

**FILE NUMBER:** DCA212-002(SD)

**DATE INITIATED:** Spring 2022

**TOPIC:** Development Code Amendment to the Dallas Development Code address short-term rental lodging uses.

**CITY COUNCIL DISTRICTS:** All

**CENSUS TRACTS:** All

**PROPOSAL:** Consideration of amending Chapters 51 and 51A of the Dallas Development Code, with consideration to be given to amending Section 51-4.216.1, "Lodging Uses" and Section 51A-4.205, "Lodging Uses" to define a new use called "short-term rental lodging" and related regulations.

**SUMMARY:** The proposed code amendments create a new use to regulate overnight accommodations for a period of fewer than 30 consecutive days per rental period. The proposed amendments includes a purpose statement, definition, permitted districts, and other provisions.

**ZONING ORDINANCE ADVISORY COMMITTEE RECOMMENDATION:** Approval

**STAFF RECOMMENDATION:** Approval

Code Amendments webpage: <https://dallascityhall.com/departments/pnv/Pages/Code-Amendments.aspx>

STR project webpage: <https://dallascityhall.com/departments/pnv/Pages/Short-Term-Rentals.aspx>

Appendices

1. Use Charts
2. Comparison Cities
3. Heat Map and Data for Active and Pending STRs
4. Other Lodging Uses
5. Discussion of Chapter 44 and Chapter 27 of Dallas City Code

## **BACKGROUND:**

A code amendment was initiated by City Plan Commission (CPC) at the December 2, 2021 meeting. CPC authorized a hearing to consider specifically defining a new use, "Short-term rental lodging" within the Lodging Uses sections of Chapters 51 and 51A, as well as related regulations.

- On June 23, 2022; July 7, 2022; August 2, 2022; August 16, 2022; and August 30, 2022, the Zoning Ordinance Advisory Committee (ZOAC) discussed potential amendments related to this item. Case reports, meeting minutes, and video recording links can be found on the Code Amendments webpage and short-term rental (STR) code amendment project webpage.
- On October 4, 2022, ZOAC voted to recommend approval of the proposed amendments as found below.
- On November 17, 2022, staff briefed CPC on the proposed amendments. The Commission asked questions related to the proposed amendments and discussed the item. The Commission also held Executive Session to ask questions of City Attorney's Office staff.
- On November 10, 2022, the Office of Data Analytics and Business Intelligence (DBI) published an update to the May 2021 Short Term Rental Impact Analysis. This memo has been forwarded to the Commission and can be reviewed [here: https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/Short%20Term%20Rental%20Impact%20Analysis%20Update.pdf](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/Short%20Term%20Rental%20Impact%20Analysis%20Update.pdf)
- Staff has forwarded communication from the public to CPC for review. This includes emails directed to specific ZOAC members as well as ZOAC as a group.

### **Progress prior to CPC and City Council referral to ZOAC**

- Initial staff briefing to City Council Quality of Life, Arts and Culture Committee (QLAC) on Short-term rental regulations on February 18, 2020.
  - Update committee on current STR practices in Dallas.
  - Receive direction from the Committee on STR registration and additional regulations.
- QLAC initiated a Short-Term Rental Task Force with members appointed by City Council to develop recommendations for STR regulations. The STR Task Force began meeting in June 2020 and developed recommendations in December 2020.
- On January 19, 2021 staff briefed the STR Task Force's recommendations to QLAC.
- On February 23, 2021 staff briefed QLAC in closed session on legal issues regarding regulation of STRs.
- On March 23, 2021 staff briefed QLAC on options to regulation STRs.

- On May 5, 2021 City Council held a public hearing to hear public comment on potential STR regulations.
- Between November 15, 2021 and January 18, 2022 a restructured QLAC STR Task Force held several meetings to discuss a proposal to require STR registration with the City.
- On January 31 and February 22, 2022 QLAC held public hearings to receive public and stakeholder input.
- On May 4, 2022 staff briefed City Council on the current state of progress, including recommendations from the STR Task Force. City leadership asked staff to return to a briefing session with general recommendations for further discussion intended to refine a clear direction from City Council on STR regulations in Dallas.
- On June 1, 2022 staff briefed City Council on potential options for zoning and registration requirements for short-term rentals. City leadership asked staff to return with a hybrid zoning option and further details about the registration process.
- On June 7, 2022 five members of City Council submitted a memo to the City Manager reflecting support of an option that would define short-term rental as a lodging use and would include zoning regulations that would be identical with the ones for lodging uses currently, with the understanding that additional standards would potentially develop through the typical code amendment process.

### **UPDATES SINCE NOVEMBER 17, 2022 CPC BRIEFING**

#### Use of the term “building” in lieu of “unit”

Staff recommends using a defined term such as “building” in lieu of “unit” in the definition of the proposed new use to provide clarity for implementation.

#### Use Tables

Use tables have been updated to include more detail.

### **STAFF ANALYSIS:**

Short-term rentals (STRs) are typically residential properties that are rented for overnight accommodation for a period of fewer than 30 consecutive days. Currently, the City has no standards in the Development Code on whether the use of a residential property for short-term rental lodging is appropriate. However, the City does consider a short-term rental to be analogous to a hotel for purposes of collecting the City’s Hotel Occupancy Tax (HOT). Providing standards within the Development Code would clarify what uses are considered lodging. Further discussion related to the City’s Hotel Occupancy Tax and Minimum Property Standards, including a potential STR registration ordinance, can be found in Appendix 5.

## Zoning & Land Use Options

City Council has placed a priority on potential STR regulations, and staff has briefed Council several times with regards to a potential comprehensive package that will regulate STRs.

National best practices to STR regulation include zoning and/or registration. The proposed amendment in this report is only reflective of zoning amendments. The Code Compliance Department is developing proposed standards for an STR registration ordinance. While still in progress, the registration ordinance could include operational recommendations such as, but not limited to, spacing limitations, occupant maximums, emergency contact information, and neighbor notification. Council developed a general consensus that STRs should be defined as a lodging use and requested that staff refer that consensus to ZOAC. ZOAC's recommendation in this matter is consistent with the general consensus of Council.

Some cities have determined that STRs should be treated similar to commercial hotels, and only allow them in a similar set of zoning districts as hotels. Other cities have determined that problems arise not necessarily from the short term of rental periods, but from a lack of on-site supervision and accountability for the renters. These cities have drawn a line between owner-occupied STRs, where the rental use is ancillary to the primary residential use, and non-owner occupied STRs, where the rental use is the primary full-time use. Cities with that differentiate often treat the two types of STRs differently. More detail on comparison cities is in the appendix below.

Per the City Council direction via the June 15, 2022 briefing, staff drafted a proposal based on the option preferred by City Council. That proposal has been refined through several ZOAC meetings to the language below. Based on public input, discussion, and research, ZOAC recommends the following proposed amendments for approval by City Plan Commission. Registration ordinance standards are not within the purview of ZOAC or CPC, and as such are not included in this case report.

### Map of Existing Short-Term Rentals

Staff has worked with GIS and City Controller's Office staff to prepare a heat map of Short-Term Rentals in the City of Dallas (Appendix 3). This includes properties with an active or pending registration status for the purpose of paying Hotel / Motel Tax to the City, but staff cannot confirm that each property is currently listed on any booking site. Registration through the City Controller's Office is permanent, so some properties may not be currently active as an STR.

## Owner Occupancy

Several pieces of information related to owner occupancy were requested, including:

- Typical provisions from other municipalities, included methods of establishing owner occupancy include:
  - Many cities do not differentiate between owner occupied STRs and non-owner occupied STRs.
  - **San Antonio** differentiates between owner or operator occupied and non-owner or non-operator occupied STRs for purposes of density limits. The City uses homestead exemption, voter registration, vehicle registration, “or similar means” to establish owner occupancy. San Antonio allows a tenant to operate a short-term rental as a Type 1 (no density limits) with written permission from the landlord.
  - **Los Angeles** only allows STRs as a “home-sharing” use. A “home-sharing” use can only be operated by a “Host” in their “Primary Residence,” which is defined as “The sole residence from which the Host conducts Home-Sharing and in **which the Host resides for more than 6 months of the calendar year**. The City establishes the primary residence with a photo ID and one or more of the following:
    - Voter registration
    - Vehicle registration
    - Health insurance or auto insurance bill within the last six months
    - Paystub within the last six months
    - Homeowner’s exemption from property tax
    - Current rental or lease agreement.
  - **Denver** only allows STRs as an accessory to a primary residential use, so the operator must maintain the primary dwelling unit on a lot as their primary residence as established by a Colorado state identification card and two of the following:
    - Motor vehicle registration
    - Voter registration
    - Federal or state tax returns
    - Utility bill
    - Other legal documentation approved by the Director of the Denver Department of Excise and Licenses.
- Consideration of owner occupancy under state law
  - In staff’s research there appears to be no conflict with Texas state statute related to owner occupancy.
- Zoning regulations related to owner occupancy

- Typical regulations related to owner occupancy focus on basic allowance of the STR use or the concentration / density of STRs in particular area. When owner-occupancy is not a base requirement for STR operation, owner occupied STRs are typically exempt from any density limit, while non-owner occupied STRs are required to comply with these limits.

#### STRs in legal dwelling units in non-residential zoning districts:

- The Committee had discussion surrounding the use of an otherwise legal dwelling unit as an STR in a zoning district that would not allow the use. Staff has revised the use table in Appendix 1 to reflect this discussion.

#### Parking Standards

- In nearly all cases, existing dwelling units have minimum parking requirements in place today, typically one required space for a single-family unit and one required space per bedroom for multifamily units. If more parking is desired for STRs, the Committee can make a recommendation on a minimum number of spaces. Some cities require one space per sleeping room.
- **Arlington** limits parking to the number of off-street spaces that are present on the property. This standard is contained in the registration ordinance, not the zoning ordinance.
- **San Antonio** requires a minimum of one parking space per rental unit.
- **New Braunfels** requires a minimum of one parking space per sleeping room, and a garage parking space is not counted towards this requirement.

#### Purpose Statement

The following statement was recommended by ZOAC. This language will likely be included in the enacting ordinance as opposed to being codified in Chapter 51A.

*Purpose: To establish regulations to protect the health and safety of occupants of short-term rental properties, to protect the integrity of the districts in which short-term rental properties operate, and to preserve the neighborhood character of residential districts within the city and to minimize adverse impacts to the housing supply caused by the conversion of residential units to transient use.*

Some examples of purpose statements from other cities are included below:

- **San Antonio:** The purpose of this article is to establish regulations for the protection of the health and safety of occupant(s) of short-term rental properties, and to protect the integrity of the neighborhoods in which short term rental properties operate.

- **Arlington:** The purpose of this Chapter is to safeguard the life, health, safety, welfare, and property of the occupants of residential dwelling units, the neighbors of said occupants, and the general public, through the regulation of short-term rental residential property. The intent of this Chapter is to preserve the neighborhood character of residential subdivisions within the City of Arlington and to minimize adverse impacts to the housing supply caused by the conversion of residential units to tourist or transient use.
- **Los Angeles:** *Note – Home-sharing as an accessory use to residential.* The purpose of this subdivision is to allow for the efficient use and sharing of a residential structure which is a Host's Primary Residence, without detracting from the surrounding residential character or the City's available housing stock.
- **New Braunfels:** This section is intended to provide a procedure to allow the rental of private dwellings to visitors on a short-term basis, while ensuring that such rental use does not create adverse impacts to surrounding neighborhoods due to excessive traffic, noise, and density. Additionally, this section is intended to ensure that the number of occupants within such rental units does not exceed the reasonable capacity of the structure to cause health and safety concerns, and that minimum health and safety standards are maintained in such units to protect visitors from unsafe or unsanitary conditions.

## Proposed Amendments

### SEC 51A-4.205. LODGING USES

(3) Short-term rental lodging. [~~Reserved~~]

(A) Definition: A full or partial unit containing one or more kitchens, one or more bathrooms, and one or more bedrooms that is rented to occupants for fewer than 30 consecutive days per rental period.

(B) Districts permitted: By right in MO(A), GO(A), central area, mixed use, multiple commercial, and urban corridor districts.

(C) Required off-street parking: One space per full or partial unit rented to occupants.

(D) Required off-street loading: none

(E) Additional provisions:

(i) This use must comply with Chapter ##, “Short-Term Rentals” of the Dallas City Code.

(ii) The number of short-term rentals in a single unit may not exceed one.

(iii) A short-term rental must not be used as a commercial amusement (inside), commercial amusement (outside), restaurant with drive-in or drive-through service, restaurant without drive-in or drive-through service, or any other use unless located in a zoning district in which the use is permitted and a Certificate of Occupancy is issued for the use.

(v) Short-term rental lodging is prohibited in a multifamily structure or development that has received and utilized a development bonus under Division 51A-4.1100 “Mixed Income Housing.”

## Appendix 1 – Use Tables

The intent of this table is for informational purposes and comparison on districts where the uses are allowable.

*P: Use permitted by right*

*S: Use permitted by Specific Use Permit*

*S\*: Use permitted by Specific Use Permit if fewer than 60 guest rooms*

*P\*\*: Use permitted with RAR if 60 or more guest rooms*

*For informational purposes only*

	<b>4.205 Lodging Uses</b>	Hotel or motel	Extended stay hotel or motel	Lodging or boarding house	<b>Short-term rental lodging [proposed new use]</b>
<b>Residential Districts</b>	A(A)				
	R				
	D(A)				
	TH-1-3(A)				
	CH				
	MF-1(A)				
	MF-1(SAH)				
	MF-2(A)			P	
	MF-2(SAH)			P	
	MF-3(A)			P	
	MF-4(A)			P	
	MH(A)				
<b>Nonresidential Districts</b>	NO(A)				
	LO(A)				
	MO(A)	S*; P**;	S		<b>P</b>
	GO(A)	S*; P**	S		<b>P</b>
	NS(A)				
	CR	S		S	
	RR	S*; P**	S	P	
	CS	S*; P**	S	P	
	LI	S*; P**	S	P	
	IR	S*; P**	S	P	
	IM	S*; P**	S	S	
	CA-1(A)	P; S*	S	P	<b>P</b>
	CA-2(A)	P; S*	S	P	<b>P</b>
	MU-1	S*; P**	S		<b>P</b>
	MU-1(SAH)	S*; P**	S		<b>P</b>
MU-2	S*; P**	S		<b>P</b>	

	MU-2(SAH)	S*; P**	S		<i>P</i>
	MU-3	S*; P**	S		<i>P</i>
	MU-3(SAH)	S*; P**	S		<i>P</i>
	MC-1	S*; P**	S		<i>P</i>
	MC-2	S*; P**	S		<i>P</i>
	MC-3	S*; P**	S		<i>P</i>
	MC-4	S*; P**	S		<i>P</i>
	UC-1				<i>P</i>
	UC-2				<i>P</i>
	UC-3				<i>P</i>
	P(A)				

## Appendix 2 – Comparison Cities

- All cities listed apply their short-term rental regulations to stays of fewer than 30 days.
- All cities listed require registration with the city.
- All cities listed require payment of a Hotel Occupancy Tax (or that state’s equivalent tax).

**[ZON]** indicates that this standard is located in the city’s zoning code.

**[REG]** indicates that this standard is located in the city’s registration section.

City	Use Type	Allowed in SF	Owner Occupancy	Spacing / concentration	Parking	Other
<a href="#">Arlington Link</a>	Specifically defined as a “residential structure, or portion thereof...” <b>[ZON]</b>	Yes, in RM-12 (medium density); RMF-22 (multifamily); all districts within the STR zone, centered on ATT Stadium; all non-res and mixed use dist. <b>[ZON]</b>	Not required / no standard	No	Limited to number of off-street spaces <b>[REG]</b>	Unified Building Code
<a href="#">Atlanta Link</a>	Not specified.	Allowed in all zoning districts. <b>[ZON]</b>	Required. May operate one additional STR. <b>[REG]</b>	No standard	No standard	
<a href="#">San Antonio Link</a>	Residential. Specifically not a hotel or motel <b>[ZON]</b>	Yes, except smallest three districts (1,250 sf lots, 2,000 sf lots, 3,000 sf lots) <b>[ZON]</b>	Not required. <b>[ZON]</b>	No restriction for operator-occupied; Maximum of 12.5% of the blockface (for single family) or 12.5% of the units in one building (for multifamily) for non-operator occupied <b>[ZON]</b>	One space per ‘unit’ <b>[ZON]</b>	
<a href="#">Austin Link</a>	Residential <b>[ZON]</b>	Yes, owner-occupied and non-owner occupied <b>[ZON]</b>	Not required	No standard for owner-occupied; Maximum of 3% of the census tract for non-owner occupied; maximum of 3% of the property and building in a multifamily development; maximum of 25% of the property and building in commercial districts <b>[ZON]</b>	No standard	

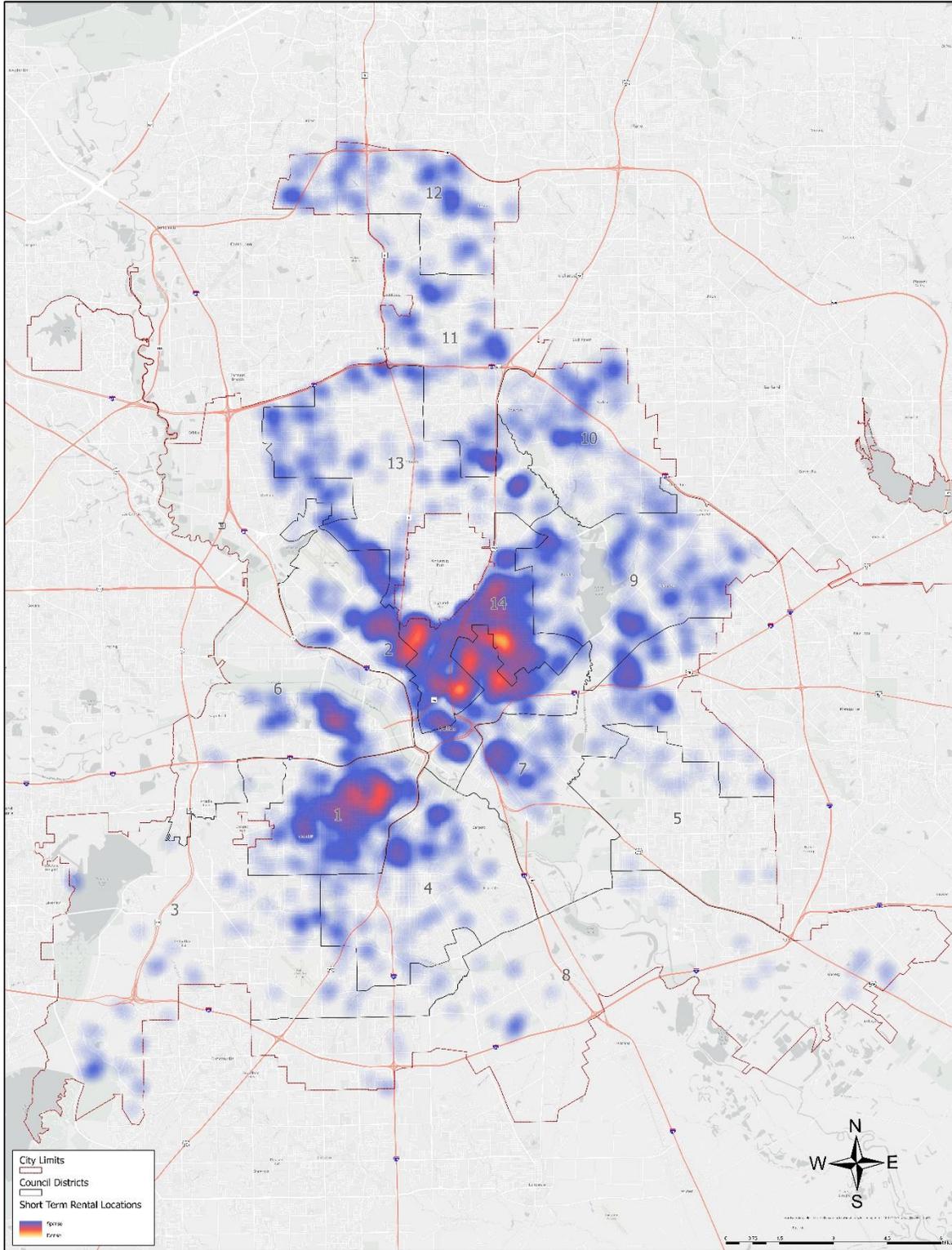
City	Use Type	Allowed in SF	Owner Occupancy	Spacing / concentration	Parking	Other
<a href="#">Denver Link</a>	Accessory to a residential use [ZON]	Yes – is an accessory to residential use [ZON]	Primary residential use required. [ZON]	No standard	No standard	
<a href="#">Los Angeles Link</a>	"Home-Sharing" Accessory use to a residential use [ZON]	Yes - is an accessory use to residential. Maximum 120 nights / year unless approved for "extended" every night. [ZON]	Resident occupancy required; stays not required to be 'hosted' [ZON]	No standard	No standard	Los Angeles considers rentals for fewer than 30 days that are not associated with a permanent resident to be hotels
<a href="#">Santa Monica Link</a>	"home-sharing" accessory use to residential [REG]	Yes, accessory use to residential [REG]	Resident occupancy required [REG]	No standard	No standard	Santa Monica considers rentals of dwelling units for fewer 30 days that are not associated with a permanent resident to be "vacation rentals" and completely prohibits them.
<a href="#">Grapevine Link</a>	Tourist House. Included in definition for hotel [REG]	No. Ordinance to expressly prohibit "single-family dwelling transient rentals" Def: the rental or offer for rental of any dwelling or any portion of a dwelling for a period of less than 30 days [REG]				

City	Use Type	Allowed in SF	Owner Occupancy	Spacing / concentration	Parking	Other
Fort Worth <a href="#">Link</a>	Short term home rental: The rental for compensation of dwellings or accessory dwelling units for the purpose of overnight lodging for a period of not less than one night and not more than 30 consecutive days ..... <b>[ZON]</b>	No. Zoning change is required.  Allowed in Commercial and Industrial Districts <b>[ZON]</b>	N/A	None	No Regs	The subject is under consideration with City Council.
Southlake <a href="#">Link</a>	Specifically defined as "The rental of any residence or residential structure or any portion of a residence or residential structure for a period of less than 30 days. <b>[REG]</b>	No. Prohibited in all districts. <b>[REG]</b>				
Hurst <a href="#">Link</a>	Specifically defined as "the rental or offer for rental of a rental unit for a period of less than thirty (30) days. <b>[REG]</b>	No. Ordinance to prohibit the STR use throughout the city. <b>[REG]</b>				
New Braunfels <a href="#">Link</a>	one- or two-family dwellings that are rented for overnight lodging for less than 30 days at a time <b>[ZON]</b>	Selected zoning districts and areas in the city. By zoning map. <b>[ZON]</b>	None specified <b>[ZON]</b>	By zoning map that identifies different types of areas where STR may be allowable <b>[ZON]</b>	1 parking space per sleeping room, not including garage <b>[ZON]</b>	

**Appendix 3 – Heat Map and Data for Active and Pending STRs**

Data from Dallas City Controller's Office and is based on registration for the purpose of HOT remittance.

City of Dallas Short Term Rentals



**Appendix 4 – Other Lodging Uses**

**SEC. 51A-4.205. LODGING USES.**

**(1) Hotel or motel.**

(A) Definition: A facility containing six or more guest rooms that are rented to occupants on a daily basis.

(B) Districts permitted:

(i) Except as otherwise provided in Subparagraphs (B)(iii) or (B)(iv), by right in MO(A), GO(A), RR, CS, LI, IR, IM, central area, MU-1, MU-1(SAH), MU-2, MU-2(SAH), MU-3, MU-3(SAH) and multiple commercial districts.

(ii) By SUP only in the CR district.

(iii) By SUP only for a hotel or motel use that has 60 or fewer guest rooms.

(iv) If an SUP is not required, RAR required in MO(A), GO(A), RR, CS, LI, IR, IM, MU-1, MU-1(SAH), MU-2, MU-2(SAH), MU-3, MU-3(SAH), and multiple commercial districts.

(C) Required off-street parking: One space for each unit for units 1 to 250; 3/4 space for each unit for units 251 to 500; 1/2 space for all units over 500; plus one space per 200 square feet of meeting room.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional

(E) Additional provisions:

(i) Suite hotels may have kitchens in the guest rooms.

**(1.1) Extended stay hotel or motel.**

(A) Definition: A lodging facility containing six or more guest rooms, in which:

(i) 25 percent or more of the guest rooms have a kitchen that includes a sink, a full-size stove, and a full-size refrigerator (a cooking area limited to a microwave, mini-refrigerator, or cook-top does not constitute a “kitchen” for purposes of this definition); and

(ii) 10 percent or more of the guest rooms contain a sleeping area that is separated from a sitting area by a wall or partition.

(B) Districts permitted: By SUP in MO(A), GO(A), RR, CS, industrial, central area, mixed use, and multiple commercial districts.

(C) Required off-street parking: One space for each unit for units 1 to 250; 3/4 space for each unit for units 251 to 500; 1/2 space for all units over 500; plus one space per 200 square feet of floor area other than guest rooms.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional

(E) Additional provisions:

(i) Amenities such as maids, laundry, concierge, meeting rooms, exercise rooms, pool, and business services (fax, internet, voice mail, courier, etc.) may only be provided to guests.

**(2) Lodging or boarding house.**

(A) Definition: A facility containing at least one but fewer than six guest rooms that are separately rented to occupants.

(B) Districts permitted: By right in MF-2(A), MF-2(SAH), MF-3(A), MF-4(A), RR, CS, LI, IR, and central area districts. By SUP only in CR and IM districts.

(C) Required off-street parking: One space for each guest room.

(D) Required off-street loading:

SQUARE FEET OF FLOOR AREA IN STRUCTURE	TOTAL REQUIRED SPACES OR BERTHS
0 to 10,000	NONE
10,000 to 50,000	1
50,000 to 100,000	2
Each additional 100,000 or fraction thereof	1 additional

(E) Additional provisions:

(i) The operator of this use may serve meals to the occupants.

(ii) This use may not have kitchens in the guest rooms.

**(2.1) Overnight general purpose shelter.**

*Omitted for brevity*

**SEC. 51A-4.209. RESIDENTIAL USES.**

**(5.1) Residential hotel.**

(A) Definition: A facility that receives more than 50 percent of its rental income from occupancies of 30 consecutive days or more and contains:

(i) six or more guest rooms with living and sleeping accommodations, but no kitchen or kitchenette;

(ii) six or more guest rooms with living, sleeping, and kitchen or kitchenette facilities that are offered for rental on a daily basis; or

(iii) six or more guest rooms with living and sleeping accommodations, each of which is individually secured and rented separately to one or more individuals who have access to bathroom, kitchen, or dining facilities outside the guest room on a common basis with other occupants of the structure.

(B) Districts permitted: By right in MF-2(A), MF-2(SAH), MF-3(A), MF-4(A), central area, and mixed use districts when located at least one mile, measured from property line to property line, from all other residential hotel uses.

(C) Required off-street parking: 0.5 spaces per guest room.

(D) Required off-street loading: None.

(E) Additional provisions:

(i) This use is subject to the regulations in [Article VII](#) of [Chapter 27](#) of the Dallas City Code, as amended.

(ii) For a use holding an occupancy record card pursuant to [Chapter 27](#) on August 10, 1994, the

nonconformity as to the minimum distance requirement set out in Subparagraph (B) does not render it subject to amortization by the board of adjustment.

(iii) The operator of this use shall maintain a registry showing the name, address, date of arrival, and date of departure of each guest. The operator of this use shall make the registry available to the building official.

## Appendix 5 – Discussion of Chapter 44 and Chapter 27 of Dallas City Code

### CHAPTER 44 TAXATION ARTICLE V HOTEL OCCUPANCY TAX SECTION 44-34 DEFINITIONS

*In this article,*

...

(4) *HOTEL means any building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast....*

This Article requires that an STR must comply with city code and remit the tax to the city, as well as follow any relevant rules crafted to enable that remittance. Currently, this includes registering with the City Controller's Office as a hotel and paying the HOT. Both requirements may be met by registering with the city's vendor for hotel registration and HOT collection or directly with the city. It is important to note that this section of city code only considers STRs to be hotels for the purpose of collecting the HOT.

The city currently requires that all residential properties that are rented for a period of more than 30 consecutive days (whether they are in multifamily or single family structures) register with the Code Compliance Department and be inspected. However, short-term rentals that pay the HOT are exempt from this requirement.

### CHAPTER 27 MINIMUM PROPERTY STANDARDS ARTICLE VIII REGISTRATION AND INSPECTION OF RENTAL PROPERTIES AND CONDOMINIUMS SECTION 27-30 REGISTRATION AND POSTING REQUIREMENTS; DEFENSES

(g) *It is a defense to prosecution under this section that:*

...

(5) *at the time of the notice of a violation:*

(A) *the property was a short-term rental; and*

(B) *applicable hotel occupancy taxes levied on the property under [Article V of Chapter 44](#) of the city code, as amended, had been collected and remitted in full.*

The Code Compliance Department is developing proposed standards for an STR registration ordinance. While still in progress, the registration ordinance could include operational recommendations such as, but not limited to, spacing limitations, occupant maximums, emergency contact information, and neighbor notification.