City of El Paso Agenda Summary Form

City Clerk

Submitted On:
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Department / Council Office	Office of the Comptroller
Agenda Date	August 18, 2026
Public Hearing Date	September 1, 2026
Email of User Submitting Form	Marinmm@elpasotexas.gov
Contact Person	Margarita M Marin 9155043489
2nd Contact Person	Marta Clark 9152121155
District(s) Affected	All Districts
Agenda Item	To approve an ordinance amending Title 3 (Revenue and Finance), Chapter 3.12 (Hotel Room Tax) of the El Paso City Code by amending sections 3.12.010, 3.12.030 and 3.12.031 to include short-term rentals (STR) language to allow for the proper collection of hotel occupancy taxes generated by the STRs.
Issue Statement	The ordinance updates the City's hotel tax provisions to classify short-term rentals as hotels, establish relevant definitions, require the collection and remittance of hotel occupancy taxes from short-term rentals, authorize the City Manager to enter into agreements with rental platforms as needed, and align the additional venue project tax requirements accordingly.
Background	On June 9, 2026, the City Council passed a resolution authorizing the City to start collecting Hotel Occupancy Tax (HOT) on Short Term Rentals (STR) no earlier than 90 days and no later than 180 days from the date of the resolution. The proposed ordinance will update the municipal code language to allow the City to properly collect the HOT on STRs as established by the resolution.
Council Options	Approve the ordinance as presented.
Committee Review and/or Recommendation	Ordinance prepared and reviewed by the Legal Department and content approved by the Office of the Comptroller.
Community and Stakeholder Outreach (if applicable, as an attachment) – please include	The Office of Strategic Communications will be coordinating an education campaign to inform the STR stakeholders and the public are fully informed about the code changes.
Related City Policies	N/A
Prior Council Action	Resolution passed on June 9, 2026

The City Attorney’s Office has reviewed the documents and signed off on the necessary forms	Yes
Amount and Source of Funding	N/A
Enter the elected official's name followed by the amount donated.	N/A
For More Information	Margarita M Marin 9155043489 Marinmm@elpasotexas.gov

ORDINANCE NO. _____________

AN ORDINANCE AMENDING TITLE 3 (REVENUE AND FINANCE), CHAPTER 3.12 (HOTEL ROOM TAX) OF THE EL PASO CITY CODE BY AMENDING SECTION 3.12.010 (DEFINITIONS) TO INCLUDE SHORT-TERM RENTALS WITHIN THE DEFINITION OF "HOTEL" AND TO ADD DEFINITIONS OF "SHORT-TERM RENTAL," "SHORT-TERM RENTAL OPERATOR" AND "SHORT-TERM RENTAL PLATFORM"; AMENDING SECTION 3.12.030 (COLLECTION OF TAX) TO PROVIDE FOR THE COLLECTION AND REMITTANCE OF THE HOTEL OCCUPANCY TAX ON SHORT-TERM RENTALS; AND AMENDING SECTION 3.12.031 (COLLECTION OF ADDITIONAL TAX—APPROVED VENUE PROJECT) TO CONFORM THE COLLECTION OF THE ADDITIONAL VENUE PROJECT TAX; THE PENALTY BEING AS PROVIDED IN SECTION 3.12.070 OF THE EL PASO CITY CODE.

WHEREAS, Section 7.14 of the Charter of the City of El Paso empowers the City to levy and collect a hotel-motel occupancy tax as provided under the laws of Texas; and

WHEREAS, Chapter 3.12 of the El Paso City Code levies a hotel occupancy tax pursuant to Chapter 351 of the Texas Tax Code, and an additional tax for the approved venue project pursuant to Chapter 334 of the Texas Local Government Code; and

WHEREAS, Section 351.001(4) of the Texas Tax Code assigns to the term "hotel" the meaning given that term by Section 156.001 of the Texas Tax Code, and Section 156.001(b) of the Texas Tax Code provides that, for purposes of the imposition of a hotel occupancy tax under Chapter 156, Chapter 351 or Chapter 352 of the Texas Tax Code, or other law, the term "hotel" includes a short-term rental; and

WHEREAS, the City Council finds that amending Chapter 3.12 to expressly address short-term rentals will clarify the application of the hotel occupancy tax, promote the uniform and equitable treatment of all persons furnishing sleeping accommodations to the public for consideration, and improve the administration, collection and enforcement of the tax; and

WHEREAS, the City Council finds that the adoption of this Ordinance is in the best interest of the public health, safety and welfare of the citizens of the City of El Paso.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

SECTION 1. That Section 3.12.010 (Definitions) of Chapter 3.12 (Hotel Room Tax) of Title 3 (Revenue and Finance) of the El Paso City Code is hereby amended to read as follows:

As used in this chapter, and in accord with Chapter 351 of the Texas Tax Code and Chapter 334 of the Texas Local Government Code, the following terms shall have the following meanings:

A. “Additional tax” means the tax imposed for the purpose of financing a portion of the costs of the approved venue project.

B. “Approved venue project” means a multipurpose coliseum, stadium or other type of arena or facility that is planned for use for one or more professional or amateur sports events, including minor league baseball games, and related infrastructure project that was approved by a majority of the voters voting at the election held in the city on November 6, 2012, in accordance the Chapter 334, Local Government Code, as amended.

C. “City comptroller” means the Comptroller of the City of El Paso.

D. “Consideration” means the price of a room in a hotel, but does not include the cost of food served by the hotel or the cost of personal services performed by the hotel except those services related to cleaning and readying the room for use or possession.

E. “Hotel” means a building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, short-term rental, tourist home, tourist house, tourist court, lodging house, inn, rooming house or bed and breakfast, but does not include a hospital, sanitarium, nursing home or a dormitory or other housing facility owned or leased and operated by an institution of higher learning as those terms are defined in Section 61.003, Texas Education Code, used by the institution for the purpose of providing sleeping accommodations for persons engaged in an education program or activity at the institution.

F. “Occupancy” means the use or possession or the right to use or possess a room or space that is ordinarily used for sleeping.

G. “Occupant” means any person who under a lease, concession, permit, right of access, license, contract or agreement uses or possesses a hotel room or space, but shall not include a person who has the right to use or possess a room in a hotel for at least thirty consecutive days, so long as there is no interruption of payment for the period.

H. “Person” means any individual, company, corporation or association.

I. “Short-term rental” means the rental of all or part of a residential property to a person for less than thirty consecutive days, in accord with Section 156.001(b) of the Texas Tax Code.

J. “Short-term rental operator” means the person or entity who owns the short-term rental.

K. “Short-term rental platform” means a person, company or other legal entity that facilitates a short-term rental for compensation. Short-term rental platforms facilitate short-term rentals by providing a platform which allows a person to advertise a short-term rental and allows another person to reserve the short-term rental.

L. “Venue project fund” means the fund entitled “Ballpark Venue Project Fund” created pursuant to the city resolution approved on December 18, 2012.

SECTION 2. That Section 3.12.030 (Collection of tax) of Chapter 3.12 (Hotel Room Tax) of Title 3 (Revenue and Finance) of the El Paso City Code is hereby amended to read as follows:

3.12.030 Collection of tax.

A. The tax levied in this chapter is against the person paying for the occupancy of the room. Every person owning, operating, managing or controlling any hotel shall collect the tax for the city, provided, however, that a short-term rental platform shall collect the tax for the city on short-term rentals facilitated through its platform. The City Manager or designee may enter into agreements with short-term rental platforms or other entities for the purpose of collecting or assisting in the collection of the taxes levied in this chapter.

B. A short-term rental platform shall collect the tax from the guest at the time of reservation or payment and remit the tax directly to the city.

1. A short-term rental operator utilizing a collecting short-term rental platform shall not be required to separately remit the city hotel occupancy tax on transactions for which the platform has collected and remitted the tax.

2. The short-term rental operator remains responsible for:

   a. Maintaining records sufficient to verify taxes collected by the platform;

   b. Collecting and remitting taxes on all taxable transactions not collected by a participating platform; and

   c. Complying with all registration, reporting and recordkeeping requirements established by the city.

3. When a short-term rental operator receives reservations through multiple booking channels, including direct bookings or booking platforms that does not remit to the city, the operator shall directly collect and remit the taxes to the city.

SECTION 3. That Section 3.12.031 (Collection of additional tax—Approved venue project) of Chapter 3.12 (Hotel Room Tax) of Title 3 (Revenue and Finance) of the El Paso City Code is hereby amended to read as follows:

3.12.031 Collection of additional tax—Approved venue project.

A. The additional tax levied in this chapter is against the person paying for the occupancy of the room. Every person that is required to collect a tax under Section 3.12.030 shall collect the additional tax for the city.

B. Each bill or other receipt for hotel charge that is subject to the additional tax imposed under this chapter must conspicuously include the following statement:

> "The City of El Paso requires an additional tax of two percent be imposed on each hotel charge for the purpose of financing a venue project."

SECTION 4. That the provisions of Chapter 3.12 of the El Paso City Code not expressly amended by this Ordinance shall remain in full force and effect, and shall apply to short-term rentals, short-term rental operators and short-term rental platforms to the same extent as they apply to any other hotel and to any other person required to collect the tax.

PASSED AND APPROVED this _______ day of ____________________, 2026.

THE CITY OF EL PASO:

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Renard U. Johnson
Mayor

ATTEST:

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Laura D. Prine
City Clerk

APPROVED AS TO FORM:

Russell Abeln

Russell. T. Abeln
Assistant City Attorney

APPROVED AS TO CONTENT:

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Margarita Marin Lopez
Deputy Chief Financial Officer-Comptroller