



**SHORT TERM RENTAL ORDINANCE AND LICENSE REQUIREMENTS**

**FREQUENTLY ASKED QUESTIONS**

**WHAT IS A SHORT TERM RENTAL?**

A short term rental (STR) is the rental of a residential property (consisting of one or more dwelling units), that is rented out for compensation on a temporary basis for a period of less than 30 consecutive days. For the purpose of this document, “STR” applies to all four categories of STRs (see Table 1) unless otherwise noted. In order to operate an STR in McGregor, a license must be obtained from the Community Development department. In some cases, a special permit is also required prior to issuance of a license.

**WHAT ARE THE DIFFERENT CATEGORIES OF SHORT TERM RENTALS?**

Table 1 summarizes the five different short term rental categories, and provides examples of different rental situations.

**TABLE 1: SHORT TERM RENTAL CATEGORIES**

<b>Short Term Rental Category</b>	<b>Description</b>	<b>Examples</b>
Bed and Breakfast Homestay Establishment (BBHE)	<ul style="list-style-type: none"> <li>• Owner stays on the property while operating the BBHE</li> <li>• No more than 5 guest rooms</li> <li>• May rent to multiple groups at a time</li> </ul>	<ul style="list-style-type: none"> <li>• Hymnsinger House</li> <li>• Spencer House B&amp;B</li> </ul>
Bed and Breakfast Inn (B&B Inn)	<ul style="list-style-type: none"> <li>• Resident manager stays on the property while operating the B&amp;B Inn</li> <li>• No more than 15 guest rooms</li> <li>• May rent to multiple groups at a time</li> </ul>	<ul style="list-style-type: none"> <li>• Cotton Palace B&amp;B</li> </ul>
Short Term Rental Type I (STR Type I)	<ul style="list-style-type: none"> <li>• Owner stays on the property while operating the STR</li> <li>• Only rent to one group at a time</li> </ul>	<ul style="list-style-type: none"> <li>• Rent one or more bedrooms in house or apartment</li> <li>• Owner lives in main house and rents backyard guest house or garage apartment</li> </ul>
Short Term Rental Type II (STR Type II)	<ul style="list-style-type: none"> <li>• Owner does not stay on the property while operating the STR</li> <li>• Only rent to one group at a time</li> <li>• Single-family, duplex property,</li> </ul>	<ul style="list-style-type: none"> <li>• Any single family or duplex residential property</li> <li>• A private residence that is rented occasionally</li> <li>• Full-time rental property</li> </ul>

**WHAT ARE THE LICENSE REQUIREMENTS?**

The initial application for an STR license should include the following information:

- Completed license application
- Site plan showing the property and required parking
- If the property is already operating as an STR, record of city and county hotel occupancy tax payments
- Approved specific use permit (if required)
- Compliance with Sec. 14-287 of the license ordinance, including distance, density, parking signage, lighting and occupancy requirements

- If applicable, a copy of the certificate of occupancy *issued in the last 12 months*. If this does not apply then a life safety inspection will be required. See more details below.

The license application will be reviewed and processed by staff in the Community development department. Once your application has been received, staff will assign a permit number. Once a permit number has been assigned, a life safety inspection can be scheduled (see “Is an Inspection Required?” on page 2 of this document).

A license fee initial request or annual renewal will be due when all required items have been received and the application is approved. A license will be valid for one year from the date of issuance, and may be renewed annually subject to a renewal fee and up-to-date city and county hotel occupancy taxes.

**WHEN IS A SPECIAL PERMIT REQUIRED?**

Table 2 provides a matrix of when special permits are required. To determine if a special permit is needed, you’ll need to know the STR category and zoning district for the rental property. You may find the zoning of your property by contacting the Community Development Department at 254-840-2806.

**TABLE 2: SHORT TERM RENTALS REQUIRING SPECIAL PERMITS**

STR Category	R-6	R-7.2	R-10	MD	MF	MH	NC	GC	CBD	LI	MI	HI
BBHE	S	S	S	S	S	S	P	P	S			
B&B Inn	S	S	S	S	S	S	P	P	S			
STR Type I	S	S	S	S	S	S	P	P	S			
STR Type II	S	S	S	S	S	S	P	P	S			

The specific use permit request will require approval from the Plan Commission and the City Council and includes noticing to all property owners within 200 feet. An STR license will not be issued until the special permit is approved. On average, the special permit process takes approximately 60-90 days.

**IS AN INSPECTION REQUIRED?**

All STR properties must pass a Life Safety Inspection in order to receive an STR license. A non-refundable inspection fee will apply. If the property was recently constructed, a Certificate of Occupancy issued within the last 12 months will be accepted in lieu of a Life Safety Inspection; however, the applicant will still be required to post an evacuation plan in each sleeping area, and provide evidence that this requirement has been met.

Once an application has been submitted, staff will assign a permit number. To schedule a life safety inspection and for more details on life safety requirements, please call the Fire Marshal at 254-840-2806. *You must reference the permit number and address when scheduling the inspection.*

## **DOES THE SHORT TERM RENTAL NEED TO BE LOCALLY OWNED OR OPERATED?**

If the license holder does not reside in McLennan County a “Designated Operator” must be assigned. The Designated Operator must reside in McLennan County and be present in the county and available at all times the STR is in use.

## **WHAT ARE THE DISTANCE AND DENSITY REQUIREMENTS FOR STRS?**

In all allowed zoning districts, a BBHE or STR Type II may not be located within 500 feet of another licensed BBHE or STR Type II.

STRs with an existing special permit as of August 1, 2018 are exempt from the distance and density requirements if: 1) The license is granted to the same person or entity that the special permit was granted to; 2) The license is continuously renewed prior to expiration; and 3) The license is not revoked after August 1, 2018.

## **WHAT ARE THE PARKING REQUIREMENTS?**

STR guests are not allowed to park on the street. A minimum of one off-street parking space is required per rented room. For STR Type I, Type II, B&B Inn, and BBHE properties, there is a base requirement of two parking spaces, plus one parking space per rented room. Required parking must meet the standards of the *City of McGregor Zoning Ordinance*, prior to issuance of a license. STRs in NC and CBD are exempt from this parking requirement.

## **WHAT ARE THE OCCUPANCY LIMITS?**

The maximum adult occupancy for any of the four STR categories is 2 adults per bedroom, plus an additional two adults per rental unit. In R-6, R-7.2, and R-10 zoning districts, a BBHE, STR Type I, or STR Type II may not be occupied by more than 4 individuals unrelated by blood, marriage, or adoption at any given time.

## **ARE THERE RESTRICTIONS ON EVENTS, FOOD SERVICE, OR NOISE?**

Food service establishments and events open to non-STR guests are only allowed in zoning districts that would allow these uses by right (e.g., restaurants or catering establishments). Functions such as meetings, receptions, weddings, or other social events provided for compensation (or held by guests) are permitted in commercial zoning districts only. All STR properties must comply with the city’s noise requirements set forth in Article II of Chapter 34 Section 34-30 of the code of ordinances.

## **WHAT INFORMATION WILL BE PROVIDED TO NEIGHBORS?**

Upon approval of a license application, the Community Development department will provide contact information to owners of real property within 200 feet of the STR. This will include the name and phone number of the owner and/or Designated Operator; license number; and occupancy limits. If licensees wish, they may designate a separate phone number for their STR through a service such as Google Voice.

## **WHAT INFORMATION WILL BE PROVIDED TO GUESTS?**

Each STR unit must have a conspicuously displayed sign in the common area. The sign will be provided by the Community Development department and will include: 1) the name and contact information of the owner and/or Designated Operator; 2) the STR license number; and 3) the occupancy limits and parking requirements set forth in the license.

### **WHAT NEEDS TO BE INCLUDED IN THE SHORT TERM RENTAL ONLINE LISTING?**

All licensed STR advertisements, marketing materials, and online listings must prominently display the assigned license number and occupancy limit.

### **ARE SHORT TERM RENTALS SUBJECT TO HOTEL OCCUPANCY TAXES?**

As of January 1, 2018, short term rentals are subject to a combined 14% hotel occupancy tax (6% to the City of McGregor; 6% to the State of Texas; and 2% to McLennan County).

If the STR is already operating, city/county tax records must be submitted with the license or renewal request. While the STR operator is responsible for all of the hotel occupancy taxes listed above, only city/county tax records will be reviewed.

Contact City Secretary to obtain reporting form of Hotel Motel Occupancy Tax. 254-840-2806.

Payment is due on or before the last day of the month following each quarterly period.

### **WHAT IS THE APPEAL PROCESS FOR A SUSPENSION OR DENIAL OF A LICENSE?**

A licensee or applicant may appeal the Community Development decision to deny, suspend or revoke a license. Appeals must be submitted to the city secretary in writing, within 15 days following the date of receipt of the decision, and a hearing will be scheduled for the next regular meeting of the city council that is more than 6 days away. The council will render a decision on the appeal within 10 days of the hearing. The STR must cease operation during the appeal process.

**For any concerns or questions please contact Cassie Thomas @ 254-236-8400.**