CITY OF MARFA, TEXAS

SHORT-TERM RENTAL ORDINANCE

ORDINANCE NO. 2022-16

AN ORDINANCE OF THE CITY OF MARFA, TEXAS; PROVIDING FOR THE REGULATION OF SHORT-TERM RENTALS; ESTABLISHING AUTHORITY TO ENFORCE; PROVIDING A PENALTY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PROPER NOTICE AND PUBLICATION; AND PROVIDING FOR AN EFFECTIVE DATE OF JANUARY 1, 2023.

NOW, THEREFORE, IT BE ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF MARFA, TEXAS:

SECTION 1. PURPOSE. The intent of this Ordinance is to safeguard the life, health, safety, welfare, and property of the occupants of residential dwelling units being used as Short-Term Rentals, the neighbors of said occupants, and the general public.

SECTION 2. DEFINITIONS. For purposes of this ordinance, the following words, terms, and phrases are defined as follows:

Administrator means the person designated by the City Administrator to enforce and administer this Ordinance.

Advertise means the act of drawing the public's attention to a short-term rental in order to promote the availability of the residence for use as a short-term rental. Advertisements include, but are not limited to, signage, social media, newspaper, magazine, brochure, website, and other mobile applications.

Bedroom means the living area(s) of the dwelling unit that is designed and furnished for sleeping and which has proper egress as required by the International Residential Code.

Booking Service means any reservation and/or payment service provided by a person or entity that facilitates a short-term rental transaction between an Owner and a prospective Occupant and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment services provided for the short-term rental transaction.

Hosting Platform means a person or entity that participates in the short-term rental business by providing, and collecting or receiving a fee for, Booking Services through which an Owner may offer premises for an occupant on a short-term basis. Hosting Platforms usually, though not necessarily, provide Booking Services through an online platform that allows an Owner to

advertise the premises through a website provided by the Hosting Platform, and the Hosting Platform conducts a transaction by which potential occupants arrange their use and their payment, whether the would-be-occupant pays rent directly to the Owner or to the Hosting Platform.

Occupant means any individual person living, sleeping, or possessing a building, or portion thereof. A person is not required to be pay rent, provide in-kind services, or be named in any lease, contract, or other legal document to be considered an Occupant.

Owner means any person, agent, operator, firm, trust, corporation, partnership, or any other legal entity who has a legal or equitable interest in the property; or who is recorded in the official records of the county as holding title to the property; or who otherwise has control of the property, including the guardian of the estate of any such person or the executor of the estate of such person if ordered to take possession of real property by a court.

Premises means property, a lot, plot, or parcel of land, including any structures or portions of structures thereon.

Rental means renting bartering, trading, letting, or otherwise allowing the use of a residence or residential structure or room or rooms within a residence or residential structure. This shall not restrict, limit or interfere with any homeowner from participating in a leaseback upon the sale of a residence or residential structure.

Short-Term Rental (STR) means a residential premise, or portion thereof, used for lodging accommodations to occupants for a period of less than thirty (30) consecutive days. The definition of short-term rental does not include a Bed and Breakfast or a hotel with more than 10 rooms, cabins, bungalows, or other rentable units.

Unit means a separate accommodation, room, bungalow, casita, trailer, or cabin located on or within a single premises.

SECTION 3. REGULATIONS. The following are the established regulations for short-term rentals in the City of Marfa, Texas and it's extraterritorial jurisdiction:

A. Unpermitted Short-Term Rentals Prohibited

- 1. It shall be unlawful for any owner or person to rent, lease, advertise, or otherwise permit or allow any premises to be operated or used as an unpermitted Short-Term Rental.
- 2. Notwithstanding any other provision of this Ordinance, nothing shall relieve any owner, person, occupant, or Housing Platform of the obligations imposed by the applicable provisions of state law and the Marfa Ordinances, including but not limited to, those obligations imposed by the Tax Code. Further, nothing in this Ordinance shall be construed to limit any remedies available under the applicable provisions of state law and Marfa Ordinances.

B. <u>Short-Term Rental Permit Required</u>

An owner who desires to use its premises as a short-term rental must have a valid, active short-term rental permit from the City prior to using, allowing the use of, or advertising the use of said premises as a short-term rental. Each rentable unit must be permitted. Upon application to the City, a short-term rental permit shall be approved by the Administrator, or designee, if the application satisfies all the conditions of this Ordinance and the zoning ordinance. The administrator may place reasonable conditions on short-term rental permits to ensure compliance with the provisions of this Ordinance.

C. <u>Permit Limitations</u>

- 1. Short-term rental permits are not transferable.
- 2. A short-term rental permit shall expire on the last day of the month one year after the date of issuance. No short-term rental permit may be renewed without a completed renewal application submitted by the owner and payment of the renewal fee. If the renewal application satisfies all the conditions of this ordinance and zoning ordinance, an application for the renewal of a short-term rental permit shall be approved by the Administrator.

D. <u>Requirements of New Applications and Renewals.</u>

- 1. Except as provided in this Section, every complete application for a short-term rental permit shall include the following information with such detail and in the form approved by the Administrator:
 - a. The name, address, contact information, and authenticated signature of the owner of the premises;
 - b. The name, address, and contact information of the operator, or agent if any, or if different than the owner, and designated local responsible party (see also Sec. E below);
 - c. The City registration number for Hotel Occupancy Tax;
 - d. A dimensioned floor plan of the proposed short-term rental identifying bedrooms, other living spaces, and emergency evacuation routes;
 - e. Proof of Liability Insurance;
 - f. A copy of the proposed host rules for the short-term rental.
 - g. The applicant shall submit a fully completed self-inspection report on the form provided by the Administrator

- 2. An application for a short-term renewal permit may be filed beginning thirty (30) days prior to the expiration of a current permit. Every complete application for a short-term rental renewal permit shall include updates, if any, to the information contained in the original permit application or any subsequent renewals. The permit holder shall sign a statement affirming that there is either no change to such information or that any updated information is accurate and complete.
- **3.** An application for a short-term rental renewal permit submitted after the expiration of the most immediate permit for the premises shall be treated as an application for a new permit as described in subsection A of this Section.
- 4. If a complete application for a short-term renewal permit is submitted less than thirty (30) days prior to the expiration of the current permit, the Administrator in his sole discretion may grant a one-time extension of the current permit not to exceed ten (10) days.

E. Designation of Local Responsible Party Required

An owner must designate the name and contact information of a local responsible party 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 at all times while occupants are on the premises of a short-term rental. If called, a local responsible party must be able to and shall be present at the premises within a reasonable time of the call from the Administrator. A local responsible party must be authorized to make decisions regarding the premises and its occupants.

F. Liability Insurance required

It shall be unlawful for the owner of premises operating as a short-term rental to operate without proof of liability insurance.

G. Building Permits Required

All work done to the property must meet all City of Marfa permitting requirements as stated and regulated in the City Ordinances.

H. <u>Permit fees</u>

- 1. A permit fee of \$500.00 (non-refundable) per premise plus \$100 per rentable unit must be paid at the time the application for a permit is filed. Upon completion of all required forms, approval of each dwelling unit of the premise by the Administrator, and payment of the initial permit fee, the Administrator may issue the STR Permit
- 2. The annual permit renewal fee shall be \$500.00 plus \$100 per rentable unit.
- 3. City Hotel Occupancy Taxes must be paid quarterly for the permit to remain valid.

Failure to pay Hotel Occupancy Taxes in a timely manner will result in a revocation of the STR Permit by the Administrator.

I. <u>Hotel occupancy tax; Request for occupancy history</u>

It shall be unlawful for any owner of premises used for a short-term rental to fail to pay hotel occupancy taxes under State Law, this Ordinance and the City's Hotel Tax Ordinance. Upon the request of the Administrator, the owner of a premise used as a shortterm rental shall remit, within 30 days, an accounting of all occupants who rented the premises and the hotel occupancy taxes paid therefor. It shall be unlawful for a person to fail to provide said information requested in a timely manner and will result in revocation of the STR Permit.

J. <u>Short-term rental permit non-transferable</u>

A short-term rental permit is non-transferable and shall not be assigned nor transferred to another person or entity, even upon the sale of the premise.

K. <u>Penalties</u>

Any person, firm, or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not to exceed two thousand dollars (\$2,000.00) and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

L. <u>Enforcement</u>

- 1. The owner of a property used as a short-term rental without the appropriate permit and that was not registered with the City of Marfa for hotel occupancy tax prior to December 13, 2022 and who is unable to obtain a permit for said use or fails or refuses to obtain a permit for the use following the effective date of this ordinance, shall discontinue the short-term rental use no later than January 1, 2023.
- 2. If the permit of a short-term rental use is not renewed, the owner shall discontinue the use no later than the date on which the existing permit or any extension thereof expires.

SECTION 4. GENERAL PROVISIONS. The City Council of the City of Marfa, Texas does hereby declare the following additional general provisions pursuant to state and local laws:

A. This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Marfa; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinances are hereby repealed.

- **B.** If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, unconstitutional, or enforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect the validity of the remaining portions of this ordinance.
- **C.** All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety, and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Marfa in the discharge of his duties, shall not thereby render himself personally liable; and he is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of said duties.
- **D.** The City Secretary is hereby directed to record and publish the attached rules, regulations, and policies.
- **E.** It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that the public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, and Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

This Ordinance is **PASSED AND APPROVED** on this 13^{th} day of **December**, 2022, by the City Council of the City of Marfa, Texas.

CITY OF MARFA, TEXAS

ATTEST:

Amanda T Roane, City Secretary

APPROVED AS TO FORM:

Sylvia Borunda Firth, City Attorney

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