

ORDINANCE 2025-O-02

AN ORDINANCE OF THE CITY OF ALEDO, TEXAS, AMENDING THE ALEDO MUNICIPAL CODE, CHAPTER 14, "BUSINESS REGULATIONS," BY ADDING ARTICLE VII "SHORT-TERM RENTAL REGISTRATION," ESTABLISHING REGULATIONS AND REGISTRATION PROCESSES FOR USE OF A RESIDENTIAL PROPERTY AS A SHORT-TERM RENTAL; AMENDING THE CITY FEE SCHEDULE TO PROVIDE A PERMIT FEE AND PERMIT RENEWAL FEE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY; PROVIDING FOR PUBLICATION AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Aledo, Texas (the "City"), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the increase in the number of persons or entities desiring to rent their residential properties has led to the increase of transient and vacation rental uses within neighborhoods; and

WHEREAS, the use of residential premises by individuals for short periods of time may negatively impact the residential character of many neighborhoods by reducing communication and accountability between permanent residents by partially substituting permanent residents with transient visitors; and

WHEREAS, the City has received calls from interested parties inquiring about short-term rental requirements and registration processes; and

WHEREAS, the City does not have established short-term rental regulations, and the City believes it will be necessary to maintain contact information for owners of short-term to timely respond to complaints and in the event of life, health, or safety emergencies; and

WHEREAS, the City Council desires to ensure the health and safety of guests and residents but also support tourism in a balanced way; and

WHEREAS, the City Council determined that enacting a registration program for short-term rentals will serve to balance the rights of all stakeholders through a fair and balanced regulatory framework and ensure that the short-term rentals do not become a nuisance; and

WHEREAS, the City wishes to adopt regulations requiring the registration of short-term rentals in the City, which will allow the City to properly identify the location of short-term rentals and to provide contact information for owners and operators of short-term rentals to aid in responding to complaints and emergencies; and

WHEREAS, the City finds and determines that regulating the short-term rental property is necessary for the health, safety, and welfare of the general public, the promotion of consistent land uses and development, and the protection of landowners and residents in the City; and

WHEREAS, the City Council finds that the adoption of this Ordinance is in the best interest of the citizens of the City.

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

SECTION 1.

Chapter 14, "Business Regulations," of the Aledo Municipal Code is hereby amended by adding a new Article VII, "Short-Term Rental Registration," to read as follows:

"ARTICLE VII. - SHORT-TERM RENTAL REGISTRATION"

Sec. 14-141. - Purpose.

This article is intended to provide a procedure to allow the rental of residential premises to visitors on a short-term basis, while ensuring that such rental use does not create adverse impacts to residential neighborhoods. Additionally, this article is intended to ensure that minimum health and safety standards are maintained in such units to protect visitors from unsafe or unsanitary conditions.

Sec. 14-142. - Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

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. Said advertising may be found in any medium, including but not limited to newspaper, magazine, brochure, website, or social media and mobile application.

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 current International Residential Code as adopted by the City.

City means the City of Aledo, Texas.

City manager means the city manager of the City.

Director means the director of the department designated by the city manager to enforce and administer this article, including the director's designees.

Fire code means the fire code adopted by the City.

Hotel occupancy tax means the Hotel Occupancy Tax as provided for in Chapter 70, Article III, of the Aledo Municipal Code and Chapter 351 of the Texas Tax Code, as they exist or may be amended and any successor ordinances or laws.

Local contact person means:

1. The person designated by the owner or operator who shall be available twenty-four (24) hours per day, seven (7) days per week for the purpose of:
 - a. Responding in-person within one (1) hour to complaints regarding the condition, operation, or conduct of occupants of the short-term rental unit; and

- b. Taking remedial action to resolve such complaints.

- 2. The Owner or Operator may be listed as the local contact person.

Municipal court means the City of Aledo, Texas Municipal Court.

Occupant means any individual person living in, sleeping in, or possessing a building or portion thereof. 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.

Operator means every natural person, firm, partnership, association, social or fraternal organization, corporation, estate, trust, receiver, syndicate, branch of government, or any other group or combination acting as a unit who is the proprietor of a short-term rental with authority to act in that capacity, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, or any capacity. Where the operator performs their functions through a managing agent of any type or character, other than an employee, or where the operator performs their functions through a rental agent, the managing agent or the rental agent shall have the same duties as the principal.

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, and the executor of the estate of such person if ordered to take possession of real property by a court.

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

Short-term rental means the rental for compensation of a residential premises, or portion thereof (including, but not limited to, an accessory dwelling unit (ADU) or guest house), for lodging accommodations to occupants for a period of not less than one (1) nor more than twenty-nine (29) consecutive days, other than an ongoing month-to-month tenancy granted to the same renter for the same premises. The definition of short-term rental does not include a full-service hotel; motel, motor hotel, or motor lodge; bed and breakfast establishment; boarding or rooming house; dormitory; or nonresidential use.

Zoning ordinance means the Unified Development Code adopted by the City.

Sec. 14-143. - Unpermitted short-term rentals prohibited.

- (a) It shall be unlawful for any owner, operator, or person to rent, lease, advertise, or otherwise permit or allow any residential premises to be operated or used as an unpermitted short-term rental.
- (b) It shall be an affirmative defense to violation of this section that the occupant is a party to the sale of the premises and was occupying the premises pursuant to a written post-closing occupancy agreement.

Sec. 14-144. - Permit required.

- (a) An owner or operator 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. An owner or operator must obtain a separate permit for each rentable unit on such premises. Upon application to the city, a short-term rental permit shall be approved by the director if the application satisfies all conditions of this article and the zoning ordinance. The director may place reasonable conditions on short-term rental permits to ensure compliance with the provisions of this article.
- (b) A copy of the short-term rental permit shall be posted at a conspicuous location inside the front entrance(s) to the short-term rental.
- (c) Owners and operators of short-term rental units that can provide documentation establishing they were in operation before the effective date of this article shall have sixty (60) days from the effective date of this article to secure the permit required hereunder. An owner and/or operator of a property used as a short-term rental who is unable to obtain a permit for operation as a short-term rental following the effective date of this article shall discontinue the short-term rental use within sixty (60) days of the effective date of the notice of permit denial.

Sec. 14-145. - Transferability.

- (a) A short-term rental permit is not transferable and shall not be assigned nor transferred to another person, entity, or premises. Any attempt to transfer a permit or attempt to use another person's permit may be grounds for revocation of a permit. In the event of a change in ownership for a short-term rental premises, the purchaser of a short-term rental shall provide the director with current application materials required by section 14-146, revised to include any new information associated with the change in ownership, as well as a permit renewal fee as described in section 14-147, within thirty (30) days of the closing date for the purchase of the short-term rental premises.

Sec. 14-146. - Permit application process.

- (a) Application requirement. An owner or operator who wishes to offer their residential premises as a short-term rental must submit an application for a permit to the city.
- (b) Application process. Applications shall be in writing on a short-term rental application form prescribed by the city manager or their designee. The date of receipt of an application form shall be recorded by the city in a manner sufficient to verify the date of its submission. The owner or operator must submit the following information on the application form:
 - (1) The physical address of the short-term rental premises;
 - (2) The number of bedrooms and the applicable overnight occupancy limit of the proposed short-term rental premises;
 - (3) The owner's name, address, e-mail address, and telephone number;
 - (4) If the owner is not a natural person, then the name, address, and e-mail address of a natural person who has the legal authority to act for the owner;
 - (5) The operator's name, address, e-mail address, and telephone number;

- (6) If the operator is not a natural person, then the name, address, and e-mail address of a natural person who has the legal authority to act for the operator;
- (7) The name, address, e-mail address, and twenty-four (24) hour telephone number of a local contact person;
- (8) Proof of liability insurance for the short-term rental premises, which shall meet the following minimum requirements:
 - a. The city and its officials, employees, agents, and officers shall be named as an “additional insured” on all policies;
 - b. The policy should provide a minimum liability coverage of \$1,000,000 (one million dollars); and
 - c. Each policy shall be endorsed to provide the city with a minimum of a 30-day notice of cancellation, non-renewal, and/or material change in policy terms or coverage, provided, however, that a minimum of a 10-day notice shall be required in the event of non-payment of premium.
- (c) Fees. There shall be a nonrefundable application fee as set forth in the city's fee schedule. In the event an application is denied, a separate application fee shall be remitted with each resubmittal. Additionally, upon approval of an application, there shall be a separate short-term rental permit fee as set forth in the city’s fee schedule.
- (d) Additional application requirements:
The short-term rental application form must be accompanied by the following:
 - (1) A dimensioned floor plan of the short-term rental identifying bedrooms, other living spaces, emergency evacuation routes, fire extinguishers, smoke detectors, and carbon monoxide detectors;
 - (2) A statement that the owner or operator of the short-term rental will comply with the requirements of this article and all applicable state and local laws, and that the owner or operator shall be liable for any violations of applicable state and local laws;
 - (3) The guest safety information required by section 14-150;
 - (4) A sworn statement that the owner will obtain annual independent inspections of required fire extinguishers in compliance with the city’s current Fire Code;
 - (5) Formal acknowledgement that the owner/operator will remit Hotel Occupancy Taxes;
 - (6) When applicable, written verification from the owner that the operator is authorized to operate the premises as a short-term rental; and
 - (7) Such other information as the city manager or their designee deems reasonably necessary to administer this article.
- (e) Incomplete application. If an application form is determined to be incomplete, the director shall notify the owner or operator in writing of the incomplete nature of the application and the basis

for that determination. No short-term rental permit shall be granted until the owner or operator submits a complete application and remits both the application fee and the permit fee.

Sec. 14-147. - Expiration of permit; renewals.

- (a) A short-term rental permit shall expire on the last day of the month following one (1) year after the date of issuance. No short-term rental permit may be renewed without a completed renewal application submitted by the owner or operator and payment of the application fee. If the renewal application satisfies the conditions of this article and all other provisions of the Aledo Municipal Code and the zoning ordinance, an application for renewal of a short-term rental permit shall be approved by the director or their designee.
- (b) An application for a short-term rental renewal permit must 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 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. The director may require such certifications deemed necessary and proper to ensure continuing compliance with this article.
- (c) An application for a short-term rental renewal permit submitted after the expiration of the most recent permit for the premises shall be treated as an application for a new permit as described in section 14-146.
- (d) If a complete application for a short-term rental renewal permit is submitted less than thirty (30) days prior to the expiration of the current permit, the director, in their sole discretion, may grant a one-time extension of the current permit not to exceed ten (10) days.
- (e) A nonrefundable application fee shall accompany any renewal application. The application fee shall be in the amount set forth in the city's fee schedule. Upon approval of an application, there shall be a separate short-term rental permit fee as set forth in the city's fee schedule.
- (f) The director or designee may deny the renewal of a short-term rental permit if it is determined that the permit was issued in error or on the basis of incorrect information supplied by the applicant, or on other grounds as described in Section 14-151.

Sec. 14-148. - Inspection.

To ensure compliance with the requirements of this article, a short-term rental may be inspected in the following methods:

- (a) Initial inspection. Prior to issuance of a short-term rental permit, the owner or operator shall allow, within ten (10) days of receipt of notice from the city, an on-site inspection of the short-term rental premises by the director or the director's designee to ensure compliance with minimum health and safety requirements for use and occupancy. If, upon completion of an inspection, the premises are found to be in violation of one (1) or more provisions of applicable city codes and ordinances, the city shall provide written notice of such violation and shall set a reinspection date for a violation to be corrected prior to issuance of a short-term rental permit.
- (b) Fire extinguishers. The owner is responsible for obtaining annual independent inspections of the required fire extinguishers to ensure compliance with the city's current Fire Code.

- (c) Inspections upon report of suspected violation. The city may perform inspections when a violation of this article or other law is reported or suspected.

Sec. 14-149. - Change of information.

Any change to the information provided in a short-term rental application form must be reported to the city within ten (10) days and be continuously updated as changes occur.

Sec. 14-150. - Regulations.

- (a) Each owner of a short-term rental shall provide to guests a brochure and post in a conspicuous location of the short-term rental the following minimum information:
- (1) The local contact person's name and contact information;
 - (2) Pertinent information including, but not limited to, parking restrictions, trash collection schedules, location of required off-street parking, other available parking, and prohibition of parking on landscaped areas;
 - (3) Quiet hours and noise restrictions as specified under *Chapter 22, Article VI* of the Aledo Municipal Code;
 - (4) Information to assist guests in the case of an emergency posing threats to personal safety or damage to property, including emergency and non-emergency telephone numbers for police, fire, and emergency medical services and instructions for obtaining severe weather and natural or manmade disaster alerts and updates; and
 - (5) Depiction of the floor plan identifying evacuation routes, including the dwelling's exits, primary evacuation routes, and secondary evacuation routes.
- (b) Each short-term rental owner shall provide in the short-term rental working smoke detectors in accordance with adopted codes, at least one (1) working fire extinguisher in compliance with the city's adopted fire code on every floor, and at least one (1) carbon monoxide detector if the premises is connected to natural gas utilities. The premises shall otherwise comply with applicable Aledo Municipal Code requirements, including but not limited to all building and fire codes.
- (c) Every person owning, operating, managing, or controlling any hotel or short-term rental shall comply with *Chapter 70, Article III, "Hotel Occupancy Tax."* Complete and detailed records must be kept of all receipts reported and exemptions or reimbursements claimed. Failure to file this report and pay applicable tax may result in fines and penalties as prescribed by City Ordinance No. 2024-223. Upon request of the director, the owner and/or operator of a short-term rental premises shall remit, within thirty (30) days, an accounting of all rental activity and the hotel occupancy taxes paid therefor.

Sec. 14-151.- Revocation of permit; denial of permit application.

- (a) A permit may be denied or revoked by the director for any of the following reasons:
- (1) The owner and/or operator provides false or misleading information on a short-term rental application form.

- (2) The owner and/or operator fails to notify the city of changes to information contained on the short-term rental permit.
- (3) The owner and/or operator fails to timely provide any information, or any corrected information, required under this article.
- (4) The owner and/or operator fails to pay the required Hotel Occupancy Tax.
- (5) The property was the subject of repeat offenses as follows:
 - a. The owner, operator, or any occupant of a short-term rental failed to comply with any requirement of this article three or more times within a 12-month period; or
 - b. The property was the subject of five or more violations of federal law, state law, or the other provisions of the city code outside of this article within the previous 24-month period, based on (1) the frequency of any repeated violations; (2) whether a violation was committed intentionally or knowingly; and (3) any other information that demonstrates the degree to which the owner or operator has endangered public health, safety, or welfare.
- (b) Prior to denying or revoking a permit, the director shall provide a written warning to the owner and/or operator explaining the deficiencies in the application or permit and establishing a deadline by which the owner and/or operator must voluntarily remedy the deficiencies or be subject to permit revocation.
- (c) Notice that a permit has been denied or revoked shall be given in writing to the owner and/or operator who filed the short-term rental application form. The notice shall state the reason(s) for the denial or revocation, and it shall be served either by personal service or by certified United States mail to the address provided in the short-term rental application form. The denial or revocation shall become effective on the date of service if served by personal service, or three (3) days from the date of mailing if served by United States mail.
- (d) The denial or revocation of a permit may be appealed to the City Council in accordance with the provisions of this section. Such appeal must be filed with the director no later than the tenth (10th) day following the effective date of the denial or revocation of the permit. The appeal must be sworn and must identify each alleged point of error, facts and evidence supporting the appeal, and reasons why the action of the director should be modified or reversed. To contest the denial or revocation of a permit, the applicant shall file a notice of appeal with the director within ten (10) days following the effective date of the denial or revocation. If no notice of appeal is filed within ten (10) days, the denial or revocation is sustained.
- (e) The director shall forward the notice of appeal to the City Council within three (3) business days of receipt of the notice of appeal.
- (f) The City Council shall hold a hearing at the next regularly scheduled meeting for which adequate notice may be provided and shall render a decision at the conclusion of the hearing.
- (g) The applicant may seek judicial review of the City Council's review on appeal by filing a petition with a court of competent jurisdiction not later than the thirtieth (30th) day after receipt of the

notice of the decision.

- (h) An appeal shall not stay the denial or revocation of a permit unless otherwise directed by the director.
- (i) If a short-term rental permit is denied or revoked by the director and, if appealed, such denial or revocation is sustained by the City Council, no new permit may be sought for the subject property for a period of twelve (12) months following the denial or revocation pursuant to this section.

Sec. 14-152. - Compliance and enforcement; penalty provisions.

- (a) The owner, operator, local contact person, and occupants shall comply with all applicable laws, rules, and regulations pertaining to the operation, use, and occupancy of a short-term rental, as well as all city ordinances, including those related to trash, noise, and parking. The owner shall not be relieved from any civil or criminal liability for a violation of this article, regardless of whether such violation is committed by the owner, operator, local contact person, or occupant of the owner's short-term rental.
- (b) Nothing in this article shall be construed to relieve any person or owner of any other applicable requirements of federal, state, or local law, rules, or regulations. Nothing in this article shall be construed to provide any property owner with the right or privilege to violate any private conditions, covenants, and restrictions applicable to the owner's property that may prohibit the use of such owner's property as a short-term rental as defined in this article.
- (c) It shall be unlawful for any person or entity to violate any provision of this article. Proof that a violation of this article occurred at a short-term rental shall create a rebuttable presumption that the owner of said short-term rental committed the violation. Any advertisement, whether it be digital or in print, promoting the availability of a property within the city for rent for a period of twenty-nine (29) days or less, shall constitute prima facie evidence of the property's use as a short-term rental.
- (d) Prosecution under this article shall not require the pleading or proving of any culpable mental state. Any violation of this article that does not allege a culpable mental state is a class C misdemeanor offense, and upon conviction shall be punished by a fine in the maximum amount of five hundred dollars (\$500.00).
- (e) If a culpable mental state is alleged in the charge of the offense and the offense governs fire safety or public health, such offense shall be punishable by a fine not to exceed two thousand dollars (\$2,000.00).
- (f) Penalties provided for in this article are in addition to any other criminal or civil remedies that the city may pursue under federal, state, or local law.

Secs. 14-153 through 14-159. (Reserved)."

SECTION 2.

Ordinance C-2012-010, Schedule of the Rates, Fees, and Charges of the City of Aledo, Texas, is hereby amended to add the following rates, as reflected in **Exhibit A** attached hereto:

| "SHORT TERM RENTALS | | |
|----------------------------|--------------------|---------------|
| Code Section | Description | Amount |
| Sec. 14-146 | Application Fee | \$100.00 |
| Sec. 14-147 | Permit Fee | \$300.00" |

**SECTION 3.
ORDINANCE CUMULATIVE**

This Ordinance shall be cumulative of all provisions of ordinances and of the Aledo Municipal Code, as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

**SECTION 4.
SAVINGS**

That all rights and remedies of the City are expressly saved as to any and all violations of the provisions of the Aledo Municipal Code that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

**SECTION 5.
SEVERABILITY**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 6.
PENALTY**

Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance shall be fined, upon conviction, not more than Two Thousand Dollars (\$2,000.00) for each offense affecting fire safety, zoning, or public health and sanitation, other than dumping of refuse; not more than Four Thousand Dollars (\$4,000.00) for each offense for dumping of refuse; and not more than Five Hundred Dollars (\$500.00) for any other offense. Each day that a violation is permitted to exist shall constitute a separate offense.

**SECTION 7.
PUBLICATION**

The City Secretary of the City is hereby directed to publish caption, penalty clause, and effective date clause in the official newspaper as required by City Charter.

**SECTION 8.
EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication, and it is so ordained.

PASSED AND APPROVED this 9th day of January, 2025.

APPROVED

Nick Stanley, Mayor

ATTEST:

Staci King, City Secretary

APPROVED AS TO FORM AND LEGALITY

Alicia K. Kreh, City Attorney