

**WORKING DRAFT AND SUBJECT TO CHANGE – 1/24/2025 VERSION**

**ORDINANCE NO.**

**AN ORDINANCE AMENDING CITY CODE CHAPTER 11-2 RELATING TO HOTEL OCCUPANCY TAXES, SHORT-TERM RENTAL OPERATORS, AND SHORT-TERM RENTAL PLATFORMS.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART X.** City Code Section 11-2-1 (*Definitions*) is amended to add new definitions for “Platform” and “Short-Term Rental” to read:

(4) PLATFORM means a person that facilitates booking of short-term rentals on behalf of a short-term rental operator.

(5) SHORT-TERM RENTAL means the rental of a housing unit or a portion of a housing unit for periods of less than 30 consecutive days. This term does not include an extension for less than 30 consecutive days of a previously existing rental agreement of 30 consecutive days or more or a rental between the parties to the sale of that housing unit.

**PART X.** City Code Section 11-2-3 (*Collection of Tax Generally*) is amended to add a new Subsection (C) to read:

**§ 11-2-3 COLLECTION OF TAX GENERALLY.**

(A) Except as provided in Subsection (C), a [A] person who owns, operates, manages, or controls a hotel or short-term rental or collects payment for the use or possession or for the right to the use or possession of a hotel room or short-term rental shall collect the tax levied by this chapter for the City.

(B) A person who collects the tax shall deposit the tax proceeds into ~~in~~ a separate liability account and may not use the tax proceeds for any purpose other than payment to the City.

(C) A platform who collects payment for the use or possession, or for the right to the use or possession, of a short-term rental shall collect the tax levied by this chapter for the City and on behalf of short-term rental operators who use the platform.

**PART X.** City Code Section 11-2-4 (*Quarterly Reports; Payments*) is amended to amend Subsection (C) and to add new Subsections (F) and (G) to read:

**§ 11-2-4 QUARTERLY REPORTS; PAYMENTS.**

(A) A quarterly period under this section is based on the City's fiscal year, with the first quarter beginning on October 1 and ending on December 31.

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- (B) On or before the last day of the month following each quarterly period, a person required to collect the tax imposed under this chapter shall:
- (1) file a written report with the department for that quarterly period, with a copy of the report for state hotel occupancy taxes required by Section 156.151 (*Report and Payment*) of the Texas Tax Code for the same quarterly period; and
  - (2) pay the tax due for the quarter.
- (C) A report under this section shall be in the form prescribed by the department and shall include:
- (1) the total consideration paid for rooms or short-term rentals subject to the tax in the preceding quarter;
  - (2) the total amount of tax collected; and
  - (3) the total amount of tax exemptions granted.
- (D) If requested by the department, a person responsible for collecting the tax shall provide the department with:
- (1) the names, addresses, and identification relied upon to grant an exemption from the tax; and
  - (2) any other information the department may reasonably require.
- (E) The department may request, and a person required to collect the tax shall provide within a reasonable time, additional documentation verifying the information contained in the report to the City.
- (F) The report required in Subsection (C) must also include the short-term rental license numbers for taxes collected during the preceding quarter.
- (G) Each quarter, a person who operates a short-term rental and uses a platform to collect payment for the use or possession, or for the right to the use or possession, of a short-term rental must provide the department with documentation that demonstrates how much hotel occupancy tax each platform collected on the person's behalf.

**PART X.** This ordinance takes effect on \_\_\_\_[90 days after Council adopts]\_\_\_\_, 2025.