Austin

MEMORANDUM

To: Mayor and Council Members

Through: Dr. Eric A. Johnson, Assistant City Manager

From: Deletta Dean, Director, Austin Housing

Date: April 7, 2026

Subject: **Update on Rental Housing Fee Transparency Ordinance**

The purpose of this memorandum is to provide an update on staff's response to Resolution No. 20241024-045 regarding a rental housing fee transparency ordinance. Austin Housing is nearing completion of the work and anticipates presenting an ordinance for City Council consideration by May 31, 2026.

Background

Austin Housing initiated the work to research and craft an ordinance in June 2025. Staff facilitated the first round of stakeholder engagement from October to December of 2025, engaging nearly 500 people that participated in focus group sessions and a public survey for tenants, housing providers, and other interested community members. Stakeholders offered valuable feedback regarding current rental fee practices and considerations for a future ordinance.

Staff also researched state and municipal rental housing fee regulations, including those that rely on disclosure,[1] and reviewed a study conducted by the Housing Policy Clinic of the University of Texas School of Law about combatting "junk fees in Texas rental housing."[2] Additionally, staff monitored a recent lawsuit in Colorado regarding deceptive advertising and hidden fees. The settlement agreement resulted in a proposed order that establishes significant disclosure requirements by the property management firm.[3] Additionally, on March 13, 2026, the Federal Trade Commission (FTC) announced that it is seeking public comment on whether it should establish rules on rental fee transparency.[4] Therefore, the City's effort to address this concern is timely.

[1] National Consumer Law Center. (2025). "What the heck, dude!": How States can fight rental housing junk fees.
[2] Housing Policy Clinic, University of Texas at Austin School of Law. (2024). Combatting junk fees in Texas rental housing: A pathway to fairer and more transparent leasing practices.
[3] Federal Trade Commission. (2025). Greystar Agrees to Pay $24 Million and Stop Deceptive Advertising Practices as a Result of FTC and Colorado Lawsuit Alleging the Firm Deceived Consumers About Rent Prices.
[4] Rule on Unfair or Deceptive Rental Housing Fee Practices; Advance Notice of Proposed Rulemaking, 91 FR 12325. Public comments must be received on or before April 13, 2026.

Austin Housing staff, in consultation with the City Attorney's Office, considered the research and the feedback from public engagement to prepare a draft ordinance.

Draft Ordinance
The draft ordinance includes the following provisions:

- Applies to landlords that rent or lease five or more dwelling units or mobile home/RV/trailer (MH/RV) spaces.
- Landlords must provide a written disclosure form directly to a prospective tenant when providing a lease quote, or before they book an appointment to tour the property, submit an application, or make any payment related to an application. This disclosure form must identify the mandatory and optional fees and charges for the dwelling or MH/RV space.
- A landlord may create their own disclosure form that accurately discloses mandatory and optional fees and charges, or they may use the *City of Austin Standard Disclosure Form* (*Standard Disclosure Form*) to satisfy the requirements of this ordinance (see below and attached).
- Landlords must include the total monthly price of base rent and any mandatory recurring fixed fees in any advertisement or listing that includes the rental price for a dwelling unit or MH/RV space.
- Enforcement will be complaint-based. If the City of Austin confirms a valid complaint regarding failure to disclose fees, staff will file a case in Municipal Court with a fine of $500 or less.
- Fines will go to the City of Austin's General Fund, like all other Municipal Court fines.

Next Steps
Austin Housing will gather a final round of public comment on the draft ordinance via Speak Up Austin. Stakeholder feedback will help further refine the draft ordinance in anticipation of providing a final proposed ordinance to the City Council by the end of May 2026.

Attached, please find the draft ordinance, draft disclosure form, and engagement summary. Should you have any questions or concerns, please contact Deletta Dean, Director of Austin Housing at Deletta.Dean@austintexas.gov or 512-978-1410.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Jason Hadavi, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team
Department Directors

Attachments: Attachment A: Draft Rental Fee Transparency Ordinance
Attachment B: Draft City of Austin Standard Disclosure Form
Attachment C: Engagement Summary

Attachment A: Rental Fee Transparency Regulations

OVERVIEW OF PROVISIONS

1. This ordinance applies to landlords that rent or lease 5 or more dwelling units or mobile home/RV/trailer (MH/RV) spaces.

Five (5) or more dwelling units is the threshold that City Council requested in Resolution No. 20241024-045. Austin Housing's survey results also indicate that smaller landlords tend to charge fewer fees. Of the landlord and property manager respondents who own or manage fewer than 5 homes in the City of Austin, 87% said that their tenants do not pay monthly fees in addition to their base rent and utilities (Table 1). By contrast, 56% of the respondents who own or manage 5 or more homes in the City of Austin said that their tenants do pay monthly fees in addition to base rent and utilities (Table 2).

*Table 1. Respondents who own or manage **fewer than 5** homes in City of Austin: Do your tenants pay monthly fees (optional and/or non-optional) in addition to their monthly base rent and utilities?*

	Count	Percent
No, my tenants only pay rent and utilities on a monthly basis	40	87%
Yes	6	13%
Grand Total	**46**	

*Table 2. Respondents who own or manage **5 or more** homes in City of Austin: Do your tenants pay monthly fees (optional and/or non-optional) in addition to their monthly base rent and utilities?*

	Count	Percent
No, my tenants only pay rent and utilities on a monthly basis	32	44%
Yes	40	56%
Grand Total	**72**	

2. Landlords must provide a written disclosure form directly to a prospective tenant when providing a lease quote, or before they book an appointment to tour the property, submit an application, or make any payment related to an application. This disclosure form must identify the mandatory and optional fees and charges for the dwelling or MH/RV space.

A written disclosure form helps to improve consistency, accessibility, and clarity in disclosure practices. This helps landlords have a clear standard between themselves and their business competitors – when others are not being upfront with their pricing, it undercuts those who practice good disclosure and transparency in their business.

A written disclosure form also helps prospective tenants to accurately compare housing costs. Currently many tenants in Austin appear to learn about their fees later than they should. Figure 1 below shows at least 39% of tenant respondents to Austin Housing's rental fee survey disagreed or

mostly disagreed with the statement, “The fees I must pay in addition to base rent were clear to me **before I applied** for my current rental home.” Table 1 below shows that when asked specifically when they learned about their mandatory monthly fees, only 37% of tenant respondents said it was before they submitted or paid for an application. Just 5% say that they learned about their mandatory monthly fees in the advertisement for their rental unit.

*Figure 1. The fees I must pay in addition to base rent were clear to me **before I applied** for my current rental home. (n = 236)*

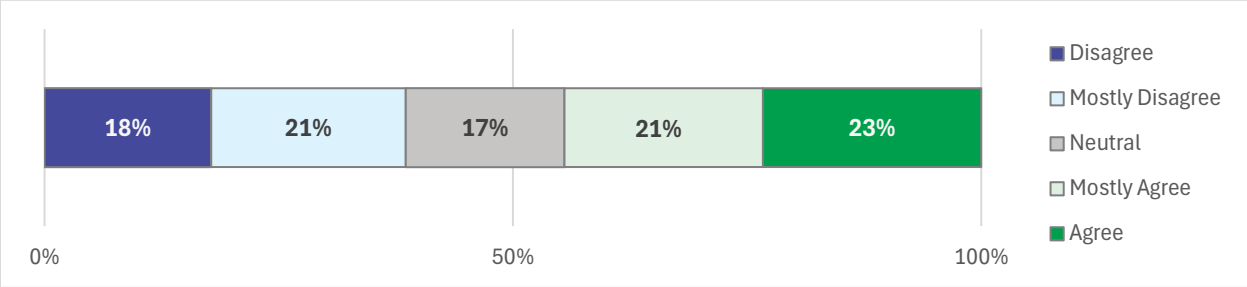


Table 3. Tenant respondent answers to: "When were you first notified about the following types of fees?”

	In the advertisement for the rental unit	Before I submitted/paid for an application	After application, but before signing the lease	After signing the lease	Unsure	Grand Total
Mandatory/ Non-optional monthly fees	10 (5%)	62 (32%)	56 (29%)	34 (18%)	31 (16%)	**193**
Optional monthly fees	6 (4%)	54 (32%)	38 (22%)	26 (15%)	47 (27%)	**171**

3. A landlord may create their own disclosure form that accurately discloses mandatory and optional fees and charges, or they may use the *City of Austin Standard Disclosure Form* (*Standard Disclosure Form*) to satisfy the requirements of this ordinance (see below and attached).

The City of Austin will provide a template that landlords can use to satisfy the written disclosure form requirement. Landlords may use the Standard Disclosure Form and will have safe harbor under the ordinance as long as they accurately disclose their fees and charges using this form. The goal for this is to make compliance straightforward and consistent. Landlords may create their own disclosure form instead, as long as it satisfies the requirements of the ordinance.

This proposed Standard Disclosure Form is based on a template that the City of Fayetteville introduced with their rental housing fee disclosure ordinance in 2025. They created their template at the request of their focus group participants who wanted a guide to capture all of the information required by their disclosure ordinance. The resulting form makes compliance clearer for landlords while giving prospective tenants a format that is easy to compare between properties (City of Fayetteville).

4. Landlords must include the total monthly price of base rent and any mandatory recurring fixed fees in any advertisement or listing that includes the rental price for a dwelling unit or MH/RV space.

Council Resolution No. 20241024-045 asked to explore the feasibility of requiring fee disclosure in advertisements. A majority (64%) of property owners and managers who commented on advertising feasibility in Austin Housing's survey indicated that disclosure in advertisements is somewhat to very feasible, particularly mandatory monthly and annual fee totals. Some participants indicated that including optional and variable fees in advertisements could be more challenging and possibly confusing for tenants. Other concerns pointed to synching with various technology platforms, formatting and space constraints, added administrative burden, and competition considerations. Austin Housing suggests that a feasible advertising solution that incorporates many of these concerns is for landlords and managers to just advertise a single rent price that includes the total of base rent and all mandatory recurring fixed fees. These fees are called "additional rent" in the standard Texas Apartment Association (TAA) lease templates. Providing a total amount avoids displaying too many itemized costs in a manner confusing to tenants and unwieldy for landlords. Itemizing mandatory recurring fixed fees alongside base rent is acceptable instead if the advertising constraints allow for this and it is the landlord's preference.

Advertising is the earliest upfront disclosure possible for many prospective tenants, making it ideal for transparency and comparison shopping. This strategy also rewards landlords that already include all mandatory recurring fixed fees in the rent. Though only advertising fixed, mandatory recurring fees is somewhat limited, prospective tenants will receive a more detailed understanding of their other mandatory and optional fees with the written disclosure outlined above in points 2 and 3.

5. Enforcement of the ordinance will be complaint-based. If the City of Austin confirms a valid complaint regarding failure to disclose fees, they will file a case in Municipal Court with a fine up to $500.

The City of Austin primarily enforces municipal regulations through a complaint-based system. The fine amount is consistent with a Class C Misdemeanor in the State of Texas.

These fines will go to the General Fund for the City of Austin, as do all other Municipal Court fines.

These fines will go to the City of Austin's General Fund, consistent with all other Municipal Court fines. Stakeholders expressed interest in proceeds from fines spent on anti-displacement programs or otherwise support the complainant in fee disclosure cases. However, directing fine revenue to a dedicated program would be inconsistent with current City policy.

DISCLOSURE FORM

Landlords may use the *Standard Disclosure Form* and will have safe harbor under this ordinance as long as they accurately disclose their fees and charges using this form.

Landlords may create their own disclosure form, as long as the form is no longer than 1 page (front and back), does not use font smaller than 10pt, and accurately discloses the following in itemized format:

- Mandatory Fees
    - One-Time
        - Any charges assessed by the landlord as part of the application process or before the execution of a lease.
        - Any one-time charges that are required during the lease term.
    - Recurring
        - Any mandatory recurring charges (aside from base rent and variable utilities) to be charged by a landlord to a tenant during the lease term as a condition of leasing a dwelling.
- Optional Fees
    - One-Time
        - Any optional one-time charges goods, services, or amenities that the landlord offers.
    - Recurring
        - Any optional recurring charges for goods, services, or amenities that tenants may opt into.

Landlords need not include fees and charges in the disclosure form that are related to repairs for damages caused by tenants or their guests, lease violations or tenant malfeasance, and similar types of charges after the lease term begins.

Attachment B: City of Austin Standard Disclosure Form

RENTAL PROPERTY ADDRESS

MANDATORY ONE-TIME FEES			
Fee	**Amount ($)**	**Refundable?**	**Additional Details**
Application		Yes ☐ No ☐	
Security Deposit		Yes ☐ No ☐	
Administrative		Yes ☐ No ☐	
Screening		Yes ☐ No ☐	
Prepaid Rent		Yes ☐ No ☐	
Other(s)		Yes ☐ No ☐	

MANDATORY RECURRING FEES COLLECTIBLE THROUGHOUT LEASE TERM			
Fee	**Amount ($)**	**Cadence (e.g., monthly)**	**Additional Details**
Administrative			
Valet Trash			
Amenity			
Parking			
Pest Control			
Package Service			
Lawn Care			
Other(s)			
Is the tenant required to obtain renter's liability insurance for personal property? Yes ☐ No ☐			

OPTIONAL/ADD-ON ONE-TIME FEES			
Fee	**Amount ($)**	**Refundable?**	**Additional Details**
Pet Deposit		Yes ☐ No ☐	
Pet Fee		Yes ☐ No ☐	
Key/Access Device Replacement		Yes ☐ No ☐	
Other(s)		Yes ☐ No ☐	

OPTIONAL/ADD-ON RECURRING FEES COLLECTIBLE THROUGHOUT LEASE TERM			
Fee	**Amount ($)**	**Cadence (e.g., monthly)**	**Additional Details**
Pet Rent			
Parking			
Storage			
Other(s)			

Rental Housing Fee Disclosure
Engagement Summary

Austin Housing | March 2026

Engagement Summary

1. Background and Timeline
2. Engagement Methods
3. Focus Group Summary
4. Survey Summary

Background and Engagement Timeline

As part of Council Resolution 20241024-045 City staff has been directed to prepare an ordinance for Council to consider that requires landlords who own five or more dwellings to provide tenants a list of fees at the time of application. Staff is also directed to explore the feasibility of requiring landlords to disclose the fees in the advertising of the rental unit. For more back ground information, visit speakupaustin.org/rentalfees

Community engagement was conducted October through December, 2026. This report summarizes who we heard from and what we heard.

Engagement Goals & Methods

Methods	Goals
Focus Groups • **Landlord/Housing Provider Focused** Wednesday, October 1, 2025 — 3:30-5:00pm (in person) Thursday, October 2, 2025 — 10:00-11:30am (virtual) • **Tenant Advocacy Focused** Wednesday, October 8, 2025 — 5:30-7:00pm (virtual) Thursday, October 9, 2025 — 4:00-5:30pm (in person)	Facilitate small group discussions with key housing stakeholders to explore rental fees with greater depth and nuance. Ensure that the resulting policy is equitable, enforceable, and responsive to real-world housing conditions.
Public Survey • www.SpeakUpAustin.org/RentalFees • Opened to the public from October 31, 2025, to December 15, 2025.	Gather wider feedback from renters, housing providers, and other community members on current fee disclosure practices and a future regulation. Ensure that the policy is responsive to those most impacted and strengthened by a variety of perspectives.
Public Comment (forthcoming) • After memorandum received by Mayor and Council.	Obtain community feedback on the proposed regulation itself. Respond to any concerns and use community insights to improve the regulation if needed.

Outreach Goals & Methods

Goal	Methods

Reach tenants impacted by hidden rental fees	• Housing Community Newsletter (8,000 + recipients) - Nov. 3 & Dec. 1
	• Email to Community Partners (500 + organizations) - Nov. 10
	• Flyers at libraries, rec centers and community events
	• City News (email to all City of Austin employees) – Nov. 26
	• Development Services Newsletter
	• Paid Advertising
	  • On air – Mix 94.5 and Magic 95.5 (English)
	  • On air - Latino 97.1 and La Z 107.3 (English and Spanish)
	  • Print – The Villager

Reach landlords and property managers with 5 or more units	• Direct outreach to area property managers and developers • Developer Newsletter (300+ recipients) - Nov. 7 & Dec. 5 • Email to HACA properties (2,900 recipients)

Focus Groups – Overview

4

Meetings Held

52

Participants

Focus Groups – Property Owners and Managers

Austin

Key Takeaways

- **Fees:** Some housing providers charge a wide range of fees for services, amenities, utilities, and liability coverage, sometimes using third-party vendors.
- **Reason for Fees:** Fees are used to cover service costs, manage shared spaces, reduce liability, support convenience amenities, or offset operational expenses; some are set by third-party vendors.
- **Timing:** Disclosure timing varies across landlords and property types. Fees are disclosed at various points in the leasing process.
- **Opportunities:** a simple, standardized disclosure improves transparency and helps tenants understand costs.
- **Challenges:** inconsistent and variable fees, low awareness among landlords and tenants and added operational burden.

Focus Groups – Tenant Advocates

Austin

Key Takeaways

- **Fees:** Tenants face many extra charges beyond rent including amenities, utilities, pets, applications, and penalties, sometimes added mid-lease.
- **Timing:** Fee disclosure is often late or inconsistent with some revealed after application fee is paid, at lease signing, or after first payment.
- **Transparency:** All fees should be disclosed upfront across ads, websites, applications, and lease documents with clear non-revocable schedules at signing.
- **Implementation Challenges:** Tenant fear of retaliation, lack of enforcement, changing fees, limited incentive or recourse for tenants, and education barriers may hinder compliance.

Survey Overview

291
Responses

Tenants

121
Responses

Property Owners and Managers

28
Responses

Other Interested Community Members

Survey – Tenant Respondents

Austin

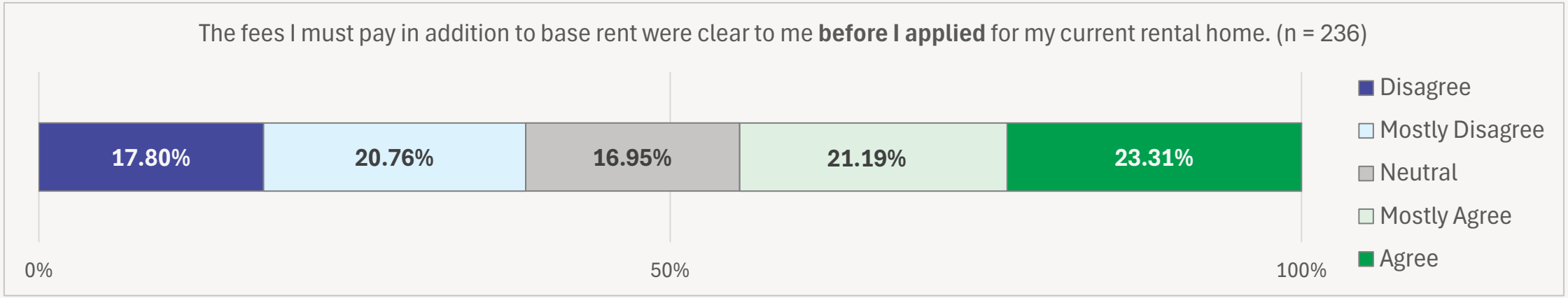
Key Takeaways

- **66%** pay fees on top of rent (26% pay none and 8% are unsure).
- Tenants identify varied one-time and recurring fees that are mandatory, optional, or circumstantial.
- **47%** said they learned about their mandatory recurring fees **after** they submitted/paid for their application. 37% said they learned about them **before** submitting/paying for their application.16% were unsure when they learned about their fees.
- **37%** said that their recurring fees have changed during their lease term, after signing the lease. 16% were unsure if they had changed.
- Of the 37% whose fees had changed, **51%** said they were not notified beforehand.

Survey – Tenant Respondents

Mandatory Recurring Fee Type	Count	%
Pest control	117	44%
Valet trash	100	37%
Trash (non-valet)	93	35%
Amenity fee	84	31%
Administrative fees	80	30%
Renter's insurance (for personal property)	64	24%
Internet/cable	37	14%
Package service	36	13%
Liability insurance	27	10%
Parking	25	9%
Lawn care	22	8%
Surety Bond	4	1%
Other	75	28%
Maybe other fees, but unsure	71	27%
None	56	21%
TOTAL	**267**	

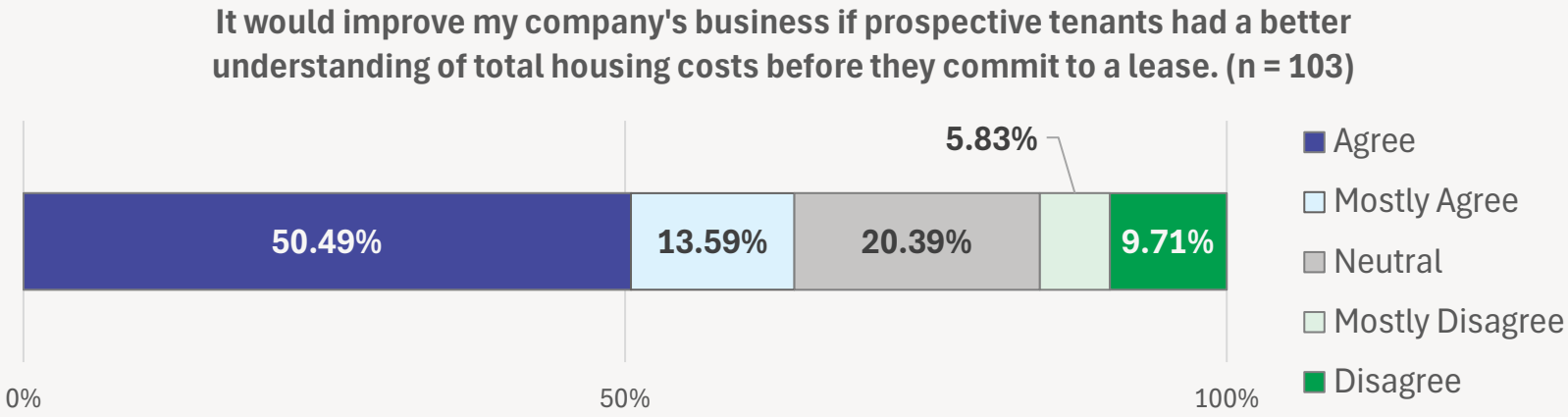
Some of the most common mandatory recurring fees identified included pest control, valet trash, amenity fee, administrative fees, and insurance. Other somewhat less prevalent but notable were internet/cable and package service.



Survey – Property Owners and Managers

Key Takeaways

- **56%** of landlords/managers respondents with 5 or more homes in Austin said they charge their tenants monthly fees in addition to base rent and utilities. **87%** of those with fewer than 5 homes said they *do not* charge monthly fees.
- **69%** of landlord/manager respondents said that they always include the total price of rent and fees in the advertisements. **92%** said that they always disclose the total price of rent and fees before a prospective tenant applies. **96%** said that they always do before a prospective tenant signs a lease.
- **58%** said that their lease contracts accurately display all rent and fees on the first page.

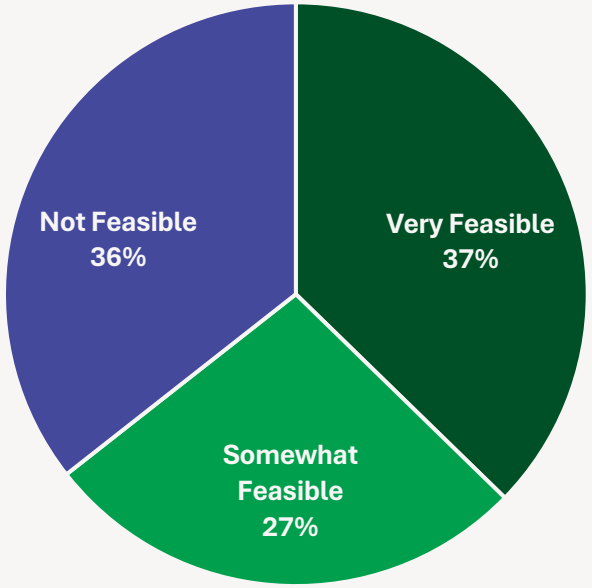


Survey – Property Owners and Managers

Key Takeaways

- Comments: How feasible is it to include fee totals in any advertisement or listing that shows a price?
  - Most comments speaking to feasibility indicated that disclosure in advertisements is somewhat to very feasible.
  - Feasibility largely depends on the level of disclosure. Mandatory monthly and annual fee totals appear to be the simplest to include in advertisement. These are also the most helpful and digestible costs for shoppers.
  - Most optional and variable fees do not appear to be feasible or practical for advertisements. Can be too much information, confusing shoppers.
  - There are some concerns about technology for online advertisements – e.g., complications with syndicating platforms can cause unintentional errors.

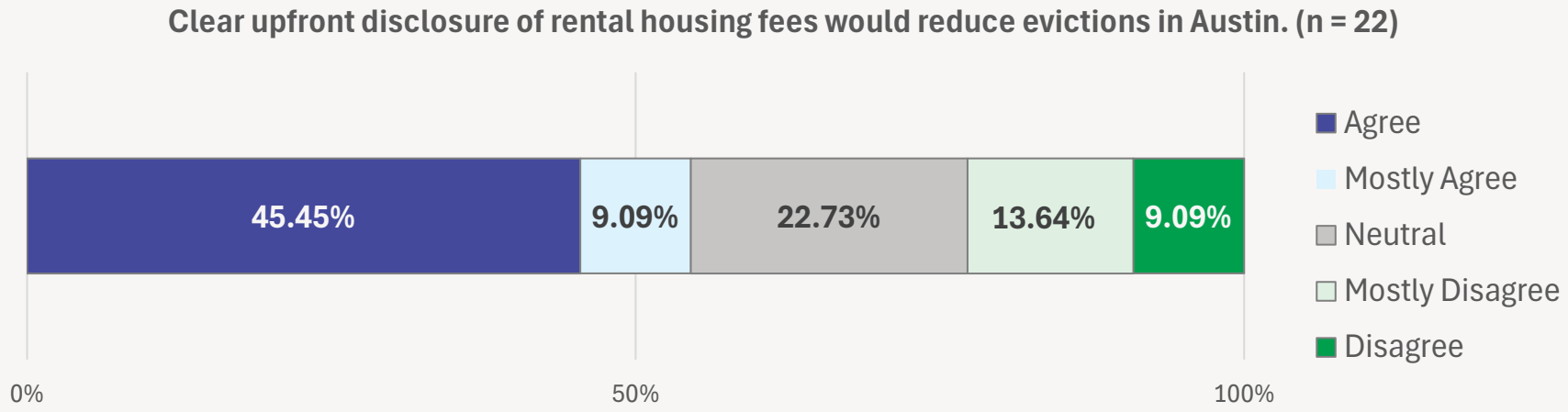
Comments tagged according to following categories:



Survey – Other Interested Community

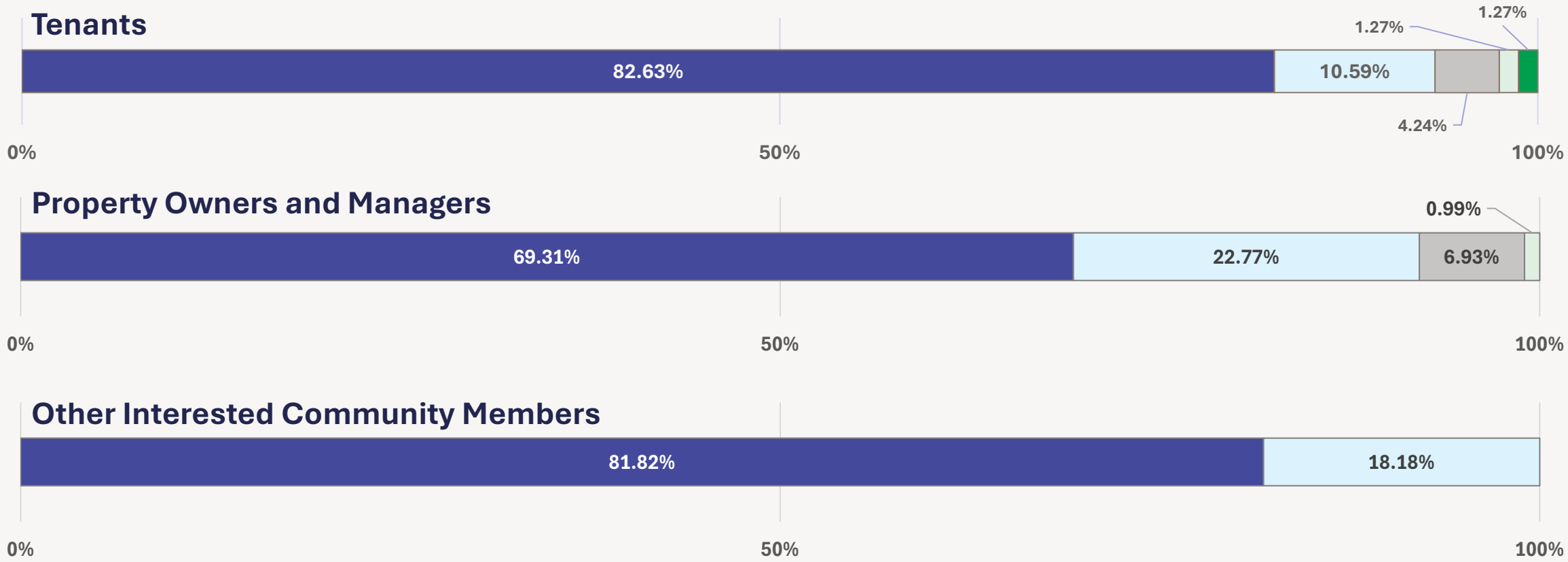
Key Takeaways

- **Best practices for optimal transparency**: comprehensive itemization, upfront disclosure, accessible language, transparent property website and online listings, fees clearly presented in lease, and explanations for fees.
- **Barriers that could undermine a fee transparency ordinance**: lack of standardization, complex/hidden fee structures, a tight housing market that pressures tenants, changes in fees after lease signing, lack of clarity in an ordinance, language barriers (for non-English speaking), misleading/complex language, and challenges with enforcement.



Survey – Overall Takeaways

Strong majorities of survey participants across categories agree that "upfront disclosure of fees is important for prospective tenants to compare housing options that they can afford"



Survey – Overall Takeaways

- The community at large values upfront disclosure practices.
- Current disclosure practices can vary widely.
- Most landlords and manager respondents believe their business would improve if prospective tenants had a better understanding of their housing costs.
- Many tenants express uncertainty and frustration regarding lack of upfront fee disclosure and clarity. However, the tenants with landlords who disclose costs clearly respond very positively, with .
- Future statewide or national regulation would be helpful in the future to align jurisdictions.
- Respondents point out problems with mid-lease fee changes and fees being buried or scattered in the lease contract. The ordinance will not be able to address these issues.

Survey – Overall Takeaways

- Advertising
  - Tenants find their homes through a variety of methods. The most common appears to be using third-party rental listing websites (e.g., Zillow, Apartments.com, etc.), which 30% of tenant respondents used to find their current home. The next most common methods were word of mouth (22% of tenant respondents) and directly on a property's website (16%).
  - 87% of landlords with 5 or more dwellings in Austin use third-party listing websites to advertise. The second most common place of advertisement for this group is the property's website (67%).
  - Disclosure in advertisements is most feasible for mandatory fees, particularly if any monthly fixed fees are rolled into an all-in price.
  - If third party listing websites could help spread awareness of local requirements to landlords.