
DRAFT FOR REVIEW

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ENCHANTED OAKS, TEXAS, ESTABLISHING REGULATIONS FOR SHORT-TERM RENTAL DWELLINGS; REQUIRING REGISTRATION AND ANNUAL PERMITS; ESTABLISHING APPLICATION REQUIREMENTS, PERMIT FEES, OPERATIONAL STANDARDS, INSPECTION AUTHORITY, AND ENFORCEMENT PROVISIONS; PROVIDING PENALTIES FOR VIOLATIONS; PROVIDING A TRANSITION PERIOD FOR EXISTING SHORT-TERM RENTALS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Enchanted Oaks, Texas (the “City”) is a general law municipality organized and operating under the laws of the State of Texas;

WHEREAS, the City Council is authorized by Tex. Local Gov’t Code § 51.001 to adopt ordinances for the good government, peace, and order of the municipality and for the trade and commerce of the municipality, as necessary or proper to carry out powers granted by law to the municipality;

WHEREAS, the City Council is further authorized by Tex. Local Gov’t Code § 211.004 to regulate through zoning the use and development of land within the City’s corporate limits for the purpose of promoting health, safety, morals, and general welfare;

WHEREAS, short-term rental dwellings — privately owned residential properties rented to the public for periods of fewer than 30 consecutive days through platforms such as Airbnb, VRBO, and similar services — have increased in prevalence within the City and surrounding region;

WHEREAS, the City Council finds that unregulated short-term rental activity presents legitimate public health, safety, and welfare concerns, including risks related to fire safety in unpermitted dwellings, impacts on residential neighborhood character, noise and nuisance complaints, parking congestion, and inadequate emergency contact availability;

WHEREAS, the City Council finds that a permit registration system is a necessary and proportionate regulatory response to these concerns and is consistent with the approach adopted by other Texas municipalities;

WHEREAS, the City Council finds that the permit fee established herein reflects the estimated cost to the City of administering the short-term rental registration program, including staff review, processing, inspections, and enforcement, and is not intended as a revenue-raising measure;

WHEREAS, the City Council finds that this Ordinance does not prohibit or unreasonably restrict the use of any property as a short-term rental, but establishes reasonable operational and registration standards for the protection of the public;

WHEREAS, the City Council finds that this Ordinance is necessary and proper to carry out the powers granted to the City and serves a legitimate governmental interest in the health, safety, and welfare of the City’s residents and visitors;

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

ARTICLE I. GENERAL PROVISIONS

Sec. 1.01. Purpose and Authority.

This Ordinance is enacted pursuant to the authority granted to the City by Tex. Local Gov’t Code §§ 51.001 and 211.004 for the purpose of promoting the public health, safety, and welfare of the residents of Enchanted Oaks by establishing registration and operational standards for short-term rental dwellings within the City’s corporate limits.

Sec. 1.02. Definitions.

As used in this Ordinance, the following terms have the meanings set forth below:

- (a) “City” means the City of Enchanted Oaks, Texas.
- (b) “Dwelling” means a structure or portion of a structure that is designed and used for residential habitation, including single-family dwellings, multi-family attached dwellings, condominiums, and apartments.
- (c) “Authorized Official” means the City official, department, or designee authorized by the City Council to administer and enforce this Ordinance.
- (d) “Guest” means any person who occupies a Short-Term Rental Dwelling overnight during a permitted rental period, and any daytime visitor of such overnight occupant.
- (e) “Local Contact Person” means the Owner, Operator, or a person designated in writing by the Owner or Operator who is available by telephone 24 hours per day, seven days per week, for the purpose of promptly responding to complaints, concerns, or requests for assistance related to the Short-Term Rental Dwelling.
- (f) “Operator” means the Owner or the Owner’s authorized representative who is responsible for compliance with this Ordinance while advertising and/or operating a Short-Term Rental Dwelling.
- (g) “Owner” means the person or entity that holds legal or equitable title to a Short-Term Rental Dwelling property.
- (h) “Permit” means a Short-Term Rental Permit issued by the City pursuant to this Ordinance.
- (i) “Short-Term Rental Dwelling” or “STR” means a privately owned dwelling, including but not limited to a single-family dwelling, multi-family attached dwelling, or a portion of such a dwelling, rented by the public for consideration and used for lodging or sleeping purposes for any period of fewer than 30 consecutive days.

ARTICLE II. PERMIT REQUIREMENTS

Sec. 2.01. Permit Required.

- (a) No person shall advertise, offer for rent, or operate a Short-Term Rental Dwelling within the corporate limits of the City without first obtaining a valid Permit issued pursuant to this Ordinance.
- (b) A separate Permit is required for each individual Short-Term Rental Dwelling unit. Permits are non-transferable and are valid only for the property address stated on the Permit.
- (c) A Permit issued under this Ordinance does not authorize the Owner or Operator to use the property in any manner that is otherwise prohibited by federal, state, or local law, or by any applicable deed restriction or property owners' association rule.

Sec. 2.02. Application for Permit.

An applicant shall submit an application for a Short-Term Rental Permit to the Authorized Official using the form and method designated by the City. The application shall include, at minimum, the following information:

- (a) Full legal name, mailing address, telephone number, and email address of the Owner;
- (b) Street address of the Short-Term Rental Dwelling;
- (c) Full legal name, telephone number, and email address of the Operator, if different from the Owner;
- (d) Full legal name, telephone number, and email address of the Local Contact Person, together with a written acknowledgment by the Local Contact Person of the duties imposed by Sec. 3.01 of this Ordinance;
- (e) Proof of fire and general liability insurance satisfying the requirements of Sec. 3.02;
- (f) A signed certification that the Owner and Operator have read this Ordinance, that all information in the application is true and accurate, and that the Owner and Operator agree to comply with all applicable laws; and
- (g) Any additional information reasonably required by the Authorized Official to administer this Ordinance.

An incomplete application shall not be processed. The Authorized Official shall notify the applicant in writing of any deficiencies within ten (10) business days of receipt. The applicant shall have 30 days to cure such deficiencies before the application is deemed withdrawn.

Sec. 2.03. Permit Fee.

- (a) Each application for a Short-Term Rental Permit shall be accompanied by a non-refundable permit fee of \$200.00 per Short-Term Rental Dwelling unit, payable to the City at the time of application submission.
- (b) The permit fee is established as a cost-recovery fee designed to offset the City's costs of reviewing applications, processing permits, conducting inspections, and administering and enforcing this Ordinance. The fee shall be the same for all applicants regardless of where the Owner or Operator resides.

(c) The City Council may, by resolution, adjust the permit fee as necessary to reflect changes in the City's actual costs of administering this Ordinance, provided that any adjusted fee shall not exceed the City's reasonable cost of regulation.

Sec. 2.04. Inspections.

(a) The Authorized Official , or any City official authorized by the Authorized Official , may inspect a Short-Term Rental Dwelling prior to initial permit issuance, upon any permit renewal, or at any time upon receipt of a complaint to verify compliance with this Ordinance and applicable fire, building, and safety codes.

(b) The Authorized Official shall provide the Owner or Local Contact Person reasonable advance notice of a scheduled inspection, except when the inspection is initiated in response to an emergency or an imminent threat to public safety.

(c) The Owner and Operator shall cooperate with and facilitate any inspection conducted pursuant to this section. Refusal to permit a lawful inspection is grounds for denial or revocation of a Permit.

Sec. 2.05. Permit Issuance and Denial.

(a) The Authorized Official shall issue a Permit within 30 days after receipt of a complete application and payment of the applicable fee, provided the property satisfies all requirements of this Ordinance and applicable codes.

(b) The Authorized Official may deny an application if:

- (1) The application is materially incomplete or contains a material false or misleading statement;
- (2) The applicant fails to pay the required permit fee;
- (3) The Short-Term Rental Dwelling does not comply with applicable fire, building, health, or safety codes;
- (4) The applicant fails to provide proof of insurance satisfying Sec. 3.02; or
- (5) A Permit for the same property was revoked within the preceding 12 months, unless the Authorized Official determines that the circumstances giving rise to revocation have been fully remedied.

(c) If an application is denied, the Authorized Official shall provide the applicant written notice stating the specific grounds for denial. The applicant may appeal the denial pursuant to Sec. 5.02 of this Ordinance.

Sec. 2.06. Permit Term and Renewal.

(a) A Permit issued under this Ordinance is valid for one calendar year and expires on December 31 of the year of issuance, unless sooner revoked.

(b) Permit holders must submit a renewal application and pay the applicable fee no later than January 31 of each succeeding year. Renewal applications are subject to the same requirements as initial applications. An STR that operates after December 31 without a valid renewal is in violation of this Ordinance.

(c) The Owner or Operator shall notify the Authorized Official in writing within 10 days of any change in the identity or contact information of the Owner, Operator, or Local Contact Person.

ARTICLE III. OPERATIONAL STANDARDS

Sec. 3.01. Local Contact Person.

(a) Every Short-Term Rental Dwelling must at all times have a designated Local Contact Person whose name and telephone number are on file with the Authorized Official. The Local Contact Person must be reachable by telephone 24 hours per day, seven days per week, during any period in which the property is occupied by Guests.

(b) The Local Contact Person shall respond to any call from the City or a neighboring property owner within one (1) hour of contact and shall be capable of taking corrective action to address a complaint or concern within two (2) hours of notification.

(c) Failure of the Local Contact Person to respond within the time periods specified in this section, or repeated failures to take corrective action, shall constitute a violation of this Ordinance.

Sec. 3.02. Insurance Requirements.

(a) The Owner shall maintain, at all times during which the property is offered or used as a Short-Term Rental Dwelling, a general liability insurance policy with a combined single limit of not less than **\$1,000,000 per occurrence** for bodily injury and property damage arising from Short-Term Rental use.

(b) Proof of insurance satisfying the requirements of this section shall be submitted at the time of initial application and at each renewal. A lapse in required insurance coverage shall constitute a violation of this Ordinance and grounds for Permit revocation.

Sec. 3.03. Maximum Occupancy.

Maximum overnight Guest occupancy shall not exceed two (2) persons per bedroom plus two (2) additional persons per dwelling unit, subject to applicable fire code limitations. A bedroom for purposes of this section means a room designed and used primarily for sleeping that meets applicable habitability standards under the City's codes.

Sec. 3.04. Noise and Nuisance.

The Owner, Operator, Local Contact Person, and Guests shall comply with all applicable City noise ordinances and nuisance regulations. The Owner and Operator are responsible for ensuring that Guests are informed of and comply with applicable noise and nuisance standards. Repeated or egregious violations of noise or nuisance standards by Guests shall be grounds for Permit revocation as provided in Sec. 5.01.

Sec. 3.05. Hotel Occupancy Tax.

Short-Term Rental Dwellings are subject to the state hotel occupancy tax imposed by Tex. Tax Code § 156.101 on rentals of fewer than 30 consecutive days, and to any applicable local hotel occupancy tax. As a condition of permit issuance, the Owner or Operator shall provide evidence

that the STR is registered with the Texas Comptroller of Public Accounts for hotel occupancy tax purposes, or documentation demonstrating that the advertising platform used remits hotel occupancy tax on the Owner's behalf. Failure to maintain compliance with applicable hotel occupancy tax obligations shall constitute a violation of this Ordinance.

Sec. 3.06. Compliance with Other Laws.

The Owner, Operator, Local Contact Person, and Guests shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, including those governing building safety, fire safety, zoning, and nuisance. This Ordinance does not supersede or modify any applicable deed restriction, subdivision restriction, or property owners' association rule.

ARTICLE IV. COMPLAINTS

Sec. 4.01. Complaint Reporting and Response.

(a) Complaints related to the operation of a Short-Term Rental Dwelling — including but not limited to complaints concerning noise, garbage, parking, disorderly conduct, or other violations of this Ordinance — shall be directed to the City Authorized Official. Current contact information shall be maintained on the City's official website and provided to Permit holders at the time of permit issuance.

(b) Upon receiving a complaint, the Authorized Official shall document the complaint, notify the Local Contact Person, and investigate as appropriate. The Authorized Official shall maintain a complaint log for each Short-Term Rental Dwelling.

(c) Nothing in this section shall be construed to prevent any person from reporting an emergency to 9-1-1 or from contacting any appropriate law enforcement agency.

ARTICLE V. ENFORCEMENT

Sec. 5.01. Permit Revocation.

(a) The Authorized Official may revoke a Permit upon finding that the Owner or Operator has:

- (1) Made a material false or misleading statement in the permit application;
- (2) Failed to maintain insurance as required by Sec. 3.02;
- (3) Failed to maintain a designated Local Contact Person as required by Sec. 3.01;
- (4) Received three or more substantiated complaints within any 12-month period;
- (5) Failed to pay the required permit fee or applicable hotel occupancy taxes;
- (6) Allowed the STR to be used in a manner that constitutes a threat to public health, safety, or welfare; or
- (7) Otherwise materially violated any requirement of this Ordinance or any applicable law.

(b) Before revoking a Permit, the Authorized Official shall provide the Owner and Operator written notice stating: (i) the specific grounds for revocation; (ii) a description of any corrective

action that may cure the violation; and (iii) that the Owner or Operator has ten (10) days from the date of notice to cure the identified violation or to request a hearing before the Authorized Official .

(c) If the violation is not cured within the cure period and no hearing is requested, the Permit shall be deemed revoked. If a hearing is timely requested, the Authorized Official shall conduct the hearing within 15 days of the request and shall issue a written decision within five (5) business days thereafter.

(d) In cases involving an imminent threat to public health or safety, the Authorized Official may immediately suspend a Permit pending a hearing, which shall be scheduled within five (5) business days of the suspension.

Sec. 5.02. Appeal Procedure.

(a) An Owner or Operator aggrieved by the denial or revocation of a Permit may appeal to the City Council by filing a written notice of appeal with the City Secretary within 30 days of the date of the written notice of denial or revocation.

(b) The notice of appeal shall state with specificity the grounds upon which the appellant contends the denial or revocation was in error.

(c) The City Council shall hear the appeal at a duly noticed public meeting within 60 days of the filing of the notice of appeal. The appellant shall have an opportunity to present testimony and evidence. The City Council's decision shall be in writing and shall be final.

(d) During the pendency of an appeal of a denial, the applicant may not operate the STR unless the Authorized Official grants a temporary operating authorization. During the pendency of an appeal of a revocation, the revocation shall be stayed unless the Authorized Official has suspended the Permit under Sec. 5.01(d) on grounds of imminent threat.

Sec. 5.03. Penalties.

(a) Any person who violates any provision of this Ordinance commits an offense and, upon conviction in municipal court, shall be subject to a fine as provided by Tex. Local Gov't Code § 54.001. Because this Ordinance relates to zoning and public health and safety, the fine for each offense shall not exceed \$2,000.00, as authorized by § 54.001(b). Each day of a continuing violation constitutes a separate offense.

(b) In addition to criminal prosecution, the City may recover a civil penalty in a civil suit against the Owner or the Owner's representative with control over the premises, not to exceed \$1,000.00 per day for each day of violation after actual notice of the ordinance provisions, as authorized by Tex. Local Gov't Code § 54.017.

(c) The City may also seek injunctive or other equitable relief in a court of competent jurisdiction to restrain, correct, or abate any violation of this Ordinance.

(d) The remedies provided in this section are cumulative and in addition to any other remedies available under applicable law.

ARTICLE VI. EXISTING SHORT-TERM RENTALS

Sec. 6.01. Self-Reporting Obligation.

The registration and permit requirements of this Ordinance place the burden of compliance on the Owner or Operator of each Short-Term Rental Dwelling. Each Owner and Operator is individually responsible for determining whether the property is subject to this Ordinance and for submitting a timely application. Lack of actual notice from the City does not excuse an Owner or Operator from the obligation to register.

Sec. 6.02. Published Notice of Ordinance.

(a) Within ten (10) days of adoption of this Ordinance, the City shall publish notice of the Ordinance and the registration requirements on the City’s official website and the City’s official Facebook page. Such notice shall include: (i) a plain-language description of the registration requirements; (ii) the 90-day transition period and registration deadline; (iii) the permit fee amount; and (iv) the contact information for the Authorized Official .

(b) Published notice on the City’s official website and Facebook page shall constitute general notice to all property owners and operators within the City for purposes of this Ordinance, including for purposes of Tex. Local Gov’t Code § 211.019 (as amended by S.B. 929, 88th Leg., R.S. (2023)), with respect to owners and operators who cannot be individually identified by the City.

(c) In addition to published notice, the City shall make reasonable efforts to provide individual written notice of this Ordinance to any Owner or Operator who can be identified through hotel occupancy tax registration records, prior complaint records, or other available City records, to the extent practicable prior to the effective date.

Sec. 6.03. Transition Period for Existing Short-Term Rentals.

(a) Any Short-Term Rental Dwelling lawfully operating within the City on the effective date of this Ordinance shall have 90 days from the effective date to submit a complete Permit application and pay the required fee. During this transition period, such an STR may continue to operate without a Permit, provided the Owner or Operator submits a completed application within 90 days of the effective date.

(b) Upon expiration of the 90-day transition period, any STR operating without a valid Permit shall be subject to enforcement under Sec. 5.03 of this Ordinance.

(c) This Ordinance shall not be construed to eliminate any vested property right recognized under applicable Texas law, including the fundamental right of a property owner to lease his or her property, subject to the reasonable regulatory standards established herein.

ARTICLE VII. MISCELLANEOUS

Sec. 7.01. Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared severable.

Sec. 7.02. Savings Clause.

This Ordinance shall not be construed to affect any suit or proceeding now pending in any court, or any rights acquired or liability incurred under any act or ordinance hereby repealed or modified. No right or remedy of any character shall be lost, impaired, or affected by this Ordinance.

Sec. 7.03. Repeal of Conflicting Ordinances.

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict; provided, however, that such repeal shall not affect any action taken or any penalty incurred prior to the effective date of this Ordinance.

Sec. 7.04. Effective Date.

This Ordinance shall take effect immediately upon passage and approval by the City Council of the City of Enchanted Oaks, Texas, and publication as required by law.

PASSED AND APPROVED on first reading this the _____ day of _____, 2026.

PASSED AND APPROVED on second and final reading this the _____ day of _____, 2026.

CITY OF ENCHANTED OAKS, TEXAS

By: _____
Mayor, City of Enchanted Oaks, Texas

ATTEST:

City Secretary, City of Enchanted Oaks, Texas

APPROVED AS TO FORM:

City Attorney, City of Enchanted Oaks, Texas

Published: _____ / _____ / 2026