

ORDINANCE NO. 21-021

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING "THE CODE OF THE CITY OF GALVESTON 1982, AS AMENDED", CHAPTER 19, "LICENSES, PERMITS AND BUSINESS REGULATIONS", ARTICLE VI, "SHORT TERM RENTALS" BY ADDING SECTIONS 19-117, RELATED TO ADVERTISEMENT OF SHORT TERM RENTAL UNITS AND SECTION 19-118, RELATED TO ONLINE SHORT TERM RENTAL PLATFORMS; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the proliferation of Short Term Rental units in the City of Galveston has been a noteworthy development in the City of Galveston which has presented a number of challenges to the City; and

WHEREAS, the City has previously entered into an Interlocal Agreement with the Park Board of Trustees to register short term rental units in the City of Galveston; and

WHEREAS, the City deems it advisable to require the display of the registration number of a Short Term Rental unit in the City of Galveston to allow enforcement of various requirements in the City, including the payment of the City's Hotel Occupancy Tax; and

WHEREAS, the City staff has consulted with representatives of the online booking industry who have expressed their support for a provision relating to the display of registration numbers on their online booking pages and providing for those online booking platforms to pay to the City the Hotel Occupancy Tax associated with those bookings; and

WHEREAS, the implementation of these sections is expected to yield higher Hotel Occupancy Tax payments for units in the City of Galveston and enhance the registration of units in the City; and,

WHEREAS, the City Council deems it in the public's interest to amend the Code of the City of Galveston 1982, as amended", Chapter 19, "Licenses, Permits and Business Regulations" Article VI, providing for regulations related to advertisement of short term rental units and online short term rental platforms, as provided in Section 2 below.

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

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The Code of the City of Galveston 1982, as amended, Chapter 19, “Licenses, Permits and Business Regulations”, Article VI, “Short Term Rentals” is amended to read and provide as follows:

Sec. 19-117. Reserved. Advertisement of Short Term Rental units.

- a) In this section, the term “advertisement” shall refer to any communication made by the owner/operator of a short term rental notifying the public that a short term rental is available for rent by the reader.
- b) In this section, the term “medium” shall refer to any publication such as newspapers, signs, magazines, websites, television advertisements, which conveys to the reader the availability of the unit for rental on a short term basis.
- c) An owner/operator of a short term rental in the City of Galveston who uses any medium to market their short term rental in the City of Galveston must include on the advertisement the registration number obtained from the Park Board of Trustees.
- d) Failure to comply with this section shall be an offense punishable in accordance with Sec. 19-116. Each day of advertisement shall constitute a separate offense. In the event multiple mediums are utilized, each advertisement in a single medium is a separate offense.

Sec. 19-118. Reserved. Short Term Rental Platforms.

- (a) A short term rental platform is a person or entity that: 1) provides an online means through which an Owner / Operator may offer a short term rental unit for rent by the public and the consumer may lease the unit; and 2) receives a financial benefit as a result of the rental.
- (b) A short term rental platform that displays listings of short term rentals located in the City of Galveston shall require an Owner / Operator using the platform to include the property’s registration number in any listing for a short term rental on the platform. The registration number must be displayed on the listing. No short term rental shall be listed on the platform which does not include the registration number. □ □
- (c) A short term rental platform shall remove any listing for a short term rental from the platform after notification by the Park Board of Trustees that the registration number associated with a short term rental listing is invalid, expired, or has been revoked. The notification must identify the listing(s) to be removed and state the reason for removal. The platform shall remove the listing as soon as practicable.
- (d) A short term rental platform that collects State Hotel Occupancy Tax shall collect City Hotel Occupancy Tax for Owners / Operators and remit to the City, the applicable City of Galveston Hotel Occupancy Tax, as calculated on the amount the short term rental guest pays to the short term rental Owner / Operator for rent. To effectuate this provision, the

City Hotel Occupancy Tax Code, Chapter 33, Article III shall apply to short term rental platforms.

- (e) A short term rental platform that fails to comply with the requirements in this Article is subject to the applicable penalty provisions of the City Hotel Occupancy Tax Code, Chapter 33, Article III.
- (f) Nothing in this ordinance will absolve the Owner/Operator from any duties or obligations which arise under Chapter 19 or Chapter 33 of the City of Galveston Municipal Code. Notwithstanding any other provision of this ordinance, payment of Hotel Occupancy Tax is the responsibility of the short-term rental Owner/Operator.

Sec. 19-119. Reserved.

SECTION 3. 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, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

SECTION 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. All Ordinances of general and permanent nature, and amendments to such Ordinances, hereinafter adopted by the City Council, shall be drafted, so far as possible, as specific amendments of, or additions to, this Code. Amendments to this Code are intended for publication to the Galveston City Code. The Codifier is authorized pursuant to the Galveston City Code to make non-substantive changes to the Ordinance prior to publishing.

SECTION 6. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 7. After adoption, this Ordinance shall be and become effective on August 1, 2021.

APPROVED AS TO FORM:

DONALD S. GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular meeting held on the 27th day of May, 2021 as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this ____ day of _____, 2021.

Secretary for the City Council
Of the City of Galveston

Bryson Frazier
Chief Financial Officer
Galveston Park Board of Trustees
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