



**AGENDA ITEM REQUEST FORM
CITY OF JOHNSON CITY, TEXAS
CITY COUNCIL**

ITEM NO. 19

MEETING DATE: **January 12, 2021**

AGENDA PLACEMENT:

- Ceremonial
- Consent
- Individual
- Closed Session

CAPTION:

Discussion of and action on an Ordinance of the City Council of the City of Johnson City, Texas (“City”) enacting regulations requiring the registration of hotels and all other short-term rentals subject to the hotel occupancy tax prescribed by Municipal Code of Ordinances Chapter 11 Taxation, Article 11.04 Hotel Occupancy Tax within the City limits and Extraterritorial Jurisdiction (“ETJ”); adding Article 4.07 Hotel Permit Registration to Municipal Code of Ordinances Chapter 4 Business Regulations; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Ordinance; incorporating recitals; providing for severability; repealing any other Code provisions, ordinances, or parts of ordinances, and other provisions in conflict herewith; adopting penalty clauses creating a misdemeanor offense and penalties not to exceed \$500 per day; and adopting an effective date.

EXECUTIVE SUMMARY:

The City Council adopted Ordinance No. 20-0802 in August 2020 mandating hotel and short-term rental registration within the corporate City limits. Although approved, the Ordinance has not been implemented.

City Staff has started the process of implementing Host Compliance within the City and its ETJ. Discussions with Host Compliance staff have been productive, and they have suggested additional “best practices” and recommended amendments to Ordinance No. 20-0802.

The following significant amendments to Ordinance No. 20-0802 are reflected in the proposed Ordinance:

1. Expands applicability to the corporate City limits *and* ETJ;
2. Allows for tenant registration, with the prior written authorization of the property owner;
3. Establishes a \$100 application fee;
4. Amends registration from transferable to non-transferable; and
5. Requires all applicable entities to register.

The City Attorney has reviewed the proposed Ordinance and recommended one (1) change to Section 4.07.004 by eliminating reference to a third-party subcontractor issuing a hotel registration permit. The amendment has been included in the attached revised Ordinance.

FINANCIAL: N/a

ATTACHMENTS:

- Original Ordinance; and
- Revised Ordinance.

SUGGESTED ACTION:

Motion to approve an Ordinance of the City Council of the City of Johnson City, Texas (“City”) enacting regulations requiring the registration of hotels and all other short-term rentals subject to the hotel occupancy tax prescribed by Municipal Code of Ordinances Chapter 11 Taxation, Article 11.04 Hotel Occupancy Tax within the City limits and Extraterritorial Jurisdiction (“ETJ”); adding Article 4.07 Hotel Permit Registration to Municipal Code of Ordinances Chapter 4 Business Regulations; authorizing the Chief Administrative Officer to take all necessary steps to implement the provisions of this Ordinance; incorporating recitals; providing for severability; repealing any other Code provisions, ordinances, or parts of ordinances, and other provisions in conflict herewith; adopting penalty clauses creating a misdemeanor offense and penalties not to exceed \$500 per day; and adopting an effective date.

PREPARED BY: City Staff

DATE SUBMITTED: 1/10/21

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JOHNSON CITY, TEXAS (“CITY”) ENACTING REGULATIONS REQUIRING THE REGISTRATION OF HOTELS AND ALL OTHER SHORT-TERM RENTALS SUBJECT TO THE HOTEL OCCUPANCY TAX PRESCRIBED BY MUNICIPAL CODE OF ORDINANCES CHAPTER 11 *TAXATION*, ARTICLE 11.04 *HOTEL OCCUPANCY TAX* WITHIN THE CITY LIMITS AND EXTRATERRITORIAL JURISDICTION (“ETJ”); ADDING ARTICLE 4.07 *HOTEL PERMIT REGISTRATION* TO MUNICIPAL CODE OF ORDINANCES CHAPTER 4 *BUSINESS REGULATIONS*; AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS ORDINANCE; INCORPORATING RECITALS; PROVIDING FOR SEVERABILITY; REPEALING ANY OTHER CODE PROVISIONS, ORDINANCES, OR PARTS OF ORDINANCES, AND OTHER PROVISIONS IN CONFLICT HEREWITH; ADOPTING PENALTY CLAUSES CREATING A MISDEMEANOR OFFENSE AND PENALTIES NOT TO EXCEED \$500 PER DAY; AND ADOPTING AN EFFECTIVE DATE.

WHEREAS, the City, in furthering economic development and tourism, adopted and collects the hotel occupancy tax within the corporate City limits and ETJ; and

WHEREAS, for purposes of efficiency of collection, the City Council desires to enact regulations requiring the registration of hotels and all other short-term rentals within the City limits and ETJ; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace, or order of the City and is necessary or proper for carrying out a power granted by law to the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Johnson City that:

Section One. Adoption and Enactment. Article 4.07 *Hotel Permit Registration* shall be added to Municipal Code of Ordinances Chapter 4 *Business Regulations* and shall read as follows:

“Sec. 4.07.001 Purpose

The purpose of this Article is to ensure the collection and payment of hotel/motel occupancy taxes, as provided in Article 11.04 *Hotel Occupancy Tax* of this Code.

Sec. 4.07.002 Hotel Definition

A hotel is a building or facility, as defined in Section 11.04.001 of Article 11.04 in which the public may obtain sleeping accommodations in exchange for compensation for a period of less than 30 consecutive days. This includes a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, bed and breakfast, short-term rental, and any accommodation hereinafter described under State Law, as amended.

Sec. 4.07.003 Hotel Registration Required

- (a) It shall be illegal to operate a hotel within the City limits or Extraterritorial Jurisdiction (ETJ) without a hotel registration permit.
- (b) A hotel owner or tenant, with prior written authorization of the property owner, shall apply for and complete a hotel registration application provided by the City or third-party contractor. Information on the form shall include, but not be limited to, the following:
 - a. the name, address, email and telephone number of the hotel owner;
 - b. the name, address, email and twenty-four-hour telephone number of the hotel local contact person(s). The local contact person is the person designated by the hotel owner who shall be available twenty-four (24) hours per day, seven (7) days per week and shall respond in person within one hour to complaints from a City Official regarding the condition, operation, or conduct of occupants of the hotel unit and shall take remedial action to resolve any such complaints;
 - c. the name and address of the hotel;
 - d. the number of bedrooms and the applicable overnight and daytime occupancy limit of the hotel;
 - e. the property ID number, as listed on the Blanco County Appraisal District website; and
 - f. such other information as the Chief Administrative Officer (CAO) / City Secretary or designee deems reasonably necessary to administer this Article.
- (c) If any information on the original registration application changes, the hotel owner must modify that information and provide it to the City or third-party contractor within 30 calendar days of any change.
- (d) The hotel registration application shall be submitted to the City or third-party subcontractor with payment of a \$100.00 one-time application fee. The application fee may be amended from time to time through the City Council's adoption of the most recent Municipal Fee Schedule.
- (e) A hotel owner applicant may designate an agent or representative to submit a completed registration application on the hotel owner's behalf. Designation of an agent or representative shall not relieve the hotel owner from compliance with this Article.

Sec. 4.07.004 Issuance of Hotel Registration Permit

- (a) The City shall issue a hotel registration permit within ten (10) business days of submission of an application and fee.
- (b) Each permit shall be issued a registration number.

- (c) Registration is one-time, non-transferable, and is valid from the date of issuance of a permit.
- (d) A hotel registration permit may be revoked for failure to pay outstanding hotel occupancy taxes.
- (e) A hotel owner may appeal the denial or revocation of a hotel registration permit to the City Council. The decision by the Council is final.

Sec. 4.07.005 Hotel Occupancy Tax

A hotel owner or tenant, with prior written authorization of the property owner, of a registered hotel shall submit a tax collection report showing the consideration paid for all room occupancies in the preceding quarter and the amount of tax collected on the City's behalf on such occupancies, in accordance with Code Sec. 11.04.004 *Reports*. A report is required even if no unit was rented during the reporting period.

Sec. 4.07.006 Penalty

- (a) A violation of this Article is hereby declared to be a nuisance and a misdemeanor.
- (b) Any person violating this Article is subject to suit for injunctive relief, as well as prosecution for civil and criminal violations.
 - a. Criminal prosecution. Any person violating any provision of this Article shall, upon conviction, be fined a sum not exceeding \$500.00. Each day that a provision of this Article is violated shall constitute a separate offense.
 - b. Civil remedies. Nothing in this Article shall be construed as a waiver of the City's right to bring a civil action to enforce the provisions of this Article, and to seek remedies as allowed by law, including, but not limited to the following:
 - i. injunctive relief to prevent specific conduct that violates the Article or to require specific conduct that is necessary for compliance with the Article;
 - ii. a civil penalty of up to \$500.00 a day or, up to \$1,000.00 a day when it is shown that the defendant was actually notified of the provisions of the Article and, after receiving notice, committed acts in violation of the Article or failed to take action necessary for compliance with the Article. Each day constitutes a separate offense and separate violation; and
 - iii. other available relief.”

Section Two. Authorization. The Chief Administrative Officer is hereby authorized to take all necessary steps to implement the provisions of this Ordinance.

Section Three. Recitals. The City Council finds all the above recitals to be true and correct and incorporates the same in this Ordinance as findings of fact.

Section Four. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, clause, or phrase thereof,

irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.

Section Five. Repealer. Ordinance No. 20-0802 is repealed in its entirety. All other ordinances, or parts thereof that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated herein.

Section Six. Effective Date. This Ordinance shall be effective immediately upon its publication in the Johnson City Record Courier.

PASSED AND APPROVED by the City Council of the City of Johnson City, Texas on the 12th day of January 2021.

APPROVED:

Rhonda Stell
Mayor

ATTEST:

Rick Schroder
Chief Administrative Officer / City Secretary

Published in the Johnson City Record Courier on ____/____/____.

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