

Ordinance No. 2025-22
Village of Salado
County of Bell
September 18, 2025

ORDINANCE NO. 2025-22

AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS ESTABLISHING REGULATIONS FOR SHORT TERM PROPERTY RENTED FOR PERIODS OF TIME LESS THAN A MONTH; PROVIDING FOR A FINE UP OF UP TO \$2,000 FOR EACH VIOLATION; PROVIDING THIS ORDINANCE BE CUMULATIVE; AND PROVIDING FOR SEVERABILITY, GOVERNMENTAL IMMUNITY, INJUNCTIONS, PUBLICATION, AND AN EFFECTIVE DATE.

WHEREAS, the increase in the number of persons or entities desiring to rent their residential properties has led to the proliferation of vacation rental uses within residential neighborhoods in the Village of Salado, Texas (the “Village”); and

WHEREAS, the use of single-family residences by individuals for short periods of time, absent reasonable regulation, may negatively impact the health, safety, and welfare of residents of many neighborhoods; and

WHEREAS, the regulation of the use and operation of such “short-term rental” property is intended to advance the Village Board of Aldermen’s objective of championing great neighborhoods and mitigating concerns regarding nuisances, trash disposal, and noise; and

WHEREAS, the enforcement of land use and registration regulations for short term rental property merits a stand-alone ordinance to provide clear rules for such rentals within the Village as well as its extraterritorial jurisdiction (“ETJ”); and

WHEREAS, the requirement of an annual short-term rental permit that could be suspended or revoked in the event of repeated nuisance violations related to noise, trash, parking, etc. supports the health, safety, and welfare of the Village and its ETJ; and

WHEREAS, the Village’s existing ordinance regarding the payment of hotel occupancy tax applies to short term rental uses of property; and

WHEREAS, the Board of Aldermen finds that regulating the short-term rental of residential property is necessary for the health, safety, and welfare of the general public, the promotion of consistent land uses and development, and the protection of landowners and residents of the Village and its ETJ.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS:

ARTICLE I.

All of the above premises are hereby found to be true and correct legislative and factual findings of the Village of Salado and are hereby approved and incorporated into the body of this Ordinance as if copied in their entirety.

ARTICLE II.

That Ordinance No. 2025-22 is hereby enacted for the purpose of establishing regulations for residential property rented for periods of time less than a month, known as Short-Term Rentals, and shall read as follows:

“SHORT-TERM RENTAL REGULATIONS”

Section 1. Purpose and Intent.

The purpose of this article is to safeguard the life, health, safety, welfare, and property of the occupants of residential dwelling units, the neighbors of said occupants, and the general public, and to minimize adverse impacts to the Salado community, through the registration and regulation of short-term rentals and to ensure the proper collection and payment of hotel occupancy taxes and permitting fees.

Section 2. Applicability

The provisions of this Chapter shall apply to all existing and future residential properties, both primary and accessory structures, and any portions thereof, within the municipal limits of the Village and within its ETJ.

Section 3. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Village Administrator means the Village Administrator of the Village of Salado or his or her designee.

Advertise means the act of drawing the public's attention to a short-term rental in order to promote the availability of the residence for use as a short-term rental. Such advertising may be found in any medium, including but not limited to, newspapers, magazines, brochures, websites, or mobile applications.

Bedroom means the living area(s) of the dwelling unit that is designed and furnished for sleeping and which has proper egress as required by the International Residential Code.

Booking service means any reservation and/or payment service provided by a person or entity that facilitates a short-term rental transaction between an Owner and a prospective Occupant, and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment services provided for the short-term rental transaction.

Dwelling unit means a residential unit providing complete, independent living facilities for one (1) family including permanent provisions for living, sleeping, cooking, eating, and sanitation.

Hotel occupancy tax means the state hotel occupancy tax required to be assessed and collected for the operation of any short-term rental and paid pursuant to Texas Tax Code Chapter 351, as well as the Village hotel occupancy tax required to be assessed and collected by Ordinance 2008.25, as amended by Ordinance 2016-11, and as may be further amended.

Local responsible party means an individual who can be contacted and respond at any time regarding immediate concerns and complaints from the public and is authorized to make decisions regarding the property while a short-term rental is being rented.

Operator means any person, firm, or corporation who operates a short-term rental as defined in this ordinance.

Occupant means any individual person living, sleeping, or possessing a building, or portion thereof. A person is not required to be paying rent, providing in-kind services, or named in any lease, contract, or other legal document to be considered an occupant.

Owner means any person, agent, operator, firm, trust, corporation, partnership, or any other legal entity who has a legal or equitable interest in the property; or who is recorded in the official records of the county as holding title to the property; or who otherwise has control of the property, including the guardian of the estate of any such person, and the executor of the estate of such person if ordered to take possession of real property by a court.

Premises means property, a lot, plot, or parcel of land, including any structures or portions of structures located thereon.

Short-term rental means a dwelling unit that is rented out for compensation on a temporary basis for a period of less than thirty (30) consecutive days; including, but not limited to, a single-family home or unit, duplex unit, tri-plex, four-plex unit, multi-family unit, manufactured or mobile home unit, townhome, or condominium.

Section 4. Permit Required.

- (A) It shall be unlawful for any person or entity to rent, or offer to rent, any short-term rental within the Village or its ETJ without a valid short-term rental permit issued by the Village under this Ordinance.
- (B) A permit issued under this Ordinance may not be transferred and does not convey with the property upon sale. Each new owner of a permitted or previously permitted dwelling unit must apply for a short-term rental permit to rent property under the short-term rental guidelines adopted pursuant to this Ordinance.
- (C) Each short-term rental shall be issued a permit with a unique permit number. The permit number must be included in any and all advertisements for the short-term rental including internet booking sites and/or a booking service.
- (D) A permit shall be valid for a period of one (1) year from the date of issuance and may be renewed by applying to the Village in accordance with the provisions of this Ordinance.

Section 5. Permit Application.

A person seeking a short-term rental permit shall submit an application to the Village Administrator or designee. Said application shall be in writing, on a form provided by the Village, and shall include the following information (if applicable):

- (a) The name, address, email address, and telephone number of the property owner or operator. If the applicant or owner is a partnership, a corporation, or limited liability company, the application shall list the registered agent;
- (b) The name, address, and contact number of the local responsible party who can be contacted regarding immediate concerns and complaints from the public;
- (c) The registration number from the State of Texas for hotel occupancy tax;
- (d) Verification that the applicant has no delinquent State or Village hotel occupancy taxes due on the property;
- (e) A plot plan of the premises identifying the location of parking spaces to be used in conjunction with the short-term rental;
- (f) A dimensioned floor plan of the proposed short-term rental identifying bedrooms, other living spaces, and emergency evacuation routes;
- (g) Proof of insurance;
- (h) The name and contact information for the property owner's association, if any, by which the premises is covered;
- (i) A copy of the proposed host rules for the short-term rental;
- (j) A statement that the operator of the short-term rental will comply with the requirements of this Ordinance and understands that the operator is responsible and liable for any violations on the property;
- (k) Such other information as the Village Administrator, or designee, deems reasonably necessary to administer this article.

Section 6. Permit Requirements and Fees.

- (A) *Life Safety Inspection.* Prior to issuance of a short-term rental permit for any dwelling unit to be used as a short-term rental, the operator shall allow, with reasonable notice, an on-site inspection of the short-term rental unit by the Village Building Official or his or her designee to ensure compliance with minimum health and safety and fire requirements for use and occupancy. If a premise fails to pass an inspection, a re-inspection fee may be charged for each subsequent inspection in accordance with the fee established in **Exhibit A** of this Ordinance. If, upon completion of an inspection, the premises are found to be in violation of one (1) or more provisions of applicable Village codes and ordinances, the Village shall provide written notice of such violation and shall set a re-inspection date for a violation to be corrected prior to its occupancy. The life safety inspection may be waived for a renewing permit if all the following apply:
- (a) Operator self-certifies compliance with life safety standards.
 - (b) Operator has not been found in violation of this Ordinance or Ordinance 2016-11, as may be amended.
- (B) *Hotel Occupancy Tax.* It is a condition of the initial and continued validity of a short-term rental permit that the operator has paid and remains current on the payment of all state hotel occupancy taxes owed to the State of Texas, as well as the Village hotel occupancy tax and associated reporting requirements as adopted by the Board of Aldermen in Ordinance No. 2008.25, as amended by Ordinance 2016-11, and as may be further amended. The Village hotel occupancy tax is specified in **Exhibit A** to this Ordinance.
- (C) *Application and Application Renewal Fees.* The applicant shall pay a nonrefundable application fee upon submission of a short-term application to the Village, which will include the non-refundable life safety inspection fee. The fee schedule for the permit application is attached to this Ordinance as **Exhibit A**. The permit must be renewed annually. An annual permit renewal fee must be paid to the Village before the permit may be renewed. The fee schedule for the permit renewal fee is attached to this Ordinance as **Exhibit A**.

Section 7. Local Responsible Party Designation.

An owner of a premise operating as a short-term rental must designate the name and contact information of a local responsible party who can be contacted regarding immediate concerns and complaints from the public. Said individual must be available to be reached in person or by phone at all times while occupants are on the premises of a short-term rental. If called, a local responsible party must be able to and shall be present at the premises within thirty (30) minutes of call from a complainant or the Village Administrator, or his or her designee. A local responsible party must be authorized to make decisions regarding the premises and its occupants. A local responsible party may be required to, and shall not refuse to, accept service of citation for any violations on the premises. Acceptance of service shall not act to release owner of any liability under this chapter.

Section 8. Proof of Insurance Required.

It shall be unlawful for the owner of premises operating as a short-term rental to operate without host protection or other liability insurance commensurate with the operations of the short-term rental that provides coverage of up to \$500,000.00 per occurrence. A certificate of insurance must be on file with the Village of Salado. Proof of insurance shall be required at the time of application and notice of cancelation of insurance must be made to the Village Administrator, or his or her designee, within 30 days.

Section 9. Short-term Rental Permit Nontransferable.

A short-term rental permit issued by the Village is non-transferable and shall not be assigned nor transferred to another person or entity. Any attempt to transfer a permit or attempt to use another person's permit may be grounds for revocation of said permit.

Section 10. Restrictions On Number of Occupants

- (A) It shall be unlawful for the owner or operator to allow, suffer, or permit the number of occupants living, sleeping within, or possessing a short-term rental to exceed:
- a. The maximum occupancy allowed under the Village's Zoning Ordinance for the premises, or
 - b. The number of occupants permitted by the septic permit the owner has obtained for the premises from Bell County, Texas.

Section 11. Physical Conversion of Premises Prohibited

- (A) It shall be unlawful for an owner or person to convert a garage to living space, or remodel, renovate, enlarge, or otherwise modify premises to add additional bedrooms for use as a short-term rental without prior approval from the Village.
- (B) It shall be unlawful for an owner or person to pave or otherwise cover pervious soil to create additional on-premises parking without prior approval from the Village.

Section 12. Noise and Sound Restrictions.

The Village's ordinance on noise and sound restrictions, Ord. 2008-07 and as may be amended by the Board of Aldermen, applies to all short-term rentals.

Section 13. Trash Pickup Requirements.

It shall be unlawful for an owner or occupant to place, or allow to be placed, trash on the premises before 7:00 PM the evening prior to scheduled pickup or on a day not scheduled for pickup by the owner's authorized solid waste transportation vendor. The owner or occupant of a short-term rental shall comply with all Village rules and regulations

regarding containment and disposal of trash, debris, and garbage on the premises.

Section 14. Notice To Occupants of Short-Term Rentals.

An owner or person operating a short-term rental shall provide a notice of instructions (also known as “host rules”) to occupants staying at the premises in a form developed by the Village Administrator. The notice shall instruct the occupants as to all applicable Village regulations pertaining to short-term rentals. These include, but are not limited to, occupancy restrictions, limits on parking, trash pickup, and the noise ordinance.

Section 15. Display Of Permit Required.

A copy of the approved short-term rental permit shall be posted at a conspicuous location inside the front entrance(s) to the short-term rental.

Section 16. Use Of Assigned Permit Number Required.

It shall be unlawful for an owner or person to advertise a short-term rental in any medium, including but not limited to newspaper, magazine, brochure, website, or mobile application without including the current permit number assigned by the Village Administrator.

Section 17. Revocation Of Permit.

- A. Grounds. Any permit issued hereunder may be revoked by the Village Administrator if the permit holder has:
- (1) received more than two (2) citations for violations of this chapter or any other provision of this Village of Salado Code of Ordinances within the preceding 12-month time period; or
 - (2) failed or refused to comply with an express condition of the permit and remains in non-compliance ten (10) days after being notified in writing of such non-compliance; or
 - (3) knowingly made a false statement in the short term rental permit application; or
 - (4) otherwise become disqualified for the issuance of a permit under the terms of this Ordinance.
- B. Notice. Notice of the revocation shall be given to the permit holder in writing, with the reasons for the revocation specified in the notice, served either by personal service or by certified United States mail to their last known address. The revocation shall become effective the day following personal service or if mailed, five (5) days from the date of mailing.
- C. Appeal; Hearing. The permit holder shall have ten (10) days from the date of such revocation in which to file notice with the Village Administrator of their appeal from

the order revoking said permit. The Village Administrator shall provide for a hearing on the appeal in accordance with the provisions of this Ordinance.

- D. One-Year Waiting Period. In the event an owner's short-term rental permit is revoked by the Village Administrator, no second or additional permit shall be issued for a short-term rental on the premises for one (1) year of the date such permit was revoked.

Section 18. Appeals Of Denial Or Revocation Of Permit.

- A. Upon denial or revocation of a permit, the Village Administrator, or his or her designee, shall notify the applicant or permit holder, in writing, of the reason for which the permit is subject to denial or revocation. To contest the denial or revocation of a permit, the applicant or permit holder shall file a written request for a hearing with the Village Administrator within ten (10) days following service of such notice. If no written request for hearing is filed within ten (10) days, the denial or revocation is sustained.
- B. The appeal shall be heard by the Board of Aldermen within twenty (20) days of the date on which the notice of appeal was filed with the Village Administrator.
- C. The hearings provided for in this Section shall be conducted by the Board of Aldermen at a time and place designated by the Village Administrator. Based upon the recorded evidence of such hearing, the Board of Aldermen shall sustain, modify, or rescind any notice or order considered at the hearing. A written report of the hearing decision shall be furnished to the applicant or permit holder requesting the hearing.
- D. An appeal shall not stay the denial or suspension of the permit unless otherwise directed by the Village Administrator.

Section 19. Enforcement.

- A. The owner of a short-term rental use must have a valid permit from the Village of Salado.
- B. The owner of a short-term rental that was not registered with the Village of Salado for hotel occupancy tax prior to the Effective Date of this Ordinance, and who is unable to obtain a permit for said use or fails or refuses to obtain a permit for the use following the effective date of this Ordinance, shall discontinue the short-term rental use no later than three months after the Effective Date of this Ordinance.
- C. The owner of a short-term rental that was registered with the Village of Salado for hotel occupancy tax prior to the Effective Date of this Ordinance, and who is unable to obtain a permit for said use or fails or refuses to obtain a permit for the use following the effective date of this Ordinance, shall discontinue the short-term rental use no later than three months after the Effective Date of this Ordinance.

- D. If the permit for a short-term rental use is not renewed, the owner shall discontinue the use no later than the date on which the existing permit or any extension thereof expires.

Section 20. Penalties.

Any person, firm, corporation, agent, or employee thereof who violates any of the provisions of this ordinance shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount not to exceed Two Thousand Dollars and No Cents (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

ARTICLE IV.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the Village of Salado; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

ARTICLE V.

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

ARTICLE VI.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety, and welfare of the general public. Any member of the Board of Aldermen or any Village official or employee charged with the enforcement of this ordinance, acting for the Village of Salado in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

ARTICLE VII.

Any violation of this ordinance can be enjoined by a suit filed in the name of the Village of Salado in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the Village of Salado.

ARTICLE VIII.

The caption and penalty clause of this ordinance shall be published in a newspaper of general circulation in the Village of Salado, Texas. Further, this ordinance may be published in pamphlet form and shall be admissible in such form in any court, as provided by law.

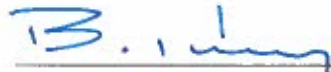
ARTICLE IX.

This Ordinance shall take effect immediately upon passage and publication.

ARTICLE X.

Open Meetings. That is hereby official found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Loc. Gov't Code.

PASS AND APPROVED this 18th day of September, 2025, at a regular meeting of the Board of Aldermen of the Village of Salado, Texas;


BERT HENRY, MAYOR

ATTEST:


TERESA SPINKS, CITY SECRETARY



Exhibit A
STR Permit and Permit Renewal Fees

- Initial permit fee: \$200 for the first year (includes Life Safety Inspection)
- Renewal fee: \$100 annually
- Reinspection fee: \$100
- Village of Salado hotel-motel occupancy tax: seven percent (7%) of the price paid for a room