

FAQ Short Term Rental

Short-Term Rentals (STRs), residences that are rented for less than 29 consecutive days, are regulated by City ordinance and licensed annually by Development Services Department Code Compliance. The goal of STR regulations is to encourage the safety of structures for people and pets.

1. How much does short term rental permit cost?

A permit fee is due when you apply for the STR permit. Permits must be renewed annually.

Short-Term rental permits 1st year: \$200 – includes initial inspection fee

Short-Term rental permit renewals: \$100

Killeen's STR permit fee is waived for applications received by May 31, 2024.

2. Do I have to pay hotel occupancy tax on a short-term rental?

Yes. Payment of Hotel Occupancy Tax is required when operating a short-term rental. You must file taxes monthly, even if it is a zero return.

City of Killeen ((Neumo, previously Avenu Insights & Analytics) collects 7%

https://www.hoteltaxonline.com/default_sto.aspx

Texas Comptroller collects the 6% for State tax

Bell County collect the 2% for the County tax

https://www.bellcountytexas.com/county_government/commissioners_court/hotel_occupancy_tax.php

3. Is an inspection required for short-term rentals?

Yes. All short-term rentals must be inspected prior to issuance of a permit or renewal of a permit to ensure the rental follows minimum health and safety requirements for use and occupancy.

4. When is a short-term rental permit required?

An owner who desires to use its premise as a short-term rental, must have a valid, active short-term rental permit from the city prior to using, allowing the use of, or advertising the use of the premise as a short-term rental.

5. Why Regulate short term rental in the first place?

There are many good reasons why local government leaders are focused on finding ways to manage the rapid growth of short-term rental properties in their communities. To name a few:

- Increased tourist traffic from short-term renters has the potential to slowly transform peaceful residential communities into “communities of transients” where people are less interested in investing in one another’s lives, be it in the form of informal friend groups or church, school, and other community-based organizations.
- Short-term renters may not always know (or follow) local rules, resulting in public safety risks, noise issues, trash, and parking problems for nearby residents.
- So-called “party houses,” i.e. homes that are continuously rented to larger groups of people with the intent to party, can severely impact neighbors and drive down nearby home values.
- Conversion of residential units into short-term rentals can result in less availability of affordable housing options and higher rents for long-term renters in the community.
- Local service jobs can be jeopardized as unfair competition from unregulated and untaxed short-term rentals reduces demand for local bed & breakfasts, hotels, and motels.
- Towns often lose out on tax revenue (most often referred to as Transient Occupancy Tax / Hotel Tax / Bed Tax or Transaction Privilege Tax) as most short-term landlords fail to remit those taxes even if it is required by law.

- Lack of proper regulation or limited enforcement of existing ordinances may cause tension or hostility between short-term landlords and their neighbors.
- The existence of “pseudo hotels” in residential neighborhoods (often in violation of local zoning ordinances, etc.) may lead to disillusionment with local government officials who may be perceived as ineffective in protecting the interests of local tax-paying citizens. Source from Granicus.

6. What if I don't get a permit for my Short-Term rental?

Failure to obtain permit is a violation of the City of Killeen Code Ordinances (operating without a license) and may result in enforcement action, including citations and fines.

7. Who should I call if tenants of Short-Term rental in my area are causing problems?

If an issue relates to noise ordinance violations or criminal activity, we encourage you to contact Killeen police non-emergency line at (254)501-8830 or 911 if the situation is an emergency. If the issue relates to code enforcement issue, contact Code Enforcement at (254)501-7608.

8. What information is required to process an application for a STR Permit?

- The owner's legal name, date of birth, contact number, both physical and mailing addresses, and email address.
- If the short-term rental is to be operated or managed by someone other than the owner, the name, date of birth, contact number, both physical and mailing addresses, and email address for a responsible party with day-to-day authority and/or control over the short-term rental.
- The signatures of the owner and other responsible party, if any, agreeing and acknowledging that they are jointly responsible for the compliance by the occupant and any guests with all applicable laws, rules, and regulations pertaining to the use and occupancy of the short-term rental, and for any unreasonable noise, disturbances or disorderly conduct by the occupant and/or guests while utilizing or while on the property of the short-term rental
- Payment of the fee established by the City Council.
- If any information required changes, a responsible party shall promptly advise the City & Neumo.
- Short-term rentals are not a grandfathered use. All short-term rentals in the City must have a permit to operate.
- A short-term rental permit expires the last day of the month you received your permit each year.

9. Do I still need a permit if I rent out rooms in my house or if I have a duplex?

Yes. Short-term rental is any residential property rented wholly or partly for a fee for a period not longer than 29 consecutive days. If you are renting out both sides of a duplex as separate rentals, you must have a Neumo account number and permit for each side. The same is true if you are renting separate rooms in one property as individually available listings.

10. What are Hotel Occupancy Taxes used for?

Convention and Visitors Bureaus typically use hotel occupancy tax revenue to fund various tourism-related initiatives, including marketing campaigns to promote the destination, supporting convention and event planning, improving tourist attractions, enhancing infrastructure like public facilities, and sometimes funding arts and cultural programs that attract visitors. The specific usage can vary depending on local regulations.

11. STR Inspection checklist.

Short-term rental checklist is attached to this document. These inspections are invaluable tools to both host and guest. These comprehensive lists ensure that rental properties meet quality standards, are safe, and are equipped with all necessary amenities.

12. How far back do we have to pay city taxes?

If you've ever neglected to pay city taxes you collected for your short-term rental, you are required to pay back taxes to the City of Killeen, whether they stem from a decade ago, fifteen years ago, or just a few months back. Starting from May 1, 2024, Hotel Occupancy Tax is due for all STR rentals since May 1, 2024, whether or not you collected the tax from the renter. For every month since May 2024, if your property was listed or rented, you must file a Hotel Occupancy Tax return.

13. Do I owe penalty and interest for past returns I haven't filed?

The City is waiving penalty and interest for STR Property Owners filing back to October 2023 if the taxes are filed and paid by May 31st. Note: this applies to filing taxes you collected back to October 2023. If you did not collect Hotel Occupancy Tax for rentals between Oct 2023 and April 2024, you do not have to file a return. If you DID collect the tax, you MUST remit it to the City. The online filing system automatically calculates penalties and interest. To get the penalty/interest waiver, file on paper and remit to Neumo. You can download forms from Neumo's website. There are no penalties on zero returns, whether filed online or on paper.

14. When are taxes due?

Hotel Occupancy Tax is due by the last day of the month following the end of the filing period. For example, May taxes are due by June 30th.

15. Am I required to file a return even if I didn't have any rentals for a month?

Yes. You must file a tax return every month. If you don't have any rentals for a particular month, you should file a zero return.

16. What items are taxable?

Any amount you collect from the renter is taxable EXCEPT a security deposit and a platform fee retained by the platform, such as Airbnb, Vrbo, Flipkey, etc. This means the room rate, cleaning fee, pet fee, etc., are all taxable.

17. Are there exemptions to tax or permitting?

TAX: Yes. The tax form allows exemptions for stays by Permanent Residents, Diplomatic Personnel with Tax Exemption Card, Federal or State Employees traveling on official business, Federal or State Military personnel traveling on official business. You must retain written proof of exemption status.

PERMIT: No. There are no exemptions to having a permit if the property is available for rent for less than 30 consecutive days. If you register for your permit in May 2024, the permit fee (\$200) is waived.

18. Can I continue renting my property now even though I don't yet have my permit?

Yes. **You must apply for your permit by May 31st.** You can continue to rent while your permit application is in review, pending inspection.

19. Is there a limit on how many STRs can be in a certain neighborhood/area?

No. At this time, the City has not implemented any zoning or saturation limits on STRs.

20. How do I reach Neumo?

Contact Neumo Support at <https://neumo.service-now.com/csp> or toll free at (866) 240-3665.

21. How do I reach the State of Texas Hotel and Lodging Association?

<https://texaslodging.com/> 800-856-4328. You may contact Garrett Coppedge (presenter) directly at 512-474-2996.

22. Are there any additional documents I have to provide to obtain my permit?

Yes. With each permit application you must submit proof of insurance for the property, with a minimum coverage of five hundred thousand dollars (\$500,000.00) in liability insurance, which must include personal injury liability. The insurance must be active for the full term of the permit. If you did not include insurance proof with your permit application, Neumo will follow-up to request the required documentation. Your permit will not be issued until you provide proof of insurance. The City may choose to deny your permit application if you do not provide proof of insurance.

23. How much insurance am I required to maintain on my short-term rental property?

You must maintain at least five hundred thousand dollars (\$500,000.00) in liability insurance, which must include personal injury liability, for the duration of your permit. You must provide proof of insurance for each STR property. Your permit will not be issued until you provide proof of insurance. The City may choose to deny your permit application if you do not provide proof of insurance.



City of Killeen
Development Services/Building Inspections Division
SHORT TERM RENTAL LIFE SAFETY INSPECTION CHECKLIST
In Accordance with Section 31-955(a)

SHORT TERM RENTAL & INSPECTION INFORMATION

Property Address: _____ City/State/Zip: _____

Owner Name: _____ Owner Signature: _____

Inspector Name: _____ Inspector Signature: _____

Inspection Date: _____ Inspector phone number: _____

Number of bedrooms observed: _____

Item Descriptions

N/A Pass Fail

Minimum 4-inch-tall address numbers clearly visible from street

Operational Portable 2A 10BC fire extinguisher installed on each floor

Smoke alarms working, located in bedrooms, adjoining hallway, each floor

Carbon Monoxide detector alarms working (if installed)

Window/door emergency egress escapes are operational from bedrooms

At least one Entry/exit door available

Electrical panel labeled and in good order

GFCI receptacle protection within 6 ft of water sources, in kitchen, bath,
garage, and outside of building

Extension cords removed (power strips are allowed)

No exposed live electrical wires

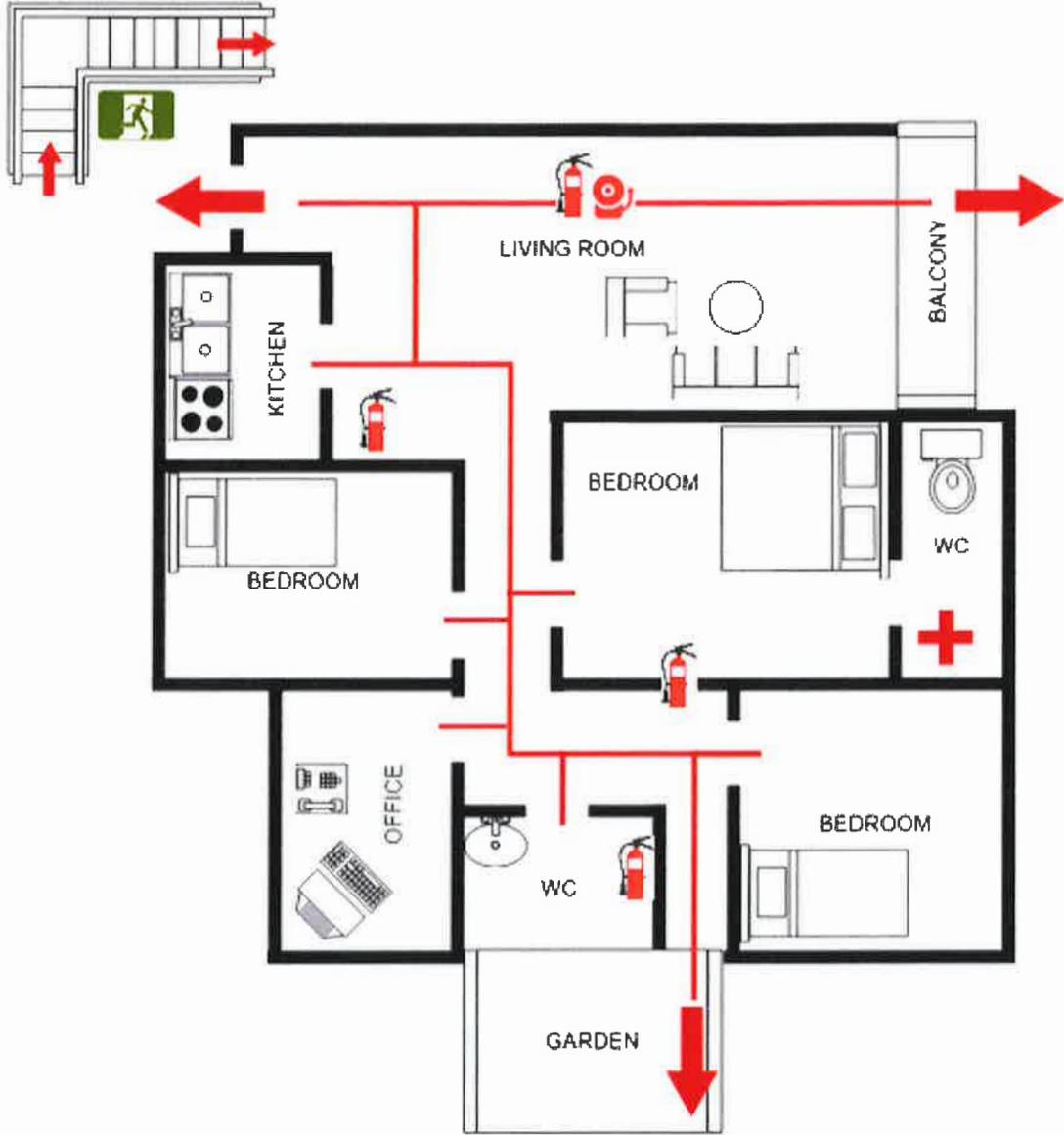
Emergency evacuation plan posted in a conspicuous place.

Water heater in good working order

Posted Notice of Instructions / Host Rules

1. Owner/Operator 24-hour contact information
2. Local responsible party 24-hour contact information, in City limits or 60 min away
3. Pertinent neighborhood information - parking restrictions, noise registrations, trash collection schedules
4. The Emergency number is 911 and the non-emergency number is 254-501-8830.
5. Notification that guests are responsible for compliance with all applicable laws and rules for short term rental and guest may be fined by the city if violations exist.

SAMPLE STR EVACUATION MAP



	FIRE ALARM
	FIRE EXTINGUISHER
	FIRST AID
	EMERGENCY EXIT
	ROUTE

SAMPLE - STR HOST RULES

NOTICE OF INSTRUCTIONS

STR Host Rules per COK 31-955(e)

These include, but are not limited to:

(1) Owner/operator's 24-hour contact information:

Print Name: _____

Phone Number: _____

Address: _____

(2) A local responsible party's 24-hour contact information, who is able to be on site within sixty (60) minutes to address any complaints, if the owner/operator is not within the city limits when guests are renting the premises:

Print Name: _____

Phone Number: _____

Address: _____

(3) Pertinent neighborhood information including but not limited to parking restrictions, noise and amplified sound restrictions, trash collection schedules;

a. Noise complaints are made to the non-emergency police number

b. Noise limitations are between **11:00 PM** to **7:00AM**

c. Trash is picked up at **DAY:** _____ and **TIME:** _____

(4) For Emergencies call 911, for non-Emergencies call 254-501-8800

(5) Notification that guests are responsible for compliance with all applicable laws, rules, and regulations pertaining to the use of the short term rental, and that guests may be fined by the city for violations of this division.