

ORDINANCE NO. 2026-26

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING SECTIONS 34.805 AND 78.103 OF THE SAN MARCOS CITY CODE AND THE CITY'S FEE SCHEDULE TO ESTABLISH PAYMENT PROCESSING FEES FOR ELECTRONIC PAYMENT OF SHORT TERM RENTAL PERMIT FEES AND HOTEL OCCUPANCY TAXES; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; PROVIDING A SAVINGS CLAUSE; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

1. Section 132 of the Texas Local Government Code provides that the governing body of a municipality may authorize the collection of fees, fines, and other charges by credit card, electronic processing of checks, or other electronic means.
2. The City Council and the City of San Marcos, Texas finds that the acceptance of credit cards, electronic processing of checks, or other electronic means, is beneficial for the citizens by providing greater flexibility relating to payment options and promotes prompt payment of fees, fines, and other charges.
3. The City Council has further investigated and determined that it is in the best interest of the City and its citizens to charge a payment processing fee to offset the costs of providing the payment options as set forth below.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. Section 34.805 of the San Marcos City Code is amended as set forth below. Underlining indicates added text, and strikethroughs indicate deleted text.

Sec. 34.805. Short term rental permits.

(a) *Application.* Application for a short term rental permit shall be made either in writing or electronically upon a form prescribed by the City of San Marcos for such purpose. Application for a short term rental permit shall be accompanied by an application fee and any payment processing fees associated with payment by credit or debit card, electronic processing of checks, or other forms of electronic payment, if applicable, established by the City Council and shall include the following information, at a minimum:

- (1) A list of all owners, operators, and agents (if applicable) of the short term rental including names, addresses, current email address(es) of owner/operator, and telephone numbers.

- (2) Proof of possession of the premises being registered, either by warranty deed, or valid lease.
- (3) If the applicant does not own the property where the rental unit is located, the applicant must provide written documentation, signed by the property owner before a notary public, authorizing the registrant to operate a short term rental on the premises.
- (4) The zoning district classification of the property will be verified to determine the type.
- (5) A sketch or narrative describing the location of the available parking spaces as required by the Development Code.
- (6) A sketch of the floor plan, which identifies sleeping areas, proposed maximum number of guests, evacuation route(s), location of fire extinguisher(s).
- (7) The name, address and 24-hour telephone number(s) of a (*Local responsible party*), who is the owner, operator, or designated agent and who shall be responsible and authorized to respond to complaints concerning the use of the short term rental.
- (8) A list of all hosting sites used to advertise the short term rental.
- (9) Written confirmation from the City of San Marcos Finance Department showing proof of registration for Hotel Occupancy Tax.
- (10) A sworn, self-certification that the owner of the short term rental has met and will continue to comply with the standards and other requirements of this article including, but not limited to: maintenance of insurance coverage of the unit or portions thereof in accordance with this article and obtaining annual independent inspections of required fire extinguishers in compliance with the city's current fire code that is accurate and truthful under penalty of perjury under the laws of the State of Texas.
- (11) Signature or electronic signature by the registrant requiring the applicant to self- certify that the information on the application is accurate and truthful under penalty of perjury under the laws of the State of Texas.
- (12) The applicant is responsible to verify with their Home Owners Association (HOA) to ensure that short term rentals are allowed.

(b) *Completeness of application.* Applications shall not be considered complete until all documentation required under this article has been submitted, and until the full application has been submitted. Incomplete applications will not be accepted.

(c) *Acknowledgement by applicant.* In connection with submission of the application, each applicant shall acknowledge that any permit granted by Director under this article does not supersede any property-specific restrictions against short term rentals that may exist under law, agreement, lease, covenant, or deed restriction.

~~(d) —The fee for a permit to operate a short term rental.~~

SECTION 2. Section 78.103 of the San Marcos City Code is amended as set forth below. Underlining indicates added text, and strikethroughs indicate deleted text.

Sec. 78.103. Reporting and payment.

(a) Every person required in subsection 78.102(d) to collect a hotel occupancy tax shall file a report with the ~~director of~~ finance department showing the amount paid for all rooms during each calendar month, the amount of tax collected and any other information the city may reasonably require.

(b) Reports shall be filed and the full amount of taxes due shall be paid by the 20th of every month following the end of each calendar month.

(c) Reports shall be filed and taxes shall be paid at the city finance department, online or by such other means as approved by the director of finance. The director of finance is designated to provide receipts showing amounts paid, certificates stating that no tax is due and statements of the amount due.

(1) The city council may establish convenience or payment processing fees associated with payment by credit or debit card, electronic processing of checks, or other forms of electronic payment.

(d) ~~Electronic versions of the reports are available for hotels on the city's website.~~ A report is due from a hotel even if no tax is due. The hotel occupancy tax report must be filled out completely and signed. If the report is not filled out completely and signed, it will be considered an incomplete report and returned to the owner. Penalties and interest will continue to accrue until the report is filled out completely, signed, and returned to the ~~director of finance~~ Finance Department.

(e) When the total amount due is not received by the due date, a late charge will be assessed against persons required to collect the tax under subsection 78.102(d) as follows:

(1) For hotel occupancy taxes required to be collected for the months of August 2020 through September 2023:

a. Five percent if paid after the due date.

(2) For hotel occupancy taxes required to be collected for the month of October 2023 and any month thereafter: ~~Ten percent if paid after the due date.~~

a. Ten percent if paid after the due date.

(f) An interest charge of one percent per month of the total amount due, including late charges and accrued interest, that is not received within 60 days of the due date will be assessed against persons required to collect a tax under subsection 78.102(d).

(g) In addition to other remedies available to the city, the persons required to collect a tax under subsection 78.102(d) are liable to the city for the city's reasonable attorney's fees in collecting delinquent hotel occupancy taxes and penalties.

(h) It is unlawful for any person to file a report under this section which contains any materially false or misleading information.

(i) For purposes of this section, the date indicated by a U.S. Post Office postmark on an envelope mailed to the city at its correct address or the date submitted online, containing a report or payment due under this section, is considered the date of receipt by the city.

SECTION 3. The annual schedule of fees adopted by the city council is amended to include fees authorized by this ordinance in the amounts shown in Exhibit A, attached hereto.

SECTION 4. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 5. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 6. This ordinance shall become effective upon passage, approval and adoption on second reading.

SECTION 7. The charges authorized by this ordinance may be applied to transactions occurring after the effective date of this ordinance.

PASSED AND APPROVED on first reading on July 7, 2026.

PASSED, APPROVED AND ADOPTED on second reading on August 5, 2026.

Jane Hughson
Mayor

Attest:

Approved:

Elizabeth Trevino
City Clerk

Samuel J. Aguirre
City Attorney

EXHIBIT A

[ATTACH FEE SCHEDULE WITH NEW FEES ESTABLISHED]