

**ORDINANCE NO. 2020-157**

**AN ORDINANCE AMENDING CHAPTER 13 “LICENSES, PERMITS AND BUSINESS REGULATIONS” OF THE CODE OF ORDINANCES OF THE CITY OF WACO, TEXAS, BY AMENDING PORTIONS OF ARTICLE XIII. “BED AND BREAKFAST FACILITIES AND SHORT TERM RENTAL FACILITIES” TO ADDRESS LENGTH OF LICENSE, AND DENSITY RESTRICTIONS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR PENALTIES; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WACO, TEXAS:**

**Section 1.** That Article XIII. “Bed and Breakfast Facilities and Short Term Rental Facilities” in Chapter 13 “Licenses, Permits and Business Regulations” of the Code of Ordinances of the City of Waco, Texas, shall be amended as follows (~~deletions~~/ additions):

**ARTICLE XIII. BED AND BREAKFAST FACILITIES AND SHORT TERM RENTAL FACILITIES**

**Sec. 13-465. - Definitions.**

As used in this article:

*Bed and breakfast facility* includes a bed and breakfast homestay establishment or bed and breakfast inn.

*Bed and breakfast homestay establishment* shall mean an owner occupied residential property where short term lodging is provided that contains no more than five guest rooms and where breakfast service may be provided to overnight guests only. The owner must reside on the property and be present at the property for the duration of any short term rental. The property may be rented out to multiple short term lodging groups at a time.

*Bed and breakfast inn* shall mean a resident managed residential property where short term lodging is provided that contains no more than 15 guest rooms and where breakfast service may be provided to overnight guests only. The resident manager must reside on the property and be present at the property for the duration of any short term rental. The property may be rented out to multiple short term lodging groups at a time.

*Designated operator* shall mean the operator of a bed and breakfast facility or short term rental facility who resides in McLennan County, Texas, and will be present in McLennan County and available at all times the rental is in use.

*Group* shall mean a unit of person(s) that are together under a single reservation.

*Influential interest means any of the following:*

(1) The actual power to operate, or control the operation, management or policies of the legal entity;

(2) Ownership of a financial interest of 30 percent or more of the legal entity or of any class of voting securities of the legal entity; or

(3) Holding an office (e.g., president, vice president, secretary, treasurer, managing member, managing director, etc.) in the legal entity.

*Licensee* shall mean a person or legal entity issued a bed and breakfast facility or short term rental facility license.

*Owner shall mean an individual person, proprietorship, partnership, corporation, association, or other legal entity.*

*Short term rental* shall mean a residential dwelling unit(s) that is rented out for compensation on a temporary basis for a period of less than 30 consecutive days.

*Short term rental facility* includes a short term rental type I, short term rental type II, or short term rental type III.

*Short term rental type I* shall mean an owner occupied residential property where short term lodging is provided to only one group at a time per dwelling unit. Non-conforming single family residential properties that contain more than one dwelling unit shall rent to only one group at a time. The owner must reside in the primary structure on the property and be present at the property for the duration of any short term rental.

*Short term rental type II* shall mean a single family or duplex residential property where short term lodging is provided to only one group at a time per dwelling unit. Non-conforming single family residential properties that contain more than one dwelling unit shall rent to only one group at a time. The property is not part of a multi-family residential use. The owner does not reside on the property or is not present at the property for the duration of any short term rental.

*Short term rental type III* shall mean a multi-family residential property where short term lodging is provided to only one group at a time per dwelling unit. The owner does not reside on the property or is not present at the property for the duration of any short term rental.

**Sec. 13-468. – Length of license; renewal.**

(a) A bed and breakfast facility license or short term rental facility license shall be valid for a period of ~~one~~ two year ~~years~~ from the date of issuance and may be renewed by applying in accordance with Section 13-467.

(b) Bed and breakfast facilities or short term rental facilities with existing special permits, or that are allowed by right per Chapter 28 of this Code, as of August 1, 2017 are required to obtain a license under the provisions of this article, subject to the following:

- (1) A license must be obtained on or before February 28, 2018; and
- (2) The initial license fee will be waived for such facilities with existing special permits.

**Sec. 13-471. – Additional requirements and restrictions for bed and breakfast facilities or short term rental facilities.**

(a) Distance and density.

- (1) In R-E, R-1A, R-1B, ~~and~~ R-1C and R-2 zoning districts, a bed and breakfast homestay establishment or short term rental type II may not be located within 500 feet of another licensed bed and breakfast homestay establishment or short term rental type II. The 500 feet restriction in R-2 zoning districts will be effective April 30, 2020.
- (2) Short term rental type III properties may operate up to five units as short term rentals. Short term rental type III properties that meet the following criteria are exempt from this requirement:
  - a. The building is made up of individually owned units where each individual owner or person with an influential interest in a legal entity operates no more than five units as short term rentals;
  - b. The property is located in the Downtown District Overlay;
  - c. The property is zoned C-4; and
  - d. The applicant provides written verification from the association governing the individual units, including a condominium association, owners' association, or management company for such condominium association or owners' association, that:
    - i. Short Term Rentals are allowed in the building;
    - ii. all individual owners or persons with an influential interest in a legal entity have been informed that Short Term Rentals are allowed in the building; and
    - iii. there are written association policies, which have been provided to each owner, regulating the use of common areas by owners and occupants of the owner's unit.

- (3) Bed and breakfast facilities and short term rental facilities with an existing special permit as of August 1, 2017 are exempt from the distance and density requirements of this section subject to the following:
  - a. The license is granted to the same person or entity that the special permit was granted to;
  - b. The license is continuously renewed prior to expiration; and
  - c. The license is not revoked after August 1, 2017.

(b) Parking.

- (1) The requirements of this section shall not apply to properties located within the C-4, central commercial zoning district.
- (2) A minimum of one off-street parking space is required per rented room. Required parking must be improved in accordance with the City of Waco, Parking and Access Design Standards for Site Development and Article VII. of Chapter 28 of this Code prior to issuance of a license.
- (3) No on-street parking shall be allowed for bed and breakfast facility or short term rental facility guests.

**Section 2.** That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

**Section 3.** That the terms and provisions of this ordinance shall be deemed to be severable and that if any section, subsection, sentence, clause, or phrase of this ordinance shall be declared to be invalid or unconstitutional, the same shall not affect the validity of any other section, subsection, sentence, clause, or phrase of this ordinance and the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part hereof.

**Section 4.** That it is the intention of the City Council and is hereby ordained that the provisions of this ordinance shall become and be a part of the Code of Ordinances of the City of Waco, Texas, and that sections of this ordinance may be renumbered or relettered to accomplish such intention.

**Section 5.** That a violation of this ordinance shall be a Class C misdemeanor and the penalty for violating this ordinance shall be as provided for in Sec. 1-14 of the Code of Ordinances of the City of Waco, Texas, which shall be a fine of not less than \$1.00 and no more than \$2,000.00, and each day a violation exists shall be a separate offense.

**Section 6.** That it is hereby officially found and determined that the meeting at which this ordinance is passed is open to the public and that public notice of the time, place and purpose of said meeting was given as required by law.

**PASSED AND APPROVED:**

**First Reading:** this 18th day of February, 2020.

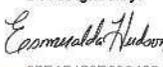
**Second Reading:** this 3rd day of March, 2020.

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Kyle Deaver, Mayor  
City of Waco, Texas

**ATTEST:**

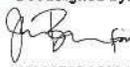
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Esmeralda Hudson, City Secretary



**APPROVED AS TO FORM & LEGALITY:**

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Jennifer Richie, City Attorney