

ORDINANCE NO. _____

AN ORDINANCE OF THE LEWISVILLE CITY COUNCIL, AMENDING THE LEWISVILLE CITY CODE BY AMENDING SECTION 4-151, DEFINITIONS, OF CHAPTER 4 TO AMEND THE DEFINITION OF PROPERTY MANAGER AND ADD A DEFINITION OF SHORT-TERM RENTAL (“STR”) UNIT; ADDING A NEW DIVISION 4, SHORT-TERM RENTAL UNITS, TO CHAPTER 4 TO ADOPT STR REGULATIONS; ADDING A NEW SECTION 15-139, LIMITED PARKING ZONES, TO CHAPTER 15 TO ADOPT PARKING PERMIT REGULATIONS; AMENDING ARTICLE III, HOTEL OCCUPANCY TAX, OF CHAPTER 14 TO CLARIFY THE REMITTANCE AND AUDIT OF HOTEL OCCUPANCY TAXES FOR STRS; AMENDING SECTION 4-198(b), FLOOR AREA, OF CHAPTER 4 TO CLARIFY THE APPLICATION OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE REGULATIONS TO THE FLOOR AREA OF ROOM DIMENSIONS; AMENDING THE FEE SCHEDULE OF THE CITY OF LEWISVILLE TO INCLUDE A FEE FOR SHORT-TERM RENTAL UNIT PERMITS; PROVIDING A REPEALER, SEVERABILITY, PENALTY, AND AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, on September 11, 2023, the City Council held a workshop on the current status of short-term rentals (STR) in the City of Lewisville (City) in which City staff presented STR data and received public input; and

WHEREAS, City staff presented data showing an over 80% increase in STRs in Lewisville since 2020; and

WHEREAS, on October 16, 2023, the City Council held a public input meeting and reviewed the results of a public survey concerning potential STR regulations; and

WHEREAS, on November 27, 2023, the City Council held a public input meeting to discuss a proposed interim prohibition on STRs, an ordinance adding a permitting program for STRs within the City, and a limited parking zone ordinance; and

WHEREAS, the City has had over 65 speakers attend these public meetings and received approximately 330 responses to the City’s public survey to express concerns about the increase in health, safety, and nuisance issues related to STRs in the City; and

WHEREAS, the rise of digital platforms such as Airbnb and VRBO has led to an increase in resident property concern about transient and vacation rental uses that infringe on the property rights of neighbors in the City; and

WHEREAS, some STR properties are used for gatherings disruptive to neighborhoods; and

WHEREAS, more commonly, the public has complained about STRs in Lewisville having unreasonable noise, excessive trash, disorderly conduct, criminal activity and parking; and

WHEREAS, residents have indicated that some STR occupants are less concerned than long-term residents with the impact of conduct at STR premises on neighbors, due to the temporary nature of their occupancy and lack of community with the neighborhood; and

WHEREAS, the residents have a right to peace and quiet enjoyment of their properties; and

WHEREAS, the City of Lewisville’s 2025 Vision Plan Update (2025 Vision Plan) includes diverse and thriving neighborhoods as one of its “Big Moves,” focusing on the continued reinvestment in existing neighborhoods to retain lifelong residents while attracting new families and residents; and

WHEREAS, residents have expressed that STRs negatively affect the retention of lifelong residents because of the temporary nature of occupants of STRs; and

WHEREAS, retaining lifelong residents while attracting new families and residents encourages social connectedness which improves residents' mental health and aids in the prevention of crime in neighborhoods; and

WHEREAS, the City Council wishes to advance the objectives of the 2025 Vision Plan by championing established residential neighborhoods through regulations that support neighborhood identity and ensuring health and safety, which contributes to the overall character and livability of the neighborhoods in the City; and

WHEREAS, when investigating complaints, the City does not have adequate contact information for owners of STRs, which would be beneficial in timely responding to complaints and in the event of life, health or safety emergencies, to ensure that the STRs are paying all required taxes to the City, including hotel occupancy taxes, and to provide contact information for owners and agents of STRs to aid in responding to complaints and emergencies; and

WHEREAS, out-of-town guests staying at STRs are often unfamiliar with city ordinance regulations governing noise, trash collection, occupancy restrictions, and parking, as those regulations vary by jurisdiction, and lack of familiarity with the city's ordinances can contribute to guests violating city ordinances; and

WHEREAS, it is incumbent on property owners to fully apprise STR guests of applicable City regulations to ensure that the STRs do not negatively impact residential neighborhoods because of the transient nature of the guests staying at STRs; and

WHEREAS, the City Council finds it is in the best interest of the citizens of Lewisville and will protect the public health, safety, and welfare to adopt a permitting program for STRs in Lewisville.

WHEREAS, the Lewisville City Council has determined that for the health, welfare, and safety of its citizens, certain amendments to the Lewisville City Code are necessary.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT:

SECTION 1. FINDINGS. The findings contained in the recitals to this ordinance are determined to be true and correct and are adopted as part of this ordinance.

SECTION 2. AMENDMENT OF SECTION 4-151, DEFINITIONS, OF CHAPTER 4. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 1, Generally, Section 4-151, Definitions, is hereby amended by repealing the existing definition of “Property manager” and replacing it with the following:

Property manager means any person who has charge, care or control of a building that is let or offered for occupancy or a person who is authorized by the owner of a short-term rental unit to make decisions regarding the day-to-day supervision, management, and maintenance of a short-term rental unit.

And adding the following new definition:

Short-term rental unit means any dwelling unit or portion thereof offered to the transient public for compensation for a period of less than thirty (30) consecutive days. The term shall not include a hotel, motel, or inn or bed and breakfast as those terms are defined in the City’s Unified Development Code.

SECTION 3. ADOPTION OF DIVISION 4, SHORT-TERM RENTAL UNITS, OF CHAPTER 4. Lewisville City Code Chapter 4, Article VI, Housing Standards, is hereby amended by adopting a new Division 4 entitled Short-Term Rental Units and attached hereto as **Exhibit A**.

SECTION 4. ADOPTION OF SECTION 15-139, LIMITED PARKING ZONES, OF CHAPTER 15. Lewisville City Code Chapter 15, Article IV, Parking Regulations, is hereby amended by adopting a new section 15-139 entitled Limited Parking Zones and attached hereto as **Exhibit B**.

SECTION 5. AMENDMENT OF ARTICLE III, HOTEL OCCUPANCY TAX, OF CHAPTER 14. Lewisville City Code Chapter 14, Article III, Hotel Occupancy Tax, is hereby repealed in its entirety and replaced with a new Chapter 14, Article III, entitled Hotel Occupancy Tax and attached hereto as **Exhibit C**.

SECTION 6. AMENDMENT OF SUBSECTION (b), FLOOR AREA, OF SECTION 4-198, ROOM DIMENSIONS, OF CHAPTER 4. Lewisville City Code Chapter 4, Article VI, Housing Standards, Division 3, Space and Occupancy Standards, Section 4-198, Room Dimensions, is hereby amended by repealing the current language in subsection (b), Floor Area, in its entirety and replacing it with the following new language:

(b) *Floor area.* Every dwelling unit shall comply with the required room areas in accordance with the Property Maintenance Code, as adopted and amended by Article IV, Chapter 9 of this Code.

SECTION 7. AMENDMENT TO THE FEE SCHEDULE. The City of Lewisville Fee Schedule, is hereby amended by adding the following fee for short-term rental unit permits in the

“Health and Code Enforcement Division” subsection of the “Neighborhood & Inspection Services” section:

	Short-Term Rental Unit Permit	400.00
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The City Manager, or her designee, is hereby directed to update the Fee Schedule of the City of Lewisville, Texas, to reflect this amendment.

SECTION 8. REPEALER. Every ordinance or parts of ordinances found to be in conflict herewith are hereby repealed.

SECTION 9. SEVERABILITY. If any section, sentence, clause, or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining sections, sentences, clauses, or phrases of this ordinance, but they shall remain in effect.

SECTION 10. PENALTY. Any person, firm or corporation who violates any provision of this ordinance shall be subject to a fine of not more than \$500.00 for each offense, unless the violation relates to fire safety, zoning or public health in which case the fine shall not exceed \$2,000.00. Each continuing day’s violation shall constitute a separate offense.

SECTION 11. EFFECTIVE DATE. This ordinance shall become effective on July 8, 2024.

SECTION 12. EMERGENCY. It being for the public welfare that this ordinance be passed creates an emergency and public necessity, and the rule requiring this ordinance be read on three separate occasions be, and the same is hereby waived, and this ordinance shall be in full force

and effect from and after its passage and approval and publication, as the law in such cases provides.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 8TH DAY OF JANUARY, 2024.

APPROVED:

TJ Gilmore, MAYOR

ATTEST:

Thomas Harris III, CITY SECRETARY

APPROVED AS TO FORM:

Lizbeth Plaster, CITY ATTORNEY

ORDINANCE NO. _____

Page 8

EXHIBIT A

DIVISION 4. – SHORT-TERM RENTAL UNITS**Sec. 4-201. – Short-term rental unit permit.****(a) *Short-term rental unit permit required.***

- (1) An owner shall obtain a short-term rental unit permit issued under the provisions of this division for each short-term rental unit the owner owns within the city. A short-term rental unit permit must be obtained prior to the short-term rental unit's occupancy as a short-term rental unit or advertisement of the short-term rental unit in any medium, including but not limited to a website, mobile application, newspaper, magazine, brochure, or notice board.
- (2) An owner commits an offense if the owner knows that a short-term rental unit permit has not been issued for a short-term rental unit or knows that the short-term rental unit permit for a short-term rental has been revoked, and:
 - a. The owner advertises or allows to be advertised such short-term rental unit as outlined in section 4-209, below, or
 - b. The owner rents such short-term rental unit to the transient public for compensation for a period less than thirty (30) consecutive days.

(b) *Application.*

- (1) An owner applying for a short-term rental unit permit shall file with the city a written application, on the form provided for that purpose, signed by the owner of the short-term rental unit to be permitted. An applicant who owns more than one short-term rental unit shall file a separate application for each short-term rental unit. The application shall include at least the following information:
 - a. Owner's name, address, work and home telephone number, driver's license number, or identification card number and state of issuance of the owner;
 - b. If owner is a partnership, the name of all partners, the principal business address, and telephone number of each partner;
 - c. If owner is a corporation, the person registering must state whether it is organized under the laws of this state or is a foreign corporation, and must show the mailing address, business location, telephone number, name of the main individual in charge of the local office of such corporation, if any, and the names of all officers and directors or trustees of such corporation, and, if a foreign corporation, the place of incorporation;
 - d. Name, address, and telephone number of the property manager;
 - e. Street address of the short-term rental unit;
 - f. Number of bedrooms in the short-term rental unit and the square footage of each bedroom;
 - g. A copy of an informational brochure that will be presented to tenants and posted at the short-term rental unit explaining city regulations and house rules in accordance with section 4-204, below;
 - h. The city water account number for the short-term rental unit;

- i. A receipt from the county where the short-term rental unit is located showing that it is not in arrears on property taxes as of the date of permit application submittal; and
 - j. Signature of the owner.
- (2) An owner must notify the Director of Neighborhood & Inspection Services in writing of any change in the information provided in the application at any time during the application review period or short-term rental unit permit term within seven (7) days of such change.
- (3) An owner must submit a nonrefundable short-term rental unit permit fee with the application pursuant to the fee schedule set forth in section 2-201 of this code.
- (c) *Issuance.* The Director of Neighborhood & Inspection Services shall issue a short-term rental unit permit to an owner if the Director of Neighborhood & Inspection Services determines that:
 - (1) all fees required by this division have been paid;
 - (2) the owner is not delinquent on any taxes owed to the city, including but not limited to hotel occupancy taxes;
 - (3) the owner is not in arrears in the payment of any other financial liability due to the city;
 - (4) the short-term rental unit permit application is complete and complies with all requirements outlined herein for the issuance of a short-term rental unit permit, and no information therein is false or misleading; and
 - (5) the short-term rental unit has passed the inspection required by section 4-202, below.
- (d) *Denial.* The Director of Neighborhood & Inspection Services may deny a short-term rental unit permit application if the Director of Neighborhood & Inspection Services determines that the requirements set forth in subsection 4-201(c) have not been met. The Director of Neighborhood & Inspection Services shall notify the owner in writing that the short-term rental unit permit application has been denied and the basis for the denial. Once denied, an application may not be corrected, and the owner must submit a new application.
- (e) *Permit non-transferable.* A short-term rental unit permit is not transferable among owners or short-term rental units, and any such transfer shall render the permit void. Any attempt to transfer a short-term rental unit permit or use a transferred short-term rental unit permit shall be grounds for permit revocation. It shall be unlawful for any person to counterfeit, forge, change, deface, or alter a short-term rental unit permit.
- (f) *Expiration.* A short-term rental unit permit expires one (1) year after the date of issuance. An owner must apply annually for a new short-term rental unit permit as outlined herein.
- (g) *Revocation.*
 - (1) The Director of Neighborhood & Inspection Services may revoke a short-term rental unit permit if:
 - a. information on the application is found to be misleading or false subsequent to the issuance of the short-term rental unit permit;

- b. there is any attempt to transfer the short-term rental unit permit or use a transferred short term rental unit permit;
 - c. the owner has received more than two citations for violations of this Division 4 or any other provision of the city code within the permit year; or
 - d. the owner fails to comply with section 14-66(a) of the city code.
 - (2) Written notice of revocation shall be given to the owner by personal service or both by United States first-class mail, and by certified mail, return receipt requested to the owner's address provided on the permit application. The written notice of revocation shall include the basis of the revocation and a statement notifying the owner of the right to appeal the revocation.
 - a. The revocation shall become effective the day following personal service or if mailed, three (3) calendar days from the date of mailing.
 - b. No short-term rental unit permit shall be issued to an owner or to a short-term rental unit from which a short-term rental unit permit has been revoked for a period of one (1) year following the revocation.
- (h) *Appeal.*
- (1) The owner of a short-term rental unit may appeal the denial of a short-term rental unit permit application or the revocation of a short-term rental unit permit by filing at the office of the city manager, within ten (10) business days of such denial or revocation, a written appeal to the city manager on a form to be supplied by the city.
 - (2) If a written request for an appeal is filed with the city manager within the appeal period outlined above, the city manager shall hear the appeal within ten (10) business days from the city's receipt of the appeal unless agreed otherwise in writing by the city manager and the owner. Written notice of the time and place of the hearing shall be provided to the Director of Neighborhood & Inspection Services and the owner by the city manager's office, either by causing a copy of such notice to be delivered to the party personally or by mailing a copy there, postage prepaid, addressed to the party at the address shown on the written appeal, both by United States first-class mail, and by certified mail, return receipt requested.
 - (3) Following the appeal hearing, the city manager shall provide a written decision to both parties in the same manner as the hearing notice was provided within five (5) business days of the hearing. The decision of the city manager on the appeal is final and nonappealable.
 - (4) Failure of any person to file an appeal in accordance with the provisions of this section shall constitute a waiver of the right to a hearing by the city manager and the decision of the Director of Neighborhood & Inspection Services shall be final.
 - (5) An appeal under this section shall not stay the denial of an application for a short-term rental unit permit or revocation of a short-term rental unit permit unless otherwise provided for by the Director of Neighborhood & Inspection Services.

Sec. 4-202. - Inspection. Issuance of a short-term rental unit permit shall require an inspection of the short-term rental unit and the premises upon which the short-term rental unit is located by the Director of Neighborhood & Inspection Services to determine compliance with local, state and federal law.

- (a) If entry is refused thus prohibiting inspection, the city shall have recourse to every remedy provided by law to secure entry.
- (b) A short-term rental unit shall be determined to have passed inspection when the short-term rental unit and the premises upon which the short-term rental unit is located are found to be in compliance with applicable ordinances, laws, and regulations.
- (c) If deficiencies are found during the inspection, the owner shall be provided a written explanation of the deficiencies and the Director of Neighborhood & Inspection Services shall not issue a short-term rental unit permit for the short-term rental unit until the short-term rental unit is brought into compliance.
- (d) An owner of a short-term rental unit may request a re-inspection following notification of deficiencies during an inspection. Such reinspection shall be made within two (2) working days after a request for reinspection, except as otherwise agreed to in writing by the Director of Neighborhood & Inspection Services and the owner.

Sec. 4-203. – Property manager. The owner must designate for each short-term rental unit the name and contact information of a property manager who can be contacted regarding immediate concerns and complaints from the public. Said individual must be available to be reached in person or by phone within fifteen (15) minutes at all times while occupants are on the premises of a short-term rental unit. If called, a property manager must be able to and shall be present at the premises within one (1) hour of call from a member of city staff. A property manager may be required to, and shall not refuse to, accept service of citation for any violations on the premises. Acceptance of service shall not act to release owner of any liability under this chapter. A property manager may also be the owner of the short-term rental unit, and one individual may be the property manager for multiple short-term rental units.

Sec. 4-204. – Guest notification. The owner of a short-term rental unit shall provide to all tenants at the time of rental and post and maintain in a conspicuous location within the interior of the short-term rental unit the following information:

- (a) The owner's name, the property manager's name, and the twenty-four (24) hour contact telephone number
- (b) A brochure containing house rules as well as information regarding city ordinances, regulations, and public safety contacts on forms provided by the city, including but not limited to:
 - (1) City ordinances and regulations for parking, trash collection, and noise; and
 - (2) Police and fire department emergency and non-emergency telephone numbers.

Sec. 4-205. – Occupancy. The owner of a short-term rental unit shall not advertise nor allow occupancy in excess of that set forth in section 4-198(b) of the city code.

Sec. 4-206. – Second trash cart. The owner of a short-term rental unit shall maintain on the premises of the short-term rental unit at least two (2) 96-gallon trash carts in addition to a recycling cart.

Sec. 4-207. – Parking. An owner may not permit, allow, or advise guests at a short-term rental unit to park any vehicles in a manner that violates state law or the city's parking ordinances, including in violation of any Limited Parking Zone restrictions.

Sec. 4-208. – Advertising. The owner of a short-term rental unit shall ensure that any advertisement of the short-term rental unit in any medium, including but not limited to website, mobile application, newspaper, magazine, brochure, or notice board, shall:

- (a) include the short-term rental unit's current permit number as it appears on the short-term rental unit permit;
- (b) include language stating that the short-term rental unit is not a party venue and may not be used to host events for compensation; and
- (c) not include a maximum occupancy higher than the maximum occupancy provided for in section 4-205, above.

Sec. 4-209. –Use of Short-Term Rental and Premises. The owner shall not allow a short-term rental unit nor the premises upon which a short-term rental unit is located to be used in any way which would constitute a violation of the city's zoning ordinance, including but not limited to a tenant of a short-term rental unit using the unit for an activity for which the tenant receives compensation.

Sec. 4-210. – Violation; penalty. Any person who shall violate any provision of this division or who shall fail to comply with any provision hereof shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine for each offense, and each and every day such violation shall continue shall constitute a separate offense.

ORDINANCE NO. _____

Page 14

EXHIBIT B

ARTICLE IV. - PARKING REGULATIONS**Sec. 15-139. - Limited parking zones.**

- (a) Upon application as provided for herein, the city engineer may designate a portion of a street which is in the R-5, R-7.5, R-9, R-12, R-18, DU, ETH, TH, or TH-2 zoning districts, or any planned development district with one of those zoning districts as its base district, as those are defined in the Unified Development Code, as a Limited Parking Zone.
- (b) A Limited Parking Zone must be at least the length of one face of a block, as that term is defined in the Unified Development Code, and shall apply to both sides of the street.
- (c) Any owner of a dwelling unit may apply to have a portion of a street designated as a Limited Parking Zone by filing with the city engineer's office a petition, on a form provided by the city, which is signed by one owner of at least 75% of the dwelling units within the proposed Limited Parking Zone. The petition shall include:
 - (1) The parking regulations which will be applicable within the proposed Limited Parking Zone, including a citation to this section, as it exists or may be amended;
 - (2) A description of and map with street numbers showing the extent of the proposed Limited Parking Zone;
 - (3) For all signatories:
 - a. Printed name;
 - b. Signature;
 - c. Address;
 - d. Drivers' License or State ID number; and
 - e. Phone number.
- (d) Upon receipt of a petition to designate a Limited Parking Zone, the city engineer shall review such petition and issue a decision within ten (10) business days. The city engineer may designate a Limited Parking Zone if the petition meets the requirements outlined herein. The city engineer may refuse to designate a Limited Parking Zone for any reason, at his sole discretion.
 - (1) The city engineer may use any resources at his disposal to determine the petition's compliance with this subsection.
 - (2) Appropriate signage and markings within the Limited Parking Zone giving notice of the requirements of this section shall be erected within thirty (30) days of the approval of the petition.
- (e) Once established, a Limited Parking Zone may be eliminated either by the city engineer at his sole discretion or by the same petition process as an application to designate a Limited Parking Zone. Within thirty (30) days of the city engineer's determination that the Limited Parking Zone is eliminated, all signage will be removed. The city engineer at his sole discretion may also temporarily suspend a Limited Parking Zone for emergencies or City-related special events.

- (f) Following the designation of an area as a Limited Parking Zone, the Engineering Department shall, upon submission of a complete application, issue Limited Parking Zone Permits, up to a maximum of three permits and two vendor permits per residence, to any owner or tenant of a dwelling unit located within a Limited Parking Zone who submits a complete application as outlined herein.
- (1) A complete application shall contain:
 - a. The applicant's name and driver's license number;
 - b. The name and driver's license number of every other licensed driver who occupies the same residence as the applicant;
 - c. The address of the applicant's dwelling unit located within a Limited Parking Zone;
 - d. The make, model, and license plate numbers of each vehicle to be parked in the Limited Parking Zone; and
 - e. Any other information the city engineer determines necessary to prove that an applicant is an owner or tenant of a dwelling unit located within a Limited Parking Zone, including but not limited to examination of a valid driver's license showing the applicant's current home address, and a utility bill at the same address.
 - (2) Upon application, an owner or tenant of a dwelling unit in a Limited Parking Zone may be issued temporary Limited Parking Zone permits for the use of visitors to the dwelling unit or for when an occupant of the dwelling unit is temporarily using a vehicle not listed on the Limited Parking Zone permit application. A temporary Limited Parking Zone permit shall be valid for a period not to exceed 72 hours. Application for one or more temporary permits shall include all information required for a Limited Parking Zone permit application, and may be made in person at city hall not less than 24 hours before the permit is scheduled to be used. There shall be no fee for temporary parking permits issued under this section.
 - (3) The city engineer may deny an application for a Limited Parking Zone permit if an applicant:
 - a. is not eligible to receive a permit;
 - b. fails to submit all information required on an application;
 - c. falsely represents himself as being eligible for a permit;
 - d. submits false documents or otherwise makes a false statement of a material fact on an application for a permit; or
 - e. fails to meet any requirement of this section.
 - (4) Except for temporary Limited Parking Zone permits, all Limited Parking Zone permits shall expire at 11:59:59 p.m. on December 31 of each year. An owner or tenant may apply for new Limited Parking Zone permits by completing a new application as required by this section.

- (5) In order to replace a lost, stolen, or destroyed Limited Parking Zone permit, an owner or tenant must sign an affidavit on a form provided by the City stating that the Limited Parking Zone permit was lost, stolen, or destroyed.
- (6) The city engineer may revoke the permit of any person who violates any provision of this section.
- (g) No person shall park a vehicle on any street within a Limited Parking Zone without displaying on such vehicle a valid permit issued under this section.
 - (1) When a vehicle is parked in violation of this section, such fact shall be prima facie evidence that the person in whose name said vehicle is registered is liable for a violation of the parking prohibition contained therein.
 - (2) It shall be an affirmative defense to prosecution under this section that:
 - a. A person has parked a vehicle in compliance with the directions of a peace officer;
 - b. A person has parked a vehicle due to a mechanical or other emergency and has not been able to move the vehicle to an area where it may be lawfully parked;
 - c. A person was expeditiously loading or unloading passengers or property, was in the performance of official duties as a law enforcement officer, government employee or contractor or utility company employee or contractor, or was operating an authorized emergency vehicle in the performance of official duties; or
 - d. The registered owner of the vehicle was a vendor providing services to the residence, provided that the registered owner submits to the court an affidavit from the owner or occupant of the residence describing the services being provided and the date and time the services were provided.
- (h) A vehicle showing a valid Limited Parking Zone permit as required by this section may be parked on the street at any time in the Limited Parking Zone for which the permit is issued, unless such parking is otherwise prohibited or restricted by city ordinance or state law.
 - (1) A Limited Parking Zone permit does not guarantee or reserve to the holder a parking space within the Limited Parking Zone and does not exempt the holder from other applicable parking and traffic regulations.
 - (2) A Limited Parking Zone permit is only valid if conspicuously displayed on the vehicle in accordance with requirements set by the city engineer.

ORDINANCE NO. _____

Page 18

EXHIBIT C

ARTICLE III. – HOTEL OCCUPANCY TAX**Sec. 14-61. Definitions.**

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Consideration shall mean the cost of the room, sleeping space, bed, or dormitory space, but shall not include the cost of any food served or personal services rendered to the occupant not related to cleaning and readying such room or space for occupancy, and shall not include any tax assessed for the occupancy thereof by any other governmental agency.

Hotel shall mean any building in which the public may, for consideration, obtain sleeping accommodations. The term shall include hotels, motels, tourist houses, trailer houses, trailer motels, short-term rentals, bed and breakfast, and all other facilities where rooms or sleeping facilities or spaces are furnished for a consideration. As defined herein, "hotel" shall not include hospitals, sanitariums, or nursing homes.

Hotel Occupancy Tax shall mean the tax imposed by section 14-62.

Occupancy shall mean the use or possession, or the right to the use or possession, of any room, sleeping facility or space in a hotel if the room, sleeping facility or space is one ordinarily used for sleeping and if the occupant's use, possession, or right to the use or possession extends for a period of less than 30 days.

Occupant shall mean anyone who, for a consideration, uses, possesses, or has the right to use or possess any rooms, sleeping facilities or spaces in a hotel if the room is one ordinarily used for sleeping.

Person shall mean any individual, company, corporation, or association owning, operating, or managing or controlling any hotel.

Short-term rental shall have the meaning set forth in section 4-151 of this code.

Sec. 14-62. Tax levied.

- (a) As authorized by V.T.C.A., Tax Code § 351.001 et seq., there is hereby levied a tax upon the cost of use or possession of any room that is in a hotel where such cost of occupancy is at the rate of \$2.00 or more per day and is ordinarily used for sleeping, such tax to be equal to seven percent of the price of a room in a hotel, exclusive of other occupancy taxes imposed by other governmental agencies.
- (b) No tax shall be imposed hereunder upon a permanent resident as defined under V.T.C.A., Tax Code § 156.101.
- (c) The revenue derived from this tax may only be used for the purposes set forth in V.T.C.A., Tax Code § 351.101 as it now exists or may hereafter be amended.

Sec. 14-63. Violations.

- (a) The city attorney, or other attorney acting for the municipality, may bring suit against any person who is required to collect the tax imposed by this article and pay the collections over to the municipality and which person has failed to file a tax report or pay the tax when due, or has filed a false report; and such attorney may sue to enjoin the person from operating a hotel in the municipality until the tax is paid or the report is filed or corrected. In addition to the amount of any tax owed, the person is liable to the city for reasonable attorney's fees and a penalty equal to 15 percent of the total amount of the tax owed.
- (b) Notwithstanding the foregoing paragraph, any person, firm, or corporation who violates any provision of this article shall be deemed guilty of a misdemeanor and, upon conviction thereof in the municipal court of the city, shall be subject to a fine of not more than \$500.00 for each offense, and each and every day such offense is continued shall constitute a new and separate offense.
- (c) A violation of section 14-66(a) is grounds for the revocation of a short-term rental unit permit as provided for in section 4-201 of the city code.
- (d) The remedies provided herein are in addition to all other available remedies at law.

Sec. 14-64. Owners to collect tax.

Every person owning, operating, managing, or controlling any hotel shall collect the tax imposed by this article for the city.

Sec. 14-65. Report.

On the 20th day of the month following each calendar month, every person required in section 14-64 to collect the tax imposed herein shall file a report with the city finance director showing the consideration paid for all room occupancies in the preceding month, the amount of the tax collected on such occupancies, and any other information the finance director may reasonably require. Such person shall pay the tax due on such occupancies at the time of filing such report. There shall also be furnished to the finance director, at the time of payment of such tax, a copy of the most current monthly or quarterly report filed with the state comptroller in connection with the state hotel occupancy tax.

Sec. 14-66. Audit and access to books and records; authority to promulgate rules and regulations.

- (a) The city may audit or cause to be audited the records of those responsible for collecting and remitting hotel occupancy tax.
 - (1) Every person required to collect and remit hotel occupancy taxes shall have 30 days from the date notified of an audit request to comply with the request.
 - (2) The information provided during the audit must be true and correct. It is a violation of this article to provide misleading or false information.

- (b) The city manager shall have the power to make such rules and regulations as are reasonable and necessary to effectively collect the tax levied hereby and shall, upon reasonable notice, have access to books and records necessary to determine the correctness of any report filed as required by this article and the amount of hotel occupancy taxes due under the provisions of this article.
- (c) Those in violation of this section are subject to the remedies set forth in section 14-63 of this article.