

ORDINANCE NO. 3944

AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CITY OF NORTH RICHLAND HILLS, TEXAS, BY AMENDING ARTICLE XII, "RENTAL HOUSING," IN CHAPTER 18, "BUSINESSES," BY AMENDING SECTION 18-976, "DISCONTINUANCE OF OPERATION," TO AMEND THE DEADLINE FOR A SHORT-TERM RENTAL TO CEASE OPERATIONS WITHIN THE CITY IF THEY FAIL TO TIMELY OBTAIN A PERMIT; BY AMENDING SECTION 18-977, "CONTINUANCE OF OPERATIONS," TO EXTEND THE DEADLINE FOR A SHORT-TERM RENTAL TO OBTAIN A PERMIT IN ORDER TO CONTINUE TO OPERATE WITHIN THE CITY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING FOR SEVERABILITY; ESTABLISHING A PENALTY; PROVIDING FOR SAVINGS; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of North Richland Hills, Texas is a home-rule municipality located in Tarrant County, Texas acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, Chapter 18 of the Code of Ordinances, City of North Richland Hills, Texas, regulates businesses in operation in the City; and

WHEREAS, Article XII in Chapter 18 of the Code of Ordinances, City of North Richland Hills, Texas, regulates rental housing in the City; and

WHEREAS, in an effort to understand the impact of short-term rentals operating within the City, the City has collected extensive community input through an electronic survey, physical surveys distributed at a dedicated town hall meeting, comments made during such town hall meetings, email communications submitted, and comments made during public hearings specifically regarding short-term rentals and the regulation of same; and

WHEREAS, the City also obtained input and comments from the operators of short-term rentals through the same methods mentioned for community input, as well as through two meetings held specifically for operators to attend and provide feedback and input on short-term rentals and the regulation of same; and

WHEREAS, residents have reported adverse impacts from increased traffic, reckless driving, on-street parking congestion, loud noise, and public nuisances associated with short-term rental activity; and

WHEREAS, short-term rentals have, in certain instances, been the source of large gatherings, parties, and events incompatible with the residential character of single-family districts; and

WHEREAS, the operation of unauthorized short-term rentals in single-family neighborhoods has generated complaints regarding excessive noise, late-night disturbances, and the disruption of quiet enjoyment; and

WHEREAS, many residents stated that they did not anticipate transient lodging operations when they purchased their homes, and view such uses as incompatible with their expectations of neighborhood stability and residential character; and

WHEREAS, the frequent turnover of short-term rental occupants undermines long-term neighbor-to-neighbor relationships and erodes the fabric of the community by reducing communication, familiarity, and trust among residents; and

WHEREAS, neighborhoods have expressed concern that the continual turnover of transient occupants diminishes the sense of safety, predictability, and accountability that is characteristic of stable residential communities; and

WHEREAS, mapping and analysis of the input from residents demonstrates that the negative impacts associated with short-term rentals are widespread and concentrated in single-family neighborhoods across the City; and

WHEREAS, unregulated short-term rental activity contributes to congestion, on-street parking conflicts, and increased demand on public services; and

WHEREAS, in addition to this input, the City has reviewed data and information from other cities' experiences with short-term rentals and used all of this data and information to develop a regulatory structure; and

WHEREAS, further the American Planning Association has acknowledged that there are many reasons for regulating short-term rentals, including the potential for the transformation of peaceful residential communities into "communities of transients" where people are less interested in investing in one another's lives, the potential for knowing or unknowing violation of local rules resulting in public safety risks, noise issues, trash problems and parking problems, the so-called "party house" issues, less availability of affordable housing options and higher rents, negative impact on local service jobs, lost tax revenue, and to alleviate tension between operators and neighbors; and

WHEREAS, the City Council is also aware of many articles, stories, and examples related to the public perception of the negative impacts of short-term rentals; and

WHEREAS, the use of single-family residences by individuals for short periods of time may negatively impact the residential character of many neighborhoods by reducing communication and accountability between permanent residents by partially substituting permanent residents with transient visitors; and

WHEREAS, the regulation of the use and operation of such short-term rental property is intended to prevent the further erosion of pre-existing and stable single-family neighborhoods, and further advance the City Council's goal of creating an exceptional quality of life for the community; and

WHEREAS, the rise of substitute land uses for residential property contributes to the shortage of affordable housing, both ownership and long-term rental; and

WHEREAS, the City Council finds that regulation of short-term rentals is necessary to protect the health, safety, and welfare of residents and to prevent the public nuisances created by the operation of short-term rentals within the City; and

WHEREAS, the City Council finds that regulation of short-term rentals is necessary to safeguard the life, safety, welfare, and property of short-term rental occupants, neighborhoods, and the general public; and

WHEREAS, the City Council finds that regulation of short-term rentals is necessary to minimize the adverse impacts resulting from increased transient rental uses in neighborhoods that were planned, approved, and constructed for single-family residences; and

WHEREAS, based upon the review of community feedback and data analysis, the City Council concluded that adoption of an ordinance regulating short-term rentals in the City is in the best interest of the City and its citizens; and

WHEREAS, the City Council concluded that the adoption of such an ordinance is in the best interest of maintaining the stability, quiet, and repose of lower-density residential districts for single-family owners; and

WHEREAS, on October 13, 2025, the City Council adopted Ordinance No. 3925 establishing regulations related to short-term rentals; and

WHEREAS, Ordinance No. 3925 established a deadline of January 31, 2026, for a short-term rental to obtain a permit in order to continue operations within the City; and

WHEREAS, the City now desires to extend that deadline to February 28, 2026, to ensure that short-term rentals have reasonable notice of the deadline and an opportunity to register by the deadline; and

WHEREAS, the City Council has determined that the proposed ordinance amendment promotes the health, safety, morals, and the general welfare within the City of North Richland Hills and is in the best interest of the City of North Richland Hills.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH RICHLAND HILLS, TEXAS, THAT:

SECTION 1: Section 18-976, “Discontinuance of Operations,” in Article XII, “Rental Housing,” in Chapter 18, “Businesses,” in the Code of Ordinances, City of North Richland Hills, Texas, be amended by amending subsection (a) to extend the deadline for a short-term rental to cease operations within the city if they fail to timely obtain a permit from January 31, 2026, to February 28, 2026, to read as follows:

“(a) The owner or operator of a short-term rental who is unable, fails, or refuses to obtain a permit for operation as a short-term rental following the effective date of this division, shall discontinue the short-term rental use on or before February 28, 2026, or thirty (30) days from the notice of permit denial, whichever is later.”

SECTION 2: Section 18-977, “Continuance of Operations,” in Article XII, “Rental Housing,” in Chapter 18, “Businesses,” in the Code of Ordinances, City of North Richland Hills, Texas, be amended by amending subsection (a) to extend the deadline for a short-term rental to obtain a permit in order to continue to operate within the city from January 31, 2026, to February 28, 2026, to read as follows:

“(a) For properties located in zoning districts where short-term rental uses are not permitted by right, the owner or operator of a property used as a short-term rental prior to October 13, 2025, that comes into compliance with the requirements of this division, including obtaining a permit and paying all hotel occupancy taxes owed for the property or otherwise entering into a payment arrangement for said taxes with City, on or before February 28, 2026, may continue to operate so long as the owner or operator maintains compliance with all the requirements of this division.”

SECTION 3: This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances, City of North Richland Hills, Texas, as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the

conflicting provisions of such ordinances and such code are hereby repealed.

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

SECTION 5: Any person, firm, or corporation violating any provision of the Code of Ordinances, City of North Richland Hills, Texas, as amended hereby shall be deemed guilty of a misdemeanor and upon final conviction thereof fined in an amount not to exceed Two Thousand Dollars (\$2,000.00). Each day any such violation shall be allowed to continue shall constitute a separate violation and is punishable hereunder.

SECTION 6: All rights and remedies of the City of North Richland Hills are expressly saved as to any and all violations of the provisions of any ordinances governing short-term rentals or other single family rentals that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 7: The City Secretary is hereby authorized and directed to cause the publication of the descriptive caption and penalty clause of this Ordinance as required by law, if applicable.

SECTION 8: This Ordinance shall be in full force and effect upon publication as required by law.

AND IT IS SO ORDAINED.

PASSED AND APPROVED on the 26th day of January, 2026.

CITY OF NORTH RICHLAND HILLS

By: _____
Jack McCarty, Mayor

ATTEST:

Alicia Richardson
City Secretary/Chief Governance Officer

APPROVED AS TO FORM AND LEGALITY:

Bradley A. Anderle, City Attorney

APPROVED AS TO CONTENT:

Cori Reaume, Director of Planning