

**ORDINANCE NO. 2026-4**

**AN ORDINANCE OF THE CITY OF LEON VALLEY, TX, CITY COUNCIL AUTHORIZING THE AMENDING OF THE LEON VALLEY CODE OF ORDINANCE, CHAPTER 11- TAXATION, BY ADDING 11.05 – SHORT TERM RENTALS- OCCUPANCY TAX - ARTICLE 11.05 – SHORT TERM-RENTALS- OCCUPANCY TAX; REPEALING ALL ORDINANCE IN CONFLICT THEREWITH; PROVIDING FOR SEVERABILITY; SAVING CLAUSE; EFFECTIVE DATE; NOTICE OF OPEN MEETING AND PROVIDING FOR A PENALTY.**

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**WHEREAS**, The City of Leon Valley City Council wishes to amend Chapter 11- Taxation and add Section 11.05 – Short Term Rentals-Occupancy Tax.

**WHEREAS**, the City of Leon Valley deems it necessary to adopt this ordinance for the collection of and reporting of hotel occupancy tax for short-term rentals within the City of Leon Valley.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, THAT:**

**SECTION 1.** All the above premises are hereby found to be the true and correct legislative and factual findings of the City of Leon Valley and are hereby approved and incorporated into the body of this ordinance as if copied in their entirety.

**SECTION 2.** Chapter 11- Taxation, by adding 11.05 – Short-Term Rentals- Occupancy Tax - Article 11.05 – Short-Term Rentals- Occupancy Tax; shall read as follows:

**ARTICLE 11.05 – SHORT-TERM RENTALS - OCCUPANCY TAX**

**Sec. 11.05.001 - Definitions**

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

*Consideration.* The cost of the room or home in such short-term rental, not to include the cost of any food served or personal services rendered to the occupant of such room not related to the cleaning and readying of such room for occupancy.

*Short-Term Rental.* A dwelling that is (a) used or designed to be used as a place where a person may reside, including a single-family dwelling, garage apartment, guest house or a unit in a multi-unit building, including an apartment, condominium, cooperative or timeshare; and (b) rented wholly or partly for a fee and for a period of less than thirty (30) consecutive days.

*Short-Term Rental Listing Service.* A person, company or other legal entity that participates in the Short-Term rental business by facilitating and/or collecting a fee for booking services through which a person may offer Short-Term Rentals to potential

guests. Short-Term Rental Listing Services usually, though not necessarily, provide booking services through an online platform that allows a person to advertise the premises through a website or mobile application provided by the Short-Term Rental Listing Service and the Short-Term Rental Listing Service conducts a transaction by which potential guests arrange their use and their payment, whether the potential guest pays rent directly to the person or to the Short-Term Rental Listing Service.

*Occupancy.* The use or possession, or the right to use or possess, any room or rooms, sleeping space, bed, or other facility in a short-term rental under any concession, permit, right of access, license, contract, or agreement.

*Occupant.* Anyone who, for a consideration, uses, possesses, or has a right to use or possess any room or rooms, sleeping space, bed, or other facility in a short-term rental under any concession, permit, right of access, license, contract, or agreement.

*Permanent resident.* Any occupant who has or shall have the right to occupancy of any room or rooms or sleeping space or other facility in a short-term rental, apartment, or condominium for at least thirty (30) consecutive days during a calendar year.

*Person.* Any individual, company, corporation, or association owning, operating, managing, or controlling any short-term rental.

*Quarterly period.* The regular calendar quarters of the year, the first quarter being composed of the months of January, February, and March; the second quarter being the months of April, May, and June; the third quarter being the months of July, August, and September; and the fourth quarter being the months of October, November, and December.

*Tax collector.* Any city official, or any official of any agency contracted to collect taxes for the city, designated by the city council.

*Permit Numbers.* Permit numbers are unique identifiers issued by the City of Leon Valley. Each short-term rental dwelling is required to be registered with the City of Leon Valley and, upon approval, shall be assigned a permit number. Operating a short-term rental dwelling without a valid permit number constitutes a violation of this ordinance.

**Sec. 11.05.002 - Levy; exemptions**

- a) There is hereby levied a tax upon the cost of occupancy of any room or space furnished by any short-term rental where such cost of occupancy is at a rate of \$2.00 or more per day, such tax to be equal to seven percent of the consideration paid by the occupant of such room to such hotel.
- b) No tax shall be imposed hereunder upon a permanent resident.
- c) The United States government and its employees, including military personnel, traveling on official business are exempt from local hotel occupancy taxes.
- d) No tax shall be imposed hereunder upon a rental agreement rented wholly or partly for a period of more than thirty (30) consecutive days.

### **Sec. 11.05.003 - Collection**

Every short-term rental listing service, person owning, operating, managing, or controlling any short-term rental shall collect the tax imposed in this article for the city. Every short-term rental service must provide a required field for operators to enter a permit number from the City before listing an address on its platform. Failure to provide such will be a violation of this ordinance. Short-term rental listing service agrees to remove any listing that does not have a valid permit number

### **Sec. 11.05.004 - Required records.**

Every short-term rental listing service, person owning, operating, managing or controlling any short-term rental is required to record the following information:

- Itemized record of each permit number and the tax being remitted by each permit number.

### **Sec. 11.05.005 - Filing of reports; payment of tax collected.**

On the last day of the month following each quarterly period, every short-term rental listing service is required hereby to collect the tax imposed by this article shall file a report with the tax collector showing the consideration paid for all room occupancies in the preceding quarter, the amount of tax collected on the city's behalf on such occupancies, all required records as stated in Section 11.05.004, and any other information as the tax collector may reasonably require. Such short-term rental listing service shall pay over the tax due on such occupancies at the time of filing such report. There shall also be furnished to the tax collector of the city, at the time of the payment of such tax, a copy of the tax report filed with the state comptroller in connection with the state hotel occupancy tax.

### **Sec. 11.05.006 - Rules and regulations; access to records**

The tax collector shall have the power to make such rules and regulations as are necessary to effectively collect the tax levied herein, and shall, upon reasonable notice, have access to books and records necessary to enable him to determine the correctness of any report filed as required by this article and the amount of taxes due under the provisions of this article.

### **Sec. 11.05.007 - Penalty for violation**

If any short-term rental listing service or person is required by the provisions of this article to collect the tax imposed herein, and pay to the tax collector the tax imposed herein, shall fail to collect such tax, shall fail to file such report, or shall fail to pay such tax, or if such person shall file a false report, such person shall be deemed guilty of a misdemeanor, and be subject to a fine.

Each violation of this article shall be punished by a fine in accordance with [section 1.01.009](#) of this Code, unless some other fine is specifically prescribed for a particular violation. Each day any violation occurs or continues shall be considered a separate offense.

**Sec. 11.05.008 - Penalty for failure to file reports or pay tax; interest on delinquent tax.**

If any short-term rental listing service or person shall fail to file a report as required herein or shall fail to pay the tax collector the tax imposed herein when such report or payment is due, he shall pay five percent of the amount due as a penalty, and after 30 days he shall pay an additional five percent of such tax; provided, however, that the penalty shall never be less than one dollar (\$1.00). Delinquent taxes shall draw interest at the rate of six percent per annum beginning 60 days from the date due.

**Sec. 11.05.009 - Use of proceeds**

- a) The proceeds of the tax herein levied shall be allocated to the following purposes:
1. The acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities, including, but not limited to, civic center convention buildings, auditoriums, coliseums, civic theaters, museums, and parking areas or facilities for the parking or storage of motor vehicles or other conveyances located at or in the immediate vicinity of the convention center facilities;
  2. The furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
  3. Advertising for general promotional and tourist advertising of the city and its vicinity and conducting a solicitation and operating program to attract conventions and visitors, either by the city or through contracts with persons or organizations selected by the city;
  4. The encouragement, promotion, improvement, and application of the arts, including music (instrumental and vocal), dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, television, radio, tape and sound recording, and the arts related to presentation, performance, execution, and exhibition of these major art forms;
  5. Historical preservation and restoration projects or activities at or in the immediate vicinity of convention center facilities or historical preservation and restoration projects or activities located elsewhere in the city that would be frequented by tourists and visitors to the city.
  6. One-half of one percent of a hotel tax equal to less than three percent, or one percent of a hotel tax greater than three percent, shall be reserved for the purpose of advertising and conducting solicitation programs to acquaint potential users with public meeting and convention facilities, and for promotion of tourism and advertising of the city and its vicinity either by the city or through contract with persons or organizations selected by the city.

(c) Any revenues collected from the tax in excess of four percent of the consideration paid by the occupant shall be used for the purposes specified in subsections (a)(1), (2), (3) and (4) of this section, except that no more than one percent of such revenues shall be used for the purposes specified in subsection (a)(4) of this section.

**SECTION 3.** The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance as discontinuing, abating, modifying, or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions at the time of passage of this Ordinance.


**SECTION 4.** That it is hereby declared to be the intention of the City Council of the City of Leon Valley that phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance should be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinances, since the same would have been enacted by the City Council without incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph, and section.

**SECTION 5.** The ordinance shall be effective upon passage and publication as required by law.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this the 17th day of March, 2026.

**APPROVED**

  
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**CHRIS RILEY**  
MAYOR

Attest:   
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**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary



Approved as to Form: \_\_\_\_\_  
  
**ART RODRIGUEZ**  
City Attorney