The Plan for Galveston Island Vacation Rentals

Mission

Short-term rentals are a valuable asset in Galveston, Texas, and Galveston's vacation rental market is recognized as the fastest growing segment of lodging on the island. In fact, lodging preferences were already trending to vacation rentals over the past few years, and then COVID accelerated this growth. Travel forecasts indicate that the demand for rentals will only continue to increase. This presents our community with challenges and opportunities by balancing the needs and concerns of residents with the needs of a thriving tourism industry. **Now is the time to develop a master plan for managing vacation rentals.**

On Galveston Island, we understand there is a delicate balance between preserving our local heritage and community character while providing lodging for our guests. Short term rentals provide an added value to our community coastal destination but their unique locations, often surrounded by long-term housing in neighborhoods, require special attention and care. We understand that residents living near short term rentals need ways to express their concerns as well as ways to hold irresponsible vacation rental owners/managers accountable.

We believe Galveston can embrace short term rentals, and the revenues they attract by 1) revamping the ordinance for less-than-30-days rentals 2) engaging industry-specific software and 3) initiating new policies and procedures. This strategy will preserve the quality of life for residents and neighborhoods while also respecting the individual rights of private property owners. Done correctly, it will hold vacation rental owners/managers accountable to their community with enforceable laws, ordinances and HOT compliance.

Four critical factors are addressed in this proposed plan:

1) the registration of all vacation rentals;
2) the collection, remittance, and compliance with HOT tax laws;
3) the adoption of sound professional management policies – and their enforcement - for all independent STR operators and dozens of management companies located on the island;
4) the revenue stream to assist supporting this Plan.

The Roadmap

1. **Register, license, and collect annual fees** from all vacation rentals operating on Galveston Island.

2. **Create and distribute** a vacation rental packet (contents to be identified) and distribute to all registrants.

3. **Update, distribute and enforce** the *Good Neighbor* policies. (*See Good Neighbor policies below.)*

4. Research and contract with a **software company** that specializes in tourism community solutions - tax compliance, enforcement, and auditing; and one that ensures effective, integrated registration, and enforcement through 24/7 hotlines, data collection and reporting.

5. Fund (through annual license fees) and engage **"Tourism Compliance Officials"** to enforce vacation rental regulations.

6. Update the City's **STR ordinance** (Ordinance 15-012) to support and reflect the goals and the operative mandates of The Plan.

7. Create clear **infrastructure, processes and benchmarks of accountability** that support and reflect the goals and operative mandates of the plan.

8. Create a widespread, impactful, and ongoing **education campaign** for vacation rental owners/managers, residents, vacation rental guests, neighborhood organizations, law enforcement, real estate community, Park Board, City staff and elected officials, etc.

Register
- Issue a license number to all registered properties;
- Collect an annual fee/property;
- Include license number on all advertising, platform listings, local tax submissions, etc.;
- Maintain a current data base of all properties/owners and local 24/7 contacts;
- Create access to the data base for all relevant parties (City, PB, law enforcement, etc.);
- Create data base pathways that display HOT compliance.

Vacation Rental Industry Software/Vendor
- Web-based & secure software
- Registration capability
- Reporting App
- Ability to make online HOT payments
- Website-scraping software
- Auditing capabilities
- Robust HOT payment reporting
- Robust operating system (i.e. call centers) and reporting that meets the needs of established accountability benchmarks/processes
- Robust compliance reporting and ability to produce timely reports of non-complying properties
- Mobile friendly
- User friendly

Galveston *Good Neighbor* Brochure & Policies
- Update the current *Good Neighbor* Policy (referenced in the current city ordinance) to support the revamped ordinance, policies and processes of The Plan;
- Create policies that reflects the needs of various stakeholders: vacation rental owners/managers, neighborhood associations, residents, law enforcement, homeowners who rent or don't rent, City officials, elected officials, etc.;
- Keep up-to-date and distribute *Good Neighbor* Policy with the vacation rental packets;
- Recommend that all vacation rental owners/managers keep a current copy of the *Good Neighbor* policy in their properties.

Community Accountability
- 24/7 response by "Tourism Compliance Officials"
- 24/7 hotline, staffed real time
- 24/7 mobile reporting app
- "Tourism Compliance Officials"respond to problems real time
- Property and owner data maintained, up-to-date and accessible to necessary parties
- Create enforceable rules/processes for fines and/or losing a license
- Make information of all confirmed violations available to the public

HOT Accountability
- Create processes that clearly assign roles and responsibilities;
- Create processes for accurate calculation and payment of HOT;
- Create reporting processes for ensuring everyone is paying HOT;
- Create process for collecting unpaid HOT, efficiently, and effectively;
- Create processes and infrastructure for audits;
- Create rules/processes for citations, fines, liens and collection for non-payment of HOT;
- Make information of all confirmed violations available to the public.

Property Owner/Manager Accountability & Best Practices
- Explore recommended age minimums for leaseholders;
- Enforce city ordinances for noise, trash, signage and parking;
- Inform guests, verbally and in writing, of all local, neighborhood and property rules and regulations;
- Inform guests, verbally and in writing, of potential fines and/or evictions for violations;
- Place information inside houses which includes license number and contact numbers;
- Develop additional best practices with stakeholders.

Educate - Digital
- City website
- Park Board website
- VisitGalveston.com
- Galveston.com
- STROAG website
- GARM website
- Property Management company websites
- CAD website
- GAR website
- County website
- Water bills – twice a year
- Realtor packets (Real Estate Companies, GAR distribution)
- Develop additional opportunities with stakeholders
- Kay's monthly emails
- Park Board Facebook page
- City Facebook page
- STROAG Facebook page
- POA & Neighborhood Newsletters
- Civic organization newsletters
- WGIPOA communications
- Park Board communications
- Develop additional opportunities with stakeholders

Closing documents (Title Companies)

Next Steps – Collaborate with Stakeholders

Questions? Ideas?   Contact one of us:

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