



City of Austin

Recommendation for Action

File #: 25-1824, **Agenda Item #:** 12.

9/11/2025

Posting Language

Approve an ordinance repealing and replacing City Code Chapter 4-23 to regulate short-term rental owners, operators, and platforms, creating offenses, and establishing penalties. Funding: This item has no impact on expenditures.

Lead Department

Development Services Department.

Fiscal Note

A fiscal note is attached.

This item has no impact on expenditures. However, this item does impact potential revenue for Fiscal Year 2027 as no renewal licenses would be issued in that fiscal year. The drop in revenue is estimated at \$712,311, which is based on projections of the number of renewal licenses and planned licensing fee for Fiscal Year 2027. A similar but less substantial revenue reduction occurs in Fiscal Year 2029.

	FY2026 PROPOSED	FY2027 PLANNED	FY2028 PROJECTED	FY2029 PROJECTED	FY2030 PROJECTED
Revenue	\$ 1,304,911	\$ 592,599	\$ 1,524,266	\$ 1,136,665	\$ 1,780,495
Year-on-year Variance		\$ (712,311)	\$ 931,667	\$ (387,601)	\$ 643,830

Prior Council Action:

February 27, 2025 - Council approved Ordinance No. 20250227-040, amending City Code Title 4 to add short-term rental-related regulations that apply to short-term rental owners and operators, creating offenses, and establishing penalties.

December 7, 2023 - Council approved Ordinance No. 20231207-001, Part 20, directing the Manager to continue working on a proposal to regulate short-term rentals with particular focus on the changes adopted by this ordinance and to bring back the proposed holistic changes when they are ready.

December 8, 2022 - Council approved Resolution No. 20221208-064 directing the Manager to prepare an amendment to City Code that makes it unlawful for a person to collect or receive a fee from unlicensed short-term rental operators.

For More Information:

Daniel Word, Assistant Director, DSD, Daniel.Word@austintexas.gov <<mailto:Daniel.Word@austintexas.gov>> or (512) 974-6559; Michael Harrington, Division Manager, DSD, Michael.Harrington@austintexas.gov <<mailto:Michael.Harrington@austintexas.gov>> or (512) 974-6460.

Additional Backup Information:

If approved, this ordinance will repeal and replace the regulations in City Code Title 4 (Business Regulations and Permit Requirements) to update the City's regulations that apply to short-term rental owners and operators and to add regulations for short-term rental platforms.. The amendments are designed to achieve the following objectives:

- make STRs more compatible with neighborhoods
- avoid exacerbation of affordability issues
- provide additional enforcement options
- regulate within the bounds of today's STR-related legal landscape.

Some of these regulations include placing density caps on STR owners by limiting who can operate a STR on a site with three or fewer units and requiring 1,000 feet between an individual owner's STRs. In addition, owners of dwelling units at multifamily sites will be restricted to a maximum of 25% of units under an owner's control for use as a STR. Further, existing STRs will be allowed to continue, provided the STR property does not become a nuisance and property ownership remains the same.

STR platforms would be required to provide users with documentation of the amount of HOT collect on their behalf. Users would then be required to report that information to the city. STR platforms would be required to provide a field in the advertisement template that requires the user to enter a license number. The STR platform would not be responsible for validating whether the license is active. Further, STR platforms would be required to "de-list" advertisements on their platform if requested by the City, if the City finds that the advertisement is for a property that is not subject to a valid license.

Hosts would have to complete a self-certified safety checklist, attesting that items such as smoke detectors, carbon monoxide detectors, and egress windows are present and operable.

Further, hosts would have to provide a local contact, being someone that is able to make decisions about the property and available to either return a phone call or respond to the property location within 2 hours of being contacted by a city employee.

Additionally, the Director of Development Services would be provided with additional enforcement capabilities, such as declaring a property a nuisance and revoking a STR license or requiring mitigation for properties with recurring issues as a condition of STR license renewal. If a license is revoked, the Director would also have the ability to request that any advertisement of the property be "de-listed" by the STR platforms.