

EXHIBIT A

ARTICLE XXIII. SHORT-TERM RENTALS

DIVISION 1. GENERAL

Sec. 28-721. Definitions.

As used in this article, the following words and terms shall have the meanings ascribed to them in this section, unless the context of their usage clearly indicates another meaning:

Applicant means the owner who applies for a certificate of registration pursuant to the requirements of this article.

Certificate of registration means a current and valid certificate issued by the director pursuant to this article to the owner or operator of a short-term rental.

Director means the director of administration and regulatory affairs or the director's designee.

Dwelling unit means a structure, or an area within a structure, designed or used as living quarters for a single family or the equivalent thereof. A dwelling unit includes a single-family residence, and each unit of an apartment, duplex, or multiple dwelling structure designed as a separate habitation for one or more persons.

Emergency condition means any fire, natural disaster, power outage, gas leak, noise violation, or medical emergency. The term shall also include the following crimes occurring at the short-term rental: murder, rape, robbery, aggravated assault, burglary, narcotics offenses (restricted to those of delivery, possession, or manufacture), human trafficking offenses, weapons offenses, prostitution offenses, arson, vandalism, gambling offenses, and disorderly conduct.

Occupant means any individual who rents or occupies a short-term rental during a rental period, including their invited guests.

Operator means the individual who operates or otherwise manages a short-term rental, which may be the owner or the authorized agent of the owner.

Owner means any person or entity who has a legal or equitable interest in the property used as a short-term rental or who is recorded in the official records of the county as holding title to the property used as a short-term rental.

Registrant means any person, partnership, corporation, firm, joint venture, limited liability company, association, organization or any other entity holding a certificate of registration issued pursuant to this article.

Platform means a listing service, internet website, mobile application, or other digital platform that receives a fee or otherwise financially benefits directly or indirectly, for facilitating short-term rental booking transactions.

Short-term rental means a dwelling unit or any portion of a dwelling unit that is rented out or offered to be rented out for a period of less than 30 consecutive days. The term "short term rental" shall not include: (1) a boarding home, as defined in article XIV of this chapter, (2) a bed and breakfast, as defined in article II, chapter 20 of this Code; (3) hotel, as defined in article VI of this chapter, (4) a lodging facility, as defined in article XVIII of this chapter, (5) an alternate housing facility, as defined in article IV, chapter 28 of this Code, (6) buildings providing sleeping facilities primarily for the purpose of rendering services regulated by a department or agency of the federal government or of the State of Texas (including, but not limited to, the Texas Department of State Health Services); or (7) a leaseback arrangement under which the seller of a home leases the home back from the purchaser.

Sec. 28-722. Registration required.

- (a) It shall be unlawful for any person to operate, rent, lease, or advertise a short-term rental within the city limits without a valid certificate of registration as provided in this article.
- (b) Each owner or operator of a short-term rental operating within the city limits shall register their short-term rental with the city in the manner prescribed in section 28-731 of this Code.

Sec. 28-723. Penalty.

- (a) Any person who violates any provision of this article commits an offense and upon conviction thereof, shall be punished by a fine of not less than \$100.00 and not more than \$500.00 for each violation. Each day any violation continues shall constitute and be punishable as a separate violation of this article.
- (b) The revocation of any permit shall not prohibit the imposition of any other penalty, and the imposition of any other penalty shall not prevent the revocation or suspension of a certificate of registration.
- (c) These remedies shall be cumulative of any other penalty or remedies available to the city.

Secs. 28-724—28-730. Reserved.

DIVISION 2. CERTIFICATES OF REGISTRATION

Sec. 28-731. Certificate of registration—Application form.

- (a) Each short-term rental shall register with the city on a form prescribed by the director and be accompanied by the non-refundable application fee set forth for this provision in the city fee schedule.
- (b) The certificate of registration application shall contain the following information:
 - (1) The address of the short-term rental;

- (2) The names, mailing addresses, street addresses (if different from the mailing address), telephone numbers, and electronic mail addresses of all owners, operators, and agents (if any) of the short-term rental;
 - (3) Proof of ownership of the property, or a sworn or unsworn declaration from the property owner granting permission for the operation of a short-term rental at the address provided;
 - (4) If the owner is not an individual, the name, mailing address, street address (if different from the mailing address), telephone number, and electronic mail address of a natural person/corporate representative (including an officer, director, or agent) with authority to act on behalf of the owner and a copy of the documents filed with the Texas Secretary of State establishing the entity and showing the entity is in good standing with the State of Texas;
 - (5) The names and 24-hour telephone numbers of one or more emergency contact persons, who shall be the owner, operator, or designated agents and who shall be authorized to respond to emergency conditions as required under section 28-741(b)(5) of this Code;
 - (6) The name and website address of all platforms that facilitated booking transactions for the short-term rental at any time during a twelve-month period prior to the date of application;
 - (7) Acknowledgement by the owner that the use of the property as a short-term rental does not violate any covenants, homeowner association rules, bylaws, deed restrictions, condominium agreement terms, rental agreement terms, or other restrictions, including but not limited to minimum occupancy duration requirements, applicable to the property proposed to be used as a short-term rental;
 - (8) A sworn statement or unsworn declaration that the owner of the short-term rental shall comply with the requirements of this article;
 - (9) Proof of registration with the city for payment of hotel occupancy taxes or proof of remittance of hotel occupancy taxes for the operation of the short-term rental; and
 - (10) Any other information that may be reasonably requested by the director.
- (c) Any change in the information listed in subsection (b) of this section shall require a supplement to the original application and must be reported by the owner to the director within 15 calendar days after the change. Failure to supplement the registration application invalidates the original certificate of registration application. For renewals, the director shall require an owner to reapply for a certificate of registration if information provided in the original application changes. The director may promulgate procedures and regulations regarding the requirement to supplement any change in the information listed under subsection (b) of this section.

- (d) A separate certificate of registration shall be required for each short-term rental. Certificates of registration issued under the provisions of this article shall be valid only at the address of the short-term rental stated on the certificate of registration.
- (e) Each certificate of registration shall be valid for one year from the date of issuance unless revoked or otherwise invalidated under this article. A registrant shall apply for renewal not more than 90 calendar days prior to the expiration on a form provided by the director.

Sec. 28-732. Issuance or denial of a certificate of registration.

- (a) The director shall approve a certificate of registration application if the director determines that the applicant has submitted a complete certificate of registration application and the proposed short-term rental meets the requirements of this article.
- (b) The director may deny a certificate of registration for any of the following reasons:
 - (1) Any information provided in the certificate of registration application is false, misleading, incorrect, or incomplete;
 - (2) The applicant fails to submit a complete certificate of registration application or fails to provide any other reasonably requested information by the director;
 - (3) The applicant fails to show proof of registration or remittance of hotel occupancy taxes for the operation of the short-term rental; or
 - (4) The applicant is a former registrant whose certificate of registration has been revoked and is subject to the waiting period established in section 28-733(c) of this Code.
- (c) The director shall provide the applicant written notice of the approval or the denial of the certificate of registration by either:
 - (1) Certified mail, return receipt requested, to the address provided in the certificate of registration application; or
 - (2) Electronic mail to the email address provided by the applicant.
- (d) If the director determines that the application is incomplete, the director shall return the application with an explanation of the deficiency. If the director determines that the reason for the denial of a certificate of registration is curable, the director shall allow the applicant, upon the applicant's written request, to submit an amended application to cure the defect in lieu of filing an appeal. If the certificate is denied again, or if the applicant fails to cure any defect in the amended application, notice of denial of a certificate of registration shall be sent to the applicant in the manner provided in section 28-735 of this Code.

- (e) The director's decision to deny the issuance of a certificate of registration shall be final unless an appeal is timely filed pursuant to section 28-735 of this Code.

Sec. 28-733. Revocation of a certificate of registration.

- (a) The director may revoke a certificate of registration for any of the following reasons without refund of any portion of the required fee:
 - (1) The certificate of registration was issued in error;
 - (2) Any information provided in the application is false, misleading, incorrect, or incomplete;
 - (3) The registrant fails to supplement any change in information as required in section 28-731(c) of this Code;
 - (4) The registrant fails to timely report and pay or ensure payment of hotel occupancy taxes required under article III of chapter 44 of this Code and state law;
 - (5) Two or more instances when the City, after providing notice pursuant to section 10-452 of this Code, removes or abates a nuisance prescribed in section 10-451 of this Code at a property operating as a short-term rental;
 - (6) Two or more citations are issued over two separate occasions within a twelve-month period at the property registered as a short-term rental, whether the citations are issued to the owner, operator, or occupants, resulting in two or more convictions for violations of chapter 30 of this Code; or
 - (8) One or more convictions of the owner, operator, or any occupant of the property registered as a short-term rental for any of the following offenses occurring at the short-term rental:
 - a. Kidnapping, unlawful restraint, and smuggling of persons as described in Chapter 20 of the Texas Penal Code;
 - b. Reckless discharge of a firearm as prohibited by the Penal Code;
 - c. Trafficking of persons as described in Chapter 20A of the Texas Penal Code;
 - d. Prostitution as described by Section 43.02, Penal Code, solicitation of prostitution as described by Section 43.021, Penal Code, promotion of prostitution as described by Section 43.03, Penal Code, or aggravated promotion of prostitution as described by Section 43.04, Penal Code;
 - e. Compelling prostitution as prohibited by the Penal Code;

- f. Aggravated assault as described by Section 22.02, Penal Code;
 - g. Sexual assault as described by Section 22.011, Penal Code;
 - h. Aggravated sexual assault as described by Section 22.021, Penal Code;
 - i. Continuous sexual abuse of young child or disabled individual as described by Section 21.02, Penal Code;
 - j. Sexual conduct or performance by a child as described by Section 43.25, Penal Code;
 - k. Employment harmful to a child as described by Section 43.251, Penal Code; or
 - l. Disorderly conduct as described by Section 42.01(a)(7) and (a)(8), Penal Code.
- (b) The director shall provide the applicant written notice of the revocation by certified mail, return receipt requested, to the mailing address of the registrant provided in the certificate of registration application, or by electronic mail to the email address provided by the registrant.
- (c) A registrant whose certificate of registration has been revoked pursuant to items (2) through (8) of subsection (a) of this section of this Code shall be ineligible to reapply for and receive a certificate of registration for the same short-term rental property for which the certificate of registration was revoked for the one-year period following the date that the certificate of registration was revoked.

Sec. 28-734. Notice to platforms to delist short-term rentals.

- (a) The city shall notify and request that a platform remove a short-term rental listing from the platform if the short-term rental listing lacks a certificate of registration number, the short-term rental certificate of registration number is invalid, expired, or the certificate of registration has been revoked. The city's notification shall identify the short-term rental listing to be removed by its physical address and uniform resource locator (URL) and state the reason for removal. The platform shall remove the short-term rental listing within ten (10) business days following receipt of the city's notification requesting that a platform remove a short-term rental listing.
- (b) A registrant may appeal a decision to revoke a certificate of registration application as provided for under section 28-735 of this Code.

Sec. 28-735. Appeal of denial or revocation of a certificate of registration.

If the director determines pursuant to this article that a certificate of registration should be denied or revoked, the director shall provide written notice to the applicant or registrant of the reasons for the denial or revocation. An applicant or registrant may appeal the decision of the director regarding the denial or revocation by filing a written

request for a hearing with the director within 20 calendar days after the applicant or registrant is given notice of the denial or revocation. The applicant's or registrant's written request for a hearing shall set out the grounds on which the denial or revocation is challenged. The director's decision on the denial or revocation shall be final unless the applicant or registrant has timely filed such an appeal. An appeal shall not stay the director's decision on the denial or revocation. The hearing shall be conducted by an impartial hearing officer appointed by the director within 30 calendar days after receipt of a request. At the hearing, the applicant or registrant may present any evidence relevant to the proceedings, in accordance with reasonable rules adopted by the director and approved by the city attorney. The hearing officer shall give written notice to the applicant or registrant of his findings as to whether or not the certificate of registration should be denied or revoked and the reasons therefor. The notice shall be sent by certified mail, return receipt requested, as soon after the conclusion of the hearing as practicable but in no event more than 30 calendar days thereafter. The decision of the hearing officer shall be final and exhaust the certificate of registration applicant's or registrant's administrative remedies.

Sec. 28-736. Certificate of registration not transferrable.

- (a) A certificate of registration issued to a registrant is nontransferable and shall not be assigned nor transferred to another person, entity, or location. A registrant may provide a change of information pursuant to section 28-731(c) of this Code without submitting a new certificate of registration application.
- (b) Notwithstanding the provisions of subsection (a) of this section, a certificate of registration is null and void if the registrant sells or conveys any ownership or leasehold interest in a property operated as a short-term rental. Any change in ownership of a short-term rental, including but not limited to the sale or conveyance of any ownership or leasehold interest therein for more than 30 days, shall require the purchaser, transferee or lessee to apply for a certificate of registration pursuant to this article in order to operate the property as a short-term rental.

Secs. 28-737—28-740. Reserved.

DIVISION 3. SHORT-TERM RENTAL REQUIREMENTS

Sec. 28-741. General requirements.

- (a) The owner, operator, and occupants shall comply with all provisions of this article and applicable provisions of this Code, including, but not limited to:
 - (1) The noise and sound level regulations under chapter 30 of this Code;
 - (2) The buildings and neighborhood protection requirements under chapter 10 of this Code;
 - (3) All applicable solid waste and litter control requirements pursuant to chapter 39 of this Code; and
 - (4) All applicable provisions of the Construction and Fire Code.

- (b) Additionally, it shall be unlawful for an owner or operator of a short-term rental to fail to comply with or use, cause to be used, allow, suffer, advertise or permit the use of the short-term rental in violation of any of the following general requirements:
- (1) *Minimum individual stay.* No owner or operator of a short-term rental shall allow the rental of a short-term rental for a period of less than one night.
 - (2) *Payment of hotel occupancy taxes.* The owner or operator of a short-term rental shall not operate a short-term rental without paying the hotel occupancy taxes required under article III of chapter 44 of this Code and state law.
 - (3) *Advertising or promoting special events.* No owner or operator shall advertise or promote a special event or allow the advertising and promotion of a special event (e.g. banquet, wedding, reception, reunion, bachelor or bachelorette party, concert, or any similar activity that would likely assemble a number of invitees) to be held at a short-term rental.
 - (4) *Public listings.* All public listings or advertisements of a property as a short-term rental, including any public listings or advertisements by platforms, shall include the following information:
 - a. The certificate of registration number; and
 - b. The maximum permitted occupancy limits.
 - (5) *Emergency contact.* Any emergency contact person listed under section 28-731(b)(5) of this Code must be available by phone at all times to respond to emergency conditions while any occupants are on the premises of a short-term rental. If called, the emergency contact person shall respond to the emergency condition within one hour after being notified by the emergency response personnel or the director. The emergency contact person must be authorized to make decisions regarding the premises, its occupants, and shall take reasonable actions to resolve the emergency condition to the extent possible. The owner or operator shall post in a conspicuous location of the short-term rental the names and telephone numbers of one or more emergency contact persons authorized to respond to emergency conditions as required under this subsection.
 - (6) *Certificate of registration to be displayed.* A copy of the approved certificate of registration shall be posted at a conspicuous location inside the front entrance to the short-term rental.

Sec. 28-742. Platform requirements.

- (a) All platforms shall provide the following notice to all owners and operators listing a short-term rental located in the City of Houston through a platform's service: **ARTICLE XXIII, CHAPTER 28 OF THE CITY OF HOUSTON, TEXAS, CODE OF ORDINANCES, STATES IT SHALL BE UNLAWFUL FOR ANY PERSON TO OPERATE A SHORT-TERM RENTAL WITHIN THE CITY WITHOUT A VALID SHORT-TERM RENTAL CERTIFICATE OF REGISTRATION.**
- (b) All platforms displaying listings of short-term rentals located in the city shall require owners or operators using the platform to include the certificate of registration number in any listing for a short-term rental on the platform. The certificate of registration number shall be prominently displayed on the listing. Platforms shall not list a short-term rental without a certificate of registration number issued by the city.
- (c) Notwithstanding any other provisions of this chapter, nothing shall relieve any owner, operator, or platform of the obligation imposed by the applicable provisions of state law and this Code, including but not limited to obligations imposed by the Texas Tax Code. Nothing in this chapter shall be construed to limit any remedies available under the applicable provisions of state law and this Code.

Sec. 28-743. Rules and regulations.

The director is hereby authorized to adopt rules and regulations consistent with the intent and purposes of the provisions of this article. A copy of all rules and regulations shall be maintained in the director's office and the office of the city secretary for inspection by the public, and copies shall be made available for purchase consistent with the fees prescribed by law.