




MEMORANDUM

TO: Mayor and City Council Members

FROM: Veronica Briseño, Assistant City Manager 

DATE: January 29, 2025

SUBJECT: **Proposed Short-Term Rental Regulations - Draft Ordinance Chapter 11-2**

I want to share additional information as a follow up to the [memorandum](#) provided to all of you dated January 10, 2025, which described the proposed overhaul of the City's short-term rental (STR) regulations. The previous memo included two of the three ordinances that make up the proposed changes. Those two ordinances amend City Code Title 4 (*Business Regulations and Permit Requirements*) and Title 25 (*Land Development*). The third proposed ordinance, which you'll find attached, would amend City Code Chapter 11-2 (Hotel Occupancy Tax) and apply to STR operators and platforms.

As a reminder, on February 4, the City Council and Planning Commissions will convene a Joint Public Hearing for the proposed updates to the Short-Term Rental (STR) Regulations.

If you have any further questions, please contact Daniel Word, Assistant Director of the Development Services Department, at 512-974-6559 or Daniel.Word@austintexas.gov.

cc: T.C. Broadnax, City Manager
Myrna Rios, City Clerk
Corrie Stokes, City Auditor
Judge Sherry Statman, Presiding Judge
Mary Jane Grubb, Municipal Court Clerk
CMO Executive Team
José Roig, Development Services Director

Attachment: STR Regulations (Chapter 11-2) Draft Ordinance

ORDINANCE NO.

AN ORDINANCE AMENDING CITY CODE CHAPTER 11-2 RELATING TO HOTEL OCCUPANCY TAXES, SHORT-TERM RENTAL OPERATORS, AND SHORT-TERM RENTAL PLATFORMS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART X. City Code Section 11-2-1 (*Definitions*) is amended to add new definitions for “Platform” and “Short-Term Rental” to read:

- (4) PLATFORM means a person that facilitates booking of short-term rentals on behalf of a short-term rental operator.
- (5) SHORT-TERM RENTAL means the rental of a housing unit or a portion of a housing unit for periods of less than 30 consecutive days. This term does not include an extension for less than 30 consecutive days of a previously existing rental agreement of 30 consecutive days or more or a rental between the parties to the sale of that housing unit.

PART X. City Code Section 11-2-3 (*Collection of Tax Generally*) is amended to add a new Subsection (C) to read:

§ 11-2-3 COLLECTION OF TAX GENERALLY.

- (A) Except as provided in Subsection (C), a [A] person who owns, operates, manages, or controls a hotel or short-term rental or collects payment for the use or possession or for the right to the use or possession of a hotel room or short-term rental shall collect the tax levied by this chapter for the City.
- (B) A person who collects the tax shall deposit the tax proceeds into ~~[it]~~ a separate liability account and may not use the tax proceeds for any purpose other than payment to the City.
- (C) A platform who collects payment for the use or possession, or for the right to the use or possession, of a short-term rental shall collect the tax levied by this chapter for the City and on behalf of short-term rental operators who use the platform.

PART X. City Code Section 11-2-4 (*Quarterly Reports; Payments*) is amended to amend Subsection (C) and to add new Subsections (F) and (G) to read:

§ 11-2-4 QUARTERLY REPORTS; PAYMENTS.

- (A) A quarterly period under this section is based on the City's fiscal year, with the first quarter beginning on October 1 and ending on December 31.

- 33 (B) On or before the last day of the month following each quarterly period, a person
34 required to collect the tax imposed under this chapter shall:
- 35 (1) file a written report with the department for that quarterly period, with a
36 copy of the report for state hotel occupancy taxes required by Section
37 156.151 (*Report and Payment*) of the Texas Tax Code for the same quarterly
38 period; and
- 39 (2) pay the tax due for the quarter.
- 40 (C) A report under this section shall be in the form prescribed by the department and
41 shall include:
- 42 (1) the total consideration paid for rooms or short-term rentals subject to the tax
43 in the preceding quarter;
- 44 (2) the total amount of tax collected; and
- 45 (3) the total amount of tax exemptions granted.
- 46 (D) If requested by the department, a person responsible for collecting the tax shall
47 provide the department with:
- 48 (1) the names, addresses, and identification relied upon to grant an exemption
49 from the tax; and
- 50 (2) any other information the department may reasonably require.
- 51 (E) The department may request, and a person required to collect the tax shall provide
52 within a reasonable time, additional documentation verifying the information
53 contained in the report to the City.
- 54 (F) The report required in Subsection (C) must also include the short-term rental
55 license numbers for taxes collected during the preceding quarter.
- 56 (G) Each quarter, a person who operates a short-term rental and uses a platform to
57 collect payment for the use or possession, or for the right to the use or possession,
58 of a short-term rental must provide the department with documentation that
59 demonstrates how much hotel occupancy tax each platform collected on the
60 person’s behalf.

61 **PART X.** This ordinance takes effect on ___[90 days after Council adopts]___, 2025.

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