



## AGENDA ITEM SUMMARY

### District Impacted

- ☐ 1 = Wolosin
- ☐ 2 = Woolard
- ☐ 3 = Scott
- ☐ 4 = Fowler
- ☐ 5 = Macaluso
- ☒ x All

<b>AGENDA DATE</b>	<i>October 8, 2019</i>
<b>DESCRIPTION</b>	CONSIDER ON FIRST READING ORDINANCE NO. 2019-41; AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF BOERNE, TEXAS, BY ADDING CHAPTER 23. SHORT TERM RENTALS, PROVIDING FOR REGULATIONS FOR THE OPERATION AND USE OF SHORT TERM RENTALS; PROVIDING FOR A PENALTY NOT TO EXCEED \$500 FOR THE VIOLATION THEREOF; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.
<b>STAFF'S RECOMMENDED ACTION (be specific)</b>	Approve Ordinance No. 2019-41; amending the Code of Ordinances by adding Chapter 23. Short Term Rentals, providing for regulations; providing for a penalty not to exceed \$500 for the violation thereof; providing for publication and an effective date.
<b>CONTACT PERSON</b>	Sandy Mattick, Finance Director
<b>SUMMARY</b>	<p>The short-term rental business continues to grow both in our city and across the country. At this time, we are trying to locate and identify properties used for short term rentals to ensure each is in compliance with the City's Zoning Ordinance and is collecting and remitting Hotel Occupancy Tax.</p> <p>Larry Woods and his staff have spoken to one company that advertises the ability to track short term rentals within a given area. When doing some additional due diligence on how they operate, it was determined that their information is not as useful as initially presented. Some of the short falls are:</p> <ul style="list-style-type: none"> <li>• The properties identified were in the 78006 zip code but not all within the city limits and ETJ. Also, some of the properties were no longer in business.</li> <li>• The financial information provided was difficult to use.</li> <li>• GPS coordinates rather than physical addresses were provided making it difficult to locate the exact address.</li> </ul> <p>Staff from the Finance Dept. and CVB have been working over the last year to identify all of the short-term rentals within the city limits and ETJ and notify each owner of their responsibility to collect and remit hotel occupancy tax to comply with the City's ordinance no. 2012-22. Through this process we have realized the large number of short-term rentals that are not currently paying hotel occupancy tax to the City.</p>

	<p>Staff has also reached out to other cities to determine how they monitor and track short term rentals and researched various Texas cities to determine what ordinances they have to regulate these businesses. Staff will continue to research other companies that will assist with streamlining the collection of Hotel Occupancy Tax.</p> <p>We read over a dozen ordinances including those from the cities of San Antonio, New Braunfels, Corpus Christi, South Padre, Waco, Fredericksburg and Port Aransas. The ordinance we are proposing used the cities of Fredericksburg and Port Aransas ordinances as a starting point. We have eliminated many of the restrictions that many of the ordinances included and are focused on identifying and ensuring all Short-Term Rentals are in compliance with current laws. If, in the future, the City finds it necessary to further restrict Short Term Rentals, this ordinance can be revised.</p> <p>We are recommending Council adopt an ordinance which will require these businesses to register and receive a permit from the City to operate within the City and its ETJ. The application that must be completed will provide the City with contact information for the owner of the property, the property manager (if different than the owner) and a local contact (that would be available 24/7) if the owner and property manager do not live in the local area. Besides providing emergency contact information, this would also notify the Finance Dept. that we should be receiving Hotel Occupancy Tax from these properties.</p> <p>All properties operating as a Short-Term Rental must comply with the City of Boerne Zoning Ordinance.</p> <p>We have worked out a procedure with our Code Enforcement Dept. to provide short term rental property owners with an information packet when they apply for their permit that will inform them of their duties and responsibilities to collect Hotel Occupancy Tax, what Hotel Occupancy Tax is used for, and how the CVB can assist them with promoting their business.</p> <p>The fee for this permit will be included in the Fee Ordinance at a proposed rate of \$50 and the permit is valid for 2 years beginning January 2020 and ending December 2021. The owner of each short-term rental will be required to register between January 1<sup>st</sup> and January 31<sup>st</sup> of every even number calendar year.</p>
<b>COST</b>	N/A
<b>SOURCE OF FUNDS</b>	N/A

<b>ADDITIONAL INFORMATION</b>	
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This summary is not meant to be all inclusive. Supporting documentation is attached.