

An Ordinance of the City of Plano, Texas amending Chapter 6, Buildings and Building Regulations, of the Code of Ordinances of the City of Plano by adding Article XXIV, Registration of Short-term Rental Properties; providing for procedures for the registration and self-inspections of short-term rentals for operation; providing for procedures for approval, denial, suspension, and revocation of registration of short-term rentals; and providing a penalty clause, a severability clause, a repealer clause, a savings clause, a publication clause and an effective date.

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

WHEREAS, the City of Plano has had over 113 speakers attend public meetings to express concerns about the increase in health, safety, and nuisance issues related to short-term rentals (STRs) in dwelling units in the City of Plano; and

WHEREAS, there have been reports of tenants and visitors at STRs in the City of Plano engaging in criminal conduct negatively affecting the public sense of well-being and security, including operation of a prostitution enterprise and discharge of a firearm into a nearby residence occupied by a child; and

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

WHEREAS, more commonly, the public has complained of STRs in Plano with unreasonable noise, public urination, excessive trash, public indecency, disorderly conduct, and parking problems; and

WHEREAS, citizens 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 Plano's strategic vision states that Plano residents wish for an unparalleled quality of life bonded by a shared sense of community, and residents have expressed that STRs negatively affect the shared sense of community because of the transient nature of the users of STRs; and

WHEREAS, the City Council wishes to advance the objective of championing safe, vibrant neighborhoods in the City of Plano; and

WHEREAS, the city wishes to respond to residents' concerns and address issues with property owners and managers of STRs; and

WHEREAS, the registration of STRs is intended to identify the existence, location, ownership, management, and designated contacts for STRs and to assist in prevention and investigation of incidents involving criminal conduct or public nuisances related to STRs; and

WHEREAS, the City Council finds that identification of individuals and entities with ownership in or responsibility for management, maintenance, and inspection of STRs will aid in obtaining compliance with and enforcement of building standards, property maintenance codes, and other laws affecting STRs and will aid in the protection of the health, welfare, safety, and property of the residents of the City of Plano, STR owners, STR occupants and visitors, neighbors of STRs, and the general public; and

WHEREAS, the City Council finds that requiring self-inspections and records retention of STR properties will increase the safety of STR occupants in the City of Plano; and

WHEREAS, the registration of STRs will aid in the collection of hotel occupancy taxes and compliance with, and enforcement of, ordinances and other laws relating to the health, welfare, safety and property of STR owners, STR occupants and visitors, neighbors of STRs, and the general public; and

WHEREAS, registration is not a property right and may be withheld, suspended, or revoked in the event of non-compliance with the registration ordinance; and

WHEREAS, the City Council finds that it is necessary to adopt procedures and requirements for registration issuance, self-inspection, suspension, revocation, and enforcement for STRs by adding Article XXIV, Registration of Short-Term Rental Properties to Chapter 6, Buildings and Building Regulations, of the Code of Ordinances of the City of Plano, Texas.

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

Section I. Chapter 6, Building and Building Regulations, of the Code of Ordinance of the City of Plano is hereby amended by adding Article XXIV- REGISTRATION OF SHORT-TERM RENTAL PROPERTIES to read in its entirety as follows:

“ARTICLE XXIV. - REGISTRATION OF SHORT-TERM RENTAL PROPERTIES

Sec. 6-730. - Short title.

This article may be referred to as the “Short-Term Rental Code”.

Sec. 6-731. - Definitions.

Any terms not defined in this article shall be defined as they are in the City of Plano Zoning Ordinance. Any terms not defined in this article or in the Zoning Ordinance shall have their ordinary accepted meanings. The following terms and phrases, as used in this article, are defined as follows:

Applicant means a person applying for approval of registration of an STR.

Booking Service means any reservation and/or payment service provided by a person or entity that facilitates an STR 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 or payment services provided for the STR transaction.

Designated Contact means an individual designated to respond to a report or request by the Director or law enforcement of an emergency condition, property or building maintenance condition, nuisance or criminal conduct at an STR. Emergency conditions include, but are not limited to, fire, natural disaster, flood, damaged or malfunctioning pipes, and hazard of collapse. A nuisance includes, but is not limited to, noise, parking, and trash issues. Criminal conduct means any violation of local, state, or federal law.

Director means the director of the department of the City of Plano designated by the City Manager to administer and enforce the provisions of this article and any person or persons designated by the Director to represent the department for this purpose.

Hosting Platform means a person or entity that participates in the STR business by providing, and collecting or receiving a fee for, booking services through which an owner may offer an STR. Hosting platforms usually, though not necessarily, provide booking services through an online platform that allows an owner to advertise the STR 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.

Metropolitan Statistical Area (MSA) means one of the counties in the Dallas Fort Worth-Arlington Metropolitan Statistical Area (Collin, Dallas, Denton, Ellis, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Somervell, Tarrant, and Wise Counties) or Cooke County, Fannin County, or Grayson County.

Nuisance Incident means an incident involving criminal conduct committed at the premises of the STR by an occupant, guest or visitor of the STR, that tends to substantially interfere with the use or enjoyment of private or public property by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities

attempting to use and enjoy their property, including, but not limited to, offenses involving assault, sexual misconduct, public order and decency, alcohol, drugs, weapons, noise, and parking.

Occupant means any person lawfully living in, sleeping in or possessing an STR. A person is not required to be paying rent, providing in-kind services, or named in any lease, contract or other legal document to be considered an occupant.

Operate means to do any of the following for an STR: rent or lease; offer, advertise, or market to rent or lease; or enter into an agreement to rent or lease.

Owner means any person, agent, operator, firm or trust who: (1) has a legal or equitable interest in the STR and their designee; (2) is recorded in the official records of the county as holding title to the STR; or (3) has control of the STR, including the guardian of the estate of any such person, and the executor of the estate of such person if ordered to take possession of the STR by a court.

Person means an individual, corporation, association, partnership or other entity acting as a group.

Premises means any parcel of real property together with all buildings and structures thereon used as an STR and any public property immediately adjacent to the STR that is used because of the use of the STR, such as the public right-of-way used for parking, or the sidewalk used to access the STR.

Registrant means a person who has applied for and been approved for registration and operation of an STR.

Registration means approval by the Director of an application to operate an STR.

Short-term Rental (STR) means any portion, or all, of a dwelling unit offered or used for transient lodging, in exchange for compensation, for less than thirty (30) consecutive days. This definition of short-term rental does not include Temporary Accessory Housing Shelter and Bed and Breakfast Inn.

Sec. 6-732. - Purpose.

The purpose of this article is to develop a process to identify STRs and their owners and others responsible for their operation, management, and ensuring compliance with applicable law; to register and self-inspect STRs; and to provide equitable and practical remedies for violations of this article in order to protect the general health, safety and welfare of occupants and others in the community.

Sec. 6-733. - Applicability and administration.

(a) This article shall apply to STRs located in the city.

- (b) The Director is authorized to administer and enforce the provisions of this article.

Sec. 6-734. - Requirements of hosting platforms.

- (a) All hosting platforms shall provide the following information in a notice to any person listing an STR located within the city through the hosting platform's service. The notice shall be provided prior to the person listing the premises and shall include the following information: THE SHORT-TERM RENTAL CODE OF THE CODE OF ORDINANCES OF THE CITY OF PLANO PROHIBITS THE SHORT-TERM RENTAL OF PREMISES WITHIN THE CITY OF PLANO WITHOUT AN ACTIVE SHORT-TERM RENTAL REGISTRATION.
- (b) Notwithstanding any other provision of this article, nothing shall relieve any owner, person, occupant or hosting platform of the obligations imposed by applicable local, state, and federal law including this Code and the Texas Tax Code. Further, nothing in this article shall be construed to limit any remedies available under applicable local, state, and federal law.

Sec. 6-735. - Registration required.

- (a) No STR shall be operated without an approved, valid STR registration from the city.
- (b) Every individual dwelling unit operated as an STR within a common structure or building, regardless of ownership or management, shall require a separate, individual registration.
- (c) The following are required for issuance of an STR registration:
 - (1) The applicant must provide a determination by the city, pursuant to Article 7, Nonconformities, of the Zoning Ordinance establishing that:
 - i. The STR is a nonconforming use because it was in operation on the subject property prior to May 20, 2023, which is the effective date of Ordinance No. 2023-5-1; or
 - ii. The owner had an investment-backed expectation in creating an STR on the subject property prior to May 20, 2023, which is the effective date of Ordinance No. 2023-5-1.
 - (2) A completed registration application must be submitted on a form prescribed by the Director containing, at a minimum, the following:
 - i. Business or trade name, physical address, and business mailing address of the STR;

- ii. Identity and contact information (including legal name, mailing address, email addresses, and telephone number), for every owner, operator, manager, partner, and mortgage lien holder of the STR or premises where it is located, including the registered agent for any entity;
- iii. Complete contact information for all designated contacts, including legal name, residential and business mailing addresses, email address, telephone number, copy of government-issued identification, and dates and times of availability as a designated contact;
- iv. Copy of government-issued identification for the primary applicant for registration;
- v. Depiction of the floor plan, including room dimensions, that identifies sleeping areas, dining areas, living areas, furniture layout, evacuation routes, and location of all fire extinguishers and smoke and carbon monoxide detectors;
- vi. Photographs of all interior and exterior rooms, hallways and spaces that are offered for use as an STR;
- vii. Proof of insurance as required by this article;
- viii. Identity and contact information for the property owners' association, if any, of which the premises are included in a dedicatory instrument;
- ix. A copy of the proposed host rules for the STR, including any rule on maximum number of guests;
- x. A sworn statement that the owner:
 - 1. is not prohibited from operating an STR at the premises by a lease, property covenant, binding HOA rules, or other agreement;
 - 2. has met and will continue to comply with all requirements of this article and all applicable local, state, and federal law;
 - 3. has provided accurate and complete information on all documents submitted to the city pursuant to this article;
 - 4. has paid and shall continue to pay all applicable fees and assessments levied upon the premises to be used as an STR including hotel occupancy taxes, except that owners utilizing

booking services for their STR through a hosting platform that has entered into a contract with the city to collect hotel occupancy taxes is not required to register for tax collection, tax remittance or tax purposes, but is required to register for all other purposes; and

5. understands that the owner or their representative does not have a property right in an STR registration and it is issued at the city's discretion and subject to revocation or denial in accordance with the terms of this article.

xi. All other information as may be required by this article.

- (d) Applications shall be considered complete when all documentation required under this article has been submitted and all registration fees have been paid.
- (e) Incomplete applications will not be accepted.
- (f) An STR registration may be approved and issued by the Director if the STR application satisfies all conditions of this article.
- (g) All city fees due from the owner and city assessments levied upon premises must be paid prior to the registration or renewal of an STR registration by the city.
- (h) A registration to operate an STR is non-transferable and shall not be assigned nor transferred to another owner, operator or location. Any attempt to transfer a registration or attempt to use another person's registration is a violation of this Article.
- (i) STR registration approval does not confer any property rights on the owner of the registered STR.

Sec. 6-736. - Designated contact.

- (a) As part of the registration application, applicant, owner, or registrant must designate one or more designated contacts for the STR. A designated contact may be an owner, applicant, registrant, or a designee and shall meet the following criteria:
 - (1) Reside or work within the physical boundaries of the MSA;
 - (2) Have care, custody, or control over the STR;
 - (3) Be authorized to make decisions regarding the premises, STR, and its occupants; and

- (4) Be available to speak to law or code enforcement within 2 hours of being contacted by a city representative.
- (b) The requirement to reside or work within the MSA in 6-736(a)(1) above may be waived by the Director upon written request by the applicant, owner, or registrant if a reasonable alternative who can provide similar responsiveness to a person residing within the MSA is provided.

Sec. 6-737. - Expiration of registration; renewals.

- (a) A registration is valid for one calendar year after the date of issuance, unless suspended or revoked pursuant to this article or there is a change in ownership of the STR.
- (b) Every complete renewal application for an STR registration shall include updates, if any, to the information contained in the original registration application or any subsequent renewals. The registrant shall sign a statement affirming that there is either no change to such information, or that any updated information is accurate and complete. The Director may require additional information to ensure compliance with this article.
- (c) A renewal application for an STR registration submitted after the expiration of the most current registration shall be treated as an application for a new registration as described in this article.
- (d) No STR registration may be renewed without a completed renewal application and payment of the renewal application fee prior to the expiry of the current registration.
- (e) An application for renewal may be denied if the premises cannot be legally used as a short-term rental as determined under the provisions of the City of Plano Zoning Ordinance or other law or covenant.
- (f) The Director may renew the registration of an STR if the renewal application satisfies all conditions of this article and all applicable local, state, and federal law.

Sec. 6-738. - Application fees.

- (a) A non-refundable fee of three hundred dollars (\$300.00) shall be submitted with each registration or renewal application for an STR.
- (b) A fee of twenty-five dollars (\$25.00) shall be submitted to reprint an already issued registration certificate.

Sec. 6-739. - Proof of insurance required.

No STR shall be operated without liability insurance that provides coverage of at least \$1 million per occurrence. A certificate of insurance must be on file with the Director. Proof of insurance shall be required at the time of application and notice of cancellation or change of insurance must be made to the Director within thirty (30) calendar days.

Sec. 6-740. - Hotel occupancy taxes; request for occupancy history.

No STR shall be operated without payment of hotel occupancy taxes as required under state law. Upon request of the Director or the Finance Department of the city, the owner shall remit, within thirty (30) calendar days, an accounting of all occupants who rented the STR and the hotel occupancy taxes paid therefor. The owner, however, is not required to provide such accounting for STRs rented with a hosting platform that has entered into a contract with the city to collect hotel occupancy taxes.

Sec. 6-741. - Owner self-inspections; record retention.

- (a) Owner shall fully inspect each STR in compliance with this article. Self-inspections by the owner shall be conducted at least once a year. The Director shall provide a list indicating the areas to be self-inspected by owner. Owner shall sign and date each self-inspection report at the time the self-inspection is completed for each STR and provide it to the Director upon request.
- (b) Self-inspection reports shall be in writing and on a form prescribed or approved by the Director. Any alterations to an approved form must be resubmitted to the Director for approval. All documents related to the self-inspection and the inspection reports shall be maintained by the registrant for a minimum of three (3) years.

Sec. 6-742. - Registration to be displayed.

Each STR shall display in a conspicuous, publicly accessible area inside the front entrance(s) of the STR:

- (a) A copy of the current and valid registration certificate;
- (b) The contact information for the designated contact(s); and
- (c) Pertinent local and state information, regulations, and laws, in a format to be provided by the Director, as it relates to the use of the STR by the occupant.

Sec. 6-743. – Denial, suspension or revocation of short term rental registration.

- (a) A registration may be suspended, and a registrant may reapply immediately, if the Director determines any of the following:

- (1) Previous registration was issued in error; or
 - (2) Previous registration was issued on the basis of incomplete or incorrect information provided by applicant, registrant or owner.
- (b) An application for registration or renewal may be denied or a registration may be suspended for three months, if the Director determines any of the following:
- (1) Registrant, owner or designated person failed or refused to comply with a requirement of this article, other than the requirements specifically addressed in this section and remains in non-compliance ten (10) business days after being notified in writing of such non-compliance. Suspension, however, may not be lifted until compliance is achieved; or
 - (2) Failure to maintain or to provide upon request from the Director proof of insurance in compliance with this article and consistent with the registration application. The suspension, however, may not be lifted until proof of insurance is provided to the city.
- (c) If the Director determines that one Nuisance Incident occurred at the STR premises within six months preceding the date of the application, an application for registration may be denied until six months after the date of the Nuisance Incident. If the Director determines that one Nuisance Incident occurred at the STR premises while the STR was registered, the registration may be suspended for six months.
- (d) If the Director determines that two or more Nuisance Incidents occurred at the STR premises within one year preceding the date of the application, an application for registration may be denied until one year after the date of the last Nuisance Incident. If the Director determines that two or more Nuisance Incidents occurred at the STR premises while the STR was registered, the registration may be suspended for one year.
- (e) A Nuisance Incident is presumed if enforcement action was taken by law enforcement or code enforcement, including, but not limited to, issuance of a citation, notice to appear, or summons; an arrest; or issuance of a warrant for arrest for the criminal conduct at the premises of the STR or committed by an occupant or guest of the STR during the rental period.
- (f) An application for registration or renewal may be denied or a registration may be revoked permanently if the premises cannot be legally used as a short-term rental as determined under the provisions of the City of Plano Zoning Ordinance.
- (g) No suspension or revocation may be based upon Nuisance Incidents that occurred prior to the adoption of this Article.

- (h) While a registration is suspended, the premises may not be advertised as available for use as an STR.
- (i) If the term of the suspension of an STR registration is shorter than the amount of time left before the registration expires, the registration becomes valid the day after the suspension concludes.
- (j) Notice of the denial, suspension or revocation shall be given to the applicant or registrant in writing, with the reasons for the denial, suspension or revocation. Such notice shall be served either by personal service or by United States mail to the applicant or registrant's last known address. In cases of suspension or revocation, the service of the suspension or revocation shall become effective the day following personal service, or, if mailed, five (5) business days from the date of mailing.

Sec. 6-744. - Appeal of Denial of an Application, Suspension or Revocation of a Registration.

- (a) If the denial, suspension or revocation is based upon absence of nonconforming status, then the process for determination and appeal is found in Article 5 and 7 of the City of Plano Zoning Ordinance.
- (b) Upon denial of an application, suspension or revocation of a registration, the Director shall notify the applicant or registrant, in writing, of the reason for which the registration is subject to denial, suspension or revocation. To contest the denial, suspension or revocation of a registration, the applicant or registrant shall file a written request for a hearing with the Director within ten (10) business days following service of such notice. If no written request for hearing is filed within ten (10) business days, the denial, suspension or revocation is sustained.
- (c) The Director shall give notice of the date and time of the hearing to the appellant and conduct the hearing within twenty (20) business days of the date on which the notice of appeal was filed with the Director, unless otherwise agreed by the parties.
- (d) Based upon the evidence presented at such hearing, the Director shall sustain, modify or rescind the determination by written decision supported by reasoning and findings of fact.
- (e) An appeal shall stay the denial, suspension or revocation of the registration unless the Director determines an immediate denial, suspension or revocation is necessary because of urgent concern for physical safety. If no appeal is timely filed with the City Manager, the Director's decision is final.

Sec. 6-745. –Final Appeal to City Manager.

- (a) An applicant or registrant may appeal a decision made pursuant to 6-744 to the City Manager. All appeals to the City Manager must be made in writing and received no less than ten (10) business days after any final decision made by the Director in accordance with the sections above.
- (b) The City Manager shall give notice of and conduct the hearing within twenty (20) business days from receipt of the applicant or registrant's appeal request, unless otherwise agreed by the parties. Based upon the evidence presented at such hearing, the City Manager shall sustain, modify or rescind the determination by written decision supported by reasoning and findings of fact.
- (c) The decision shall be furnished to the applicant or registrant.
- (d) If reversed, the registration shall be reinstated immediately, in the case of a suspension or revocation, or the registration shall be issued within five (5) business days, in the case of denial.
- (e) The determination of the City Manager or the City Manager's designee shall be final on the date the written decision is signed.
- (f) An appeal shall stay the denial, suspension or revocation of the registration unless the Director determines an immediate denial, suspension or revocation is necessary because of urgent concern for physical safety.
- (g) For purposes of this section, City Manager includes his designee.

Sec. 6-746. - Offenses.

- (a) It shall be an offense for any person to operate an STR and:
 - (1) Fail to have a valid registration for the STR;
 - (2) Fail to pay registration fees as required in this article;
 - (3) Fail to comply with self-inspection requirements or record-retention as required in this article;
 - (4) Fail to display a valid STR registration certificate and emergency contact information as required in this article;
 - (5) Advertise the STR in any medium, including, but not limited to newspaper, magazine, brochure, website, social media, or mobile application without including a current and valid registration number issued by the Director;

- (6) Operate the STR using a registration number not assigned to the owner or registrant, or to a different address, or to a different dwelling unit;
 - (7) Operate the STR without current, valid insurance in compliance with this article;
 - (8) Fail to provide within thirty (30) days following a request by the Director an accounting of payment of hotel occupancy taxes and history of occupants as required in this article;
 - (9) Fail to provide a designated contact that is available to speak to law or code enforcement within 2 hours of being contacted by a city representative;
 - (10) Fail to provide complete and accurate information in an application for registration or renewal of registration of an STR; or
 - (11) Fail to notify the Director within seventy-two (72) hours after information in an application or approved STR registration becomes inaccurate, excluding information regarding the change in the ownership of the STR.
- (b) It shall be an offense for a person to operate an STR and intentionally, knowingly, or recklessly allow the use of the STR:
- (1) To promote or engage in an illegal activity;
 - (2) By one or more persons in violation of the Residency Restrictions for Child Predator Offenders as set forth in Sec. 14-123 of this Code or in violation of Registration Requirements in Chapter 62 of the Texas Code of Criminal Procedure;
 - (3) To promote or engage in illegal distribution or possession with intent to distribute marijuana, a dangerous drug, or any controlled substance, as defined by the Texas Health and Safety Code;
 - (4) To promote or engage in selling alcohol or another activity that requires a permit or license under the Texas Alcoholic Beverage Code; or
 - (5) To operate as a sexually oriented business as defined in Sec. 17.5-2 of this Code.

Sec. 6-747. - Enforcement.

- (a) Any violation this article is a Class C misdemeanor punishable as stated in Section 1-4(b) of the City Code of Ordinance by a fine not to exceed \$500.00 for each offense. Every day a violation continues shall constitute a separate offense.

(b) Nothing in this article prohibits the city from enforcing civil and criminal enforcement remedies concurrently or availing itself of any other remedy allowed by law.

Sec. 6-748 to 769. – Reserved”

Section II. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any phrase, clause, sentence, or section of this Ordinance shall be declared unconstitutional or invalid by any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any other remaining phrase, clause, sentence, paragraph or section of this Ordinance.

Section III. All provisions of the Code of Ordinances of the City of Plano, codified or uncodified, in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of Ordinances of the City of Plano, codified or uncodified, not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section IV. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions at the time of passage of this ordinance.

Section V. Any violation of the provisions or terms of this ordinance by any person, firm or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(b) of the City Code of Ordinances by a fine not to exceed \$500.00 for each offense. Every day a violation continues shall constitute a separate offense.

Section VI. This Ordinance shall be published as required by law and shall be effective on September 1, 2023.

PASSED AND APPROVED on the 26th day of June, 2023.

John B. Muns, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY