88th Session will begin **November 14, 2022**
- IGRO will keep you updated on potential legislation related to the local regulation of short term rentals



QUESTIONS?

Thank you

