Texas Hotel & Lodging Association 2023 Legislative Session Report

May 31, 2023

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Foreword:

- 1. This report was published on May 30, 2023. At the time of publication, the first of what is expected to be several legislative sessions is already underway. We will report updates from the special sessions once we have additional information.
- 2. Additionally, the Governor may veto passed legislation until June 18, 2023.
- 3. Our list of all tracked bills that passed the legislature is appended to this overview.

Overview of the 2023 Texas Legislative Session.

The 2023 Legislative Session produced very important results for the Texas lodging industry. Among our top issues was THLA-offered and passed hotel occupancy tax legislation that corrected and clarified confusing and problematic provisions in the local hotel tax laws. This legislation will be instrumental in preventing ineffective expenditures of local hotel tax revenue by local governments and will provide much greater transparency in the use of local hotel occupancy tax revenue by all Texas cities and Texas counties.

THLA once again successfully advocated for not only full state funding for tourism promotion but record funding levels (approximately \$127.4 million for the biennium). We also secured passage of qualified hotel project legislation that will allow 22 additional Texas cities to pursue qualified hotel projects for their convention centers or project financing zones and other related projects for their areas. Further, THLA negotiated and secured important amendments on the 48 hotel occupancy tax bills filed. Our amendments served to ensure that proposed uses of local hotel tax revenue were very likely to positively affect tourism and hotel activity and, wherever possible, provided protection for DMO funding at historic or heightened levels. As we have done every session, THLA also successfully opposed and killed proposed bills that would have placed costly or burdensome regulations on hotel operations.

By the session's end, legislators filed 8,522 bills. Of those, 1,354 bills passed the Legislature and were sent to the Governor. This translates to 16% of the filed bills passing the Legislature. This passage rate is slightly lower than the typical passage rate of prior sessions, which saw the following passage rates: 2021 session (15.4%), 2019 session (19.5%), 2017 session (18%), 2015 session (21%).

THLA reviewed every one of the 8,522 filed bills for their potential impact on the lodging and tourism industry. Our review showed 517 bills with a significantly positive or negative effect on the lodging industry if passed. Our staff tracked and advocated on these bills to ensure that the final versions positively and fairly addressed the interests and priorities of the Texas lodging and tourism industry.

THLA's legislative advocacy team is proud to report that once again, every legislative item THLA offered this session passed the Legislature, and every item that we opposed was defeated or was amended to remove its negative affect. We note below a summary of the major items that we worked on, followed by a more in-depth coverage of the issues addressed within each of these areas.

• Passed full funding for state tourism promotion: THLA advocated along with the Texas Travel Alliance (TTA) to ensure Texas's state tourism program is fully funded. The State Budget passed with a full appropriation of \$127.4 million for the biennium (\$62.5 million for 2024, \$64.8 million

for 2023) for state tourism promotion. This full appropriation nearly doubles the amount that was appropriated for the prior biennium, and it reflects the continued recovery of the hotel industry and hotel occupancy revenues from the pandemic. Further, we were successful in securing appropriation riders that allowed the state tourism office to retain all unexpended balances from the prior biennium and any surplus revenues which are generated over appropriated amounts over the next two years.

- Passed THLA-authored hotel occupancy tax cleanup and transparency legislation: The history of the local hotel occupancy tax dates to the 1960s, and the Tax Code has been amended many times over the decades. THLA passed a comprehensive local hotel occupancy tax bill, SB 1420/HB 3727, which clarifies and corrects confusing and contradictory language in the Tax Code and provides greater transparency in the reporting of information regarding the expenditures of hotel occupancy tax revenue by cities. This legislation will be instrumental in ensuring that cities and counties are using hotel occupancy tax revenue in a manner that has the greatest positive effect on tourism and the hotel and convention industry. The bill also for the first time will require all Texas cities and all Texas counties to report the amount of local hotel taxes that remain in "reserves" as well as the amount and percentage of local hotel tax funding that the city and county each expend within each of the nine statutory categories or for any other purpose each budget year. See below for more on SB 1420/HB 3727.
- Retained state tax entitlements for existing qualified hotel projects (QHPs) and passed statutory authorization for 18 additional cities to participate in the QHP program. And THLA worked to pass legislation to give Houston, San Antonio, Austin, and Corpus Christi authority to designate a project financing zone (PFZ) that will greatly enhance convention center district expansion in each city. THLA successfully advocated for preservation and continued use of the vital QHP program that allows state sales tax and state hotel tax rebates for eligible local convention center projects (e.g.; convention center hotel) that are located within 1,000 feet of a convention center. The applicable bill this session, HB 5012, enabled 18 additional Texas cities to partner with hotel developers to receive state tax rebates to facilitate the construction of local convention center hotel projects. Additionally, HB 5012 and other legislation provided enhanced PFZ tax rebate entitlements for Houston, Austin, San Antonio, and Corpus Christi that match the level of state tax rebates currently available to Dallas and Fort Worth.
- Passed, killed, or favorably amended all bills providing new eligible uses of local hotel occupancy tax revenue. When cities or counties propose an expansion of how local hotel occupancy tax revenues may be expended or an increase to a local hotel tax rate, THLA staff contact the area hoteliers and the affected destination marketing organization. We determine the level of support for the proposal and identify any concerns regarding setting a local or statewide precedent for the requested authority. THLA then works with the bill's proponents to make sure industry priorities and all needed safeguards are put into the proposed law. THLA advocated on or provided topical amendments to every filed hotel tax bill this session, and in many cases, redrafted the legislation, to create return-on-investment safeguards, lowered or eliminated increases to local hotel tax rates, and added other reasonable hotel tax expenditure limitations. All the individual hotel tax use bills that were considered by the Texas Legislature this session and those that passed are outlined later in this report.
- Successfully opposed preemption of short-term rental ordinances: Much like hotels, short-term rentals (STRs) operate as commercial lodging establishments within cities across Texas.

Fairness should require that state and local laws treat hotels and STRs in a similar manner. However, <u>HB 2665</u>, filed by Representative Gary Gates (R-Rosenburg), would have eliminated the ability of cities to regulate the location and proliferation of short-term rentals within their communities. Hotels are not able to locate in residential areas of a city, but under the bill as filed, an unlimited number of short-term rentals would have been able to locate in such areas, providing an unlevel and unfair advantage to STRs.

THLA negotiated with the bill's proponents and reached a comprise on HB 2665. The agreed-to compromise version of HB 2665 instead provided for the establishment of a commission to study the issue of the regulation of STRs before the next legislative session in 2025. The amended version of HB 2655 passed the House but died in the Senate. The efforts to preempt local regulations of STRs and the compromise version of simply allowing an interim study on the issue both did not pass this session.

In the past, proponents of STR preemption made efforts to have their language added as an amendment to other moving legislation. THLA monitored and prevented such an amendment to all potential vehicles until the legislature adjourned on May 29th. The assistance of the national hotel association (AHLA) and their contract lobbyists were instrumental in helping THLA's advocacy team on this crucial industry issue.

Passed bill preempting local labor regulations and opposed burdensome business regulations:
 THLA and our business coalition partners successfully opposed efforts to impose costly regulations on private businesses; including proposed increases to the state minimum wage, paid sick leave mandates, and efforts to make unfavorable changes to the laws governing unemployment insurance and workers compensation insurance.

There was a major win in the passage of THLA-supported <u>HB 2127</u> by Representative Dustin Burrows (R- Lubbock). HB 2127 prevents Texas cities and counties from enacting labor related requirements for the private sector (more on this below).

Preserved and expanded state incentives under the Major Events Reimbursement Program
(MERP) for large tourism events: THLA worked to ensure important state incentives such as the
state's Event Trust Fund and the Major Events Reimbursement Program (MERP) remained
authorized under state law. We also successfully supported the addition of named events to the
MERP program. The specific new authorizations are covered later in this report.

Special legislative session(s) forthcoming.

Rumors had been circulating for months that Governor Greg Abbott would likely call the Texas Legislature back into session later this year for at least one special legislative session. The House and the Senate had been gridlocked for most of the session on several priority bills; namely on issues such as the budget, school choice/private school vouchers, and property tax relief.

After a dramatic close to the 88th legislative session, a special legislative session has been called to consider two issues: 1. Property tax relief through additional school district property tax compression (reduction of the school district property tax); and 2) enhancement of the penalties regarding trafficking of people across the Texas/Mexico border. A bill to lower the total school district property tax rate by

up to a third has already been announced. Property tax remains a top priority of THLA and is one of the Legislature's top priorities, and lawmakers in both chambers are eager to deliver property tax relief to their constituents.

Prior to the end of session, Governor Abbott also floated the idea of a September special session on the school choice/private school voucher issue. Creating a program for school vouchers to allow the use of state funds to cover a portion of the cost of private school tuition has been one of Governor Abbott's top legislative priorities this session. After the House refused to allocate funding for this initiative in the budget earlier this session, Governor Abbott began threatening a special session—vowing to bring lawmakers back to Austin if they failed to pass meaningful school choice legislation. Clearly, the story of the 2023 Regular Session will continue into the upcoming special legislative sessions.

On a separate note, the Texas House of Representatives impeached Attorney General Ken Paxton just days before the end of session, and the Senate is now charged with conducting a trial to adjudicate the charges against General Paxton. That Senate trial will take place sometime this summer.

General state budget appropriations bill (HB 1).

HB 1 calls for \$321.3 billion in state expenditures for the 2024-2025 biennium, which represents an increase in state spending of about 29% compared to the 2022-2023 state budget.

This large increase in state spending is in large part attributable to the increased funding that is available to the state lawmakers due to a record \$33 billion budget surplus. However, the Texas constitution limits the amount the Texas Legislature may allocate for state spending each session, resulting in the Legislature only allocating approximately one-half of the available state budget surplus. HB 1 was the result of lengthy negotiations between the House and the Senate, allocating significant amounts to items such as property tax relief, higher education, infrastructure, mental health, and border security, to name a few.

The 2023-2024 state budget includes:

- \$17.6 billion to fund property tax relief (see more on property tax relief below);
- \$4 billion to support higher education;
- \$1.1 billion for school safety;
- \$3 billion to fund behavioral health services to address mental health concerns;
- \$5 billion allocated to efforts to secure the southern border;
- \$2.5 billion to repair and expand state infrastructure, including water and broadband infrastructure.

Tourism promotion funding in the state budget.

Of particular importance to the hotel and tourism industry, HB 1 provides a full appropriation of \$127.4 million for the biennium (\$62.5 million for 2024, \$64.8 million for 2025) for the tourism promotion program managed by the Governor's Office on Economic Development and Tourism. This amount is in

addition to any unexpended balances and surplus state hotel tax revenues that may be earned over the next two years. This appropriation funds the work of the Governor's office in the promotion of Texas as a tourism destination. This full appropriation nearly doubles the appropriation for the 2022-2023 biennium, reflecting the hotel industry's strong recovery from the pandemic and the resulting increase in hotel occupancy tax revenue. With the added riders on unexpended balances and surplus revenues, the actual amount dedicated to tourism promotion will be at record levels.

Preservation of the Texas Economic Development and Tourism Office until at least 2035.

The Governor's Office of Economic Development and Tourism Office (EDT) was up for Sunset Commission review this session, which means the Sunset Commission and the Legislature considered whether that agency should continue to exist and in what capacity. EDT is of vital importance to our industry and the Texas EDT Office is truly a world-class operation, promoting Texas as a tourism destination both nationally and internationally. THLA advocated for the agency's continuation, and we are pleased to report the Legislature agreed, extending that agency's life until at least 2035, when it will again undergo Sunset review.

Texas Moving Image Industry Incentive Program funding in the state budget.

The Texas Moving Image Industry Incentive Program (TMIIIP) is a program within the Office of the Governor aimed at promoting economic development by providing grants to qualifying media productions including film, television, videos games and the like. THLA worked with the Texas Media Production Alliance (TXMPA) to ensure that this program was fully funded. We are pleased to report that the TMIIIP and related programs in the Office of the Governor will receive nearly \$200 million for the 2024-2025 biennium. \$155 million will go directly to the TMIIIP, and an additional \$45 million will be allocated between the Texas Film Commission, the Texas Music Office, and the TMIIIP. This represents more than a fourfold increase in state funding to promote film and other related activities that support hotel and tourism businesses.

Property tax relief.

It is no small secret that property tax relief has been a top-of-mind priority for the Texas Legislature this session. Lawmakers in Austin are working with a record \$33 billion budget surplus, and many have called upon the Legislature to use that surplus for property tax relief. There was little debate at the Capitol this session that property tax relief was needed and should be a top priority. However, the Texas House of Representatives and the Texas Senate proposed and continue to offer differing approaches on how to bring relief to taxpayers.

The Senate's proposed plan, <u>SB 3</u>, included raising the residential homestead exemption for most homeowners from \$40,000 to \$70,000 with an additional \$20,000 exemption for the elderly. The Senate also proposed spending \$5.38 billion to help lower the school property tax rate, which would provide property tax savings to both residential and commercial properties (\$0.07 per \$100 of value).

Conversely, the Texas House proposed dedicating \$12 billion in state funds to lower school property taxes, in addition to instituting a 5 percent cap on the ability of local governments to access appraisal increases that would apply to both residential and commercial properties. This approach has been adopted by other states, such as California, and critics argue that the measure would create unintended consequences for the real estate market; citing concerns that buyers would be discouraged from purchasing property due to the increased tax liability (at least compared to the previous owner).

The appraisal caps offered by the House were widely opposed in the Senate and condemned by Lt. Governor Dan Patrick. <u>HB 2</u> never even got a hearing in the Senate. Instead, the Senate passed SB 3 and sent it over to the House for consideration. The House accepted most of the Senate's proposal, and even doubled down on increasing the homestead exemption (increasing it to \$100,000 for most homeowners). Nonetheless, the House was unwilling to give up their appraisal caps proposal and amended SB 3 to include the 5% cap on appraisals for both residential and commercial property.

In turn, the Senate rejected the changes from the House and each chamber appointed negotiators with the incredible duty of finding a compromise. The House and the Senate remained in a standoff over their different approaches to property tax relief through the final hours of the session and no compromise was reached. With property tax relief being a top priority for both chambers, the failure to reach a deal was the impetus for Governor Abbot to call lawmakers back to Austin for a special session to address property tax reform.

Potential social issue / boycott bills.

Every session, THLA monitors legislation addressing social issues which may result in certain groups boycotting Texas as a destination for conventions and other large events.

Restricting "drag shows" and sexual performances in the presence of children. SB 12 provides criminal and civil penalties for individuals and commercial enterprises that host sexually oriented performances in the presence of children. As initially filed, this bill would have had implications for any venue hosting "drag" performances.

At the end of the session, the Senate and the House reached a compromise that defines a "sexually oriented performance" as a performance featuring a nude performer or "any other performer who engages in sexual conduct." References to "drag" or prohibitions on performers "exhibiting" as the opposite sex were removed from the bill. Opponents still believe the language passed in SB 12 is vague and may create issues, and it may be left up to the courts to decide full effect of the bill.

Banning gender affirming medical care. SB 14, another hotly debated piece of legislation, bans the use of gender procedures and hormone therapy for transgender children in Texas. The bill would also require those children already using hormone therapy to be weaned off the medication. SB 14 was passed by both chambers and Governor Abbott is expected to sign it into law.

Transgender participation in collegiate sports. <u>SB 15</u> prohibits participation by persons in collegiate sport activities except pursuant to their birth gender. SB 15 passed and was sent to the Governor.

Casino gambling and online sports betting did not pass.

This session, casino proponents led the charge to bring the option of casino gambling to Texas. <u>HJR 155</u>, filed by Representative Charlie Geren (R-Ft. Worth), would have asked Texas voters to decide whether to approve legalized casino gambling and the development of major casino destination resorts in many metropolitan areas in the state. Despite initial optimism, HJR 155 did not secure enough votes to pass in the House of Representatives, and it would have faced an even tougher path in the Texas Senate.

Additionally, <u>HJR 102</u> by Representative Jeff Leach (R-Plano), would have legalized online sports betting. The measure passed the House by an extremely slim margin, but ultimately died in the Senate.

State and local incentives for qualified hotel projects (QHPs): Adding new cities.

Several bills were filed this session to allow additional cities to qualify for state and local hotel tax rebates to help fund the construction of local convention center hotel projects that are located within 1,000 feet of a convention center. Known as Qualified Hotel Projects (QHPs) and originally enacted in 2003 for larger cities, this legislation has been expanded over the years to allow certain mid-sized and smaller cities to also participate in the program. A Qualified Hotel Project must be located on municipally-owned land within 1,000 feet of a convention center facility.

Under the QHP program, the state hotel tax and state sales tax revenue generated by a qualified hotel can be used to mitigate the costs of developing the project. Participating cities are entitled to receive a rebate of state hotel occupancy taxes and state sales taxes from the Qualified Hotel Project for the first 10 years after the project opens for occupancy.

In 2017, THLA added vital language to the convention center hotel program to protect the continued funding of the area destination marketing organization (DMO). The THLA provision requires cities that pursue a Qualified Hotel Project may not lower the percentage of hotel tax that is committed to "marketing" below the prior three-year average percentage of hotel tax that has been used for marketing. This language remains in effect providing crucial funding protection for the work of DMOs.

This Session, bills authorizing new Qualified Hotel Projects were ultimately combined into <u>HB 5012</u>, resulting in 18 additional cities becoming eligible for the QHP program: Allen, Brownsville, Seguin, Mansfield, Beaumont, Bastrop, Waco, Little Elm, Denton, Grapevine, Mesquite, Terrell, McKinney, Kaufman, Temple, Carthage, Rosenberg, and Eagle Pass.

Additionally, HB 5012, <u>SB 1057</u>, and <u>SB 2220</u> allows Austin, Houston, San Antonio, and Corpus Christi to designate a Project Financing Zone (PFZ). PFZs are a larger zone-type project that has a longer term. Dallas and Fort Worth already have Project Financing Zone authority. All three bills passed and await the Governor's signature.

HB 5012, SB 1420, and HB 3727 also provides that each QHP project authorized after January 1, 2023, shall be subject to a claw-back for the State of Texas if the State has not recouped its state tax rebate investment by the 20th anniversary of the QHPs opening. In such a case, the municipality must dedicate the portion of its municipal hotel tax revenue collected by the QHP to the State until the State's tax investment has been repaid.

Texas Regulatory Consistency Act and other employment-related bills.

Every legislative session, there are efforts to impose burdensome regulations on private businesses through state legislation. For example, various cities across Texas have attempted to impose costly employment regulations on businesses operating within their city limits such as local regulations that would dictate private hiring practices, mandate paid sick leave, or require predictive scheduling.

THLA, along with our business coalition partners, worked to include language in HB 2127 by Representative Dustin Burrows (R-Lubbock) and SB 814 by Senator Brandon Creighton (R-Conroe) to address this issue. HB 2127 and SB 814, dubbed the "Texas Regulatory Consistency Act," preempts Texas cities from enacting these types of private sector workforce related requirements and would provide regulatory consistency for those operating businesses in more than one city in Texas. HB 2127 passed and is expected to be signed into law by Governor Abbott.

Notice posting requirement regarding workplace violence. HB 915 requires that all workplaces will have to post a notice in a conspicuous place related to workplace violence. The notice will be promulgated by the Texas Workforce Commission. This bill passed into law.

Prohibition against employer discrimination based on certain hairstyles. Known as the "CROWN Act," <u>HB 567</u> prohibits an employer, labor union, or employment agency from "adopting or enforcing a dress or grooming policy that discriminates against a hair texture or protective hairstyle commonly or historically associated with race."

Local hotel occupancy tax bills that passed, and those that did not.

This legislative session, 48 local hotel occupancy tax related bills were filed. Of those, only a portion passed. Here is a summary of the hotel occupancy tax bills and bill amendments THLA worked on and their status.

General hotel occupancy tax bills and amendments that passed.

- THLA hotel occupancy tax cleanup and transparency legislation: THLA offered and passed <u>SB</u> <u>1420/HB 3727</u>, which made changes to hotel occupancy tax laws in Texas to ensure that the local hotel occupancy tax continues to positively affect the hotel and tourism industries.
 - To provide clarity, SB 1420 / HB 3727 amends certain definitions under Chapter 351 of the Texas Tax Code. The bill: 1) clarifies the definition of "parking facilities in the vicinity of a convention center" to mean that they must be within 1,500 feet of the convention center facility. 2) Clarifies the term "tourists" includes "business travelers" from another city or another county. 3) Clarifies the term "meetings" at convention centers to also include events that are attended by hotel guests. 4) Clarifies that visitor information centers can only be funded by hotel tax if the involved facility is primarily used to distribute information to tourists. 5) Clarifies that "multiuse facilities" can only

- be funded with local hotel tax if a majority of the events at that facility attract tourists who substantially increase economic activity at hotels in that city.
- SB 1420/HB 3727 amends the current requirement for the reporting of information to the Texas Comptroller regarding municipal and county hotel tax revenue collection and spending. Cities and counties will now be required to report the amount and percentage of local hotel tax revenue expenditures by category, as well as report the amount of hotel tax revenue held in reserve. This bill also allows cities and counties to use a very small portion of hotel tax revenue to cover the costs associated reporting this information. This additional reporting information will help show exactly how cities are expending the local hotel tax revenue and where there may be untapped reserve funds that could be used to promote hotel and tourism activity.
- This bill repeals confusing provisions related to local hotel tax revenue expenditure caps on historical restoration and preservation. The vast majority of Texas cities all have a 15% cap on the use of local hotel tax revenue for historical restoration and preservation. This legislation clarifies that this 15% cap on the use of local hotel tax revenue for historical restoration and preservation also generally applies to all cities of under 125,000 population.
- City of Surfside Beach use of hotel tax revenue for beach related facilities and purposes: HB 4494 amends Chapter 351 of the Tax Code to designate the City of Surfside Beach as an eligible coastal municipality. Recognizing the unique tourism draw of these coastal towns, eligible coastal municipalities are authorized under Chapter 351 to use hotel occupancy tax revenue for improvements to certain civic centers, hotels, marinas, and other tourism attractions, as well as for beach clean-up and related expenditures.
- City of Wimberley use of hotel tax for dark skies preservation and eco-tourism purposes: HB
 <u>4660</u> amends Chapter 351 of the Tax Code to allow the City of Wimberley to use a portion of its
 local hotel occupancy tax revenue for the purpose of preserving dark skies through the use of
 certain devices which reduce light pollution. This legislation also allows Wimberley to use hotel
 occupancy tax revenue to promote ecological tourism events. The language in HB 4660 mirrors
 the language that grants the same authority to certain other cities in Texas which are similarly
 situated.
- Sports facilities hotel tax legislation that passed:
 - Use of local hotel tax revenue for existing City of Seguin sporting facility: HB 2353 amends Chapter 351 of Tax Code to authorize the City of Seguin to improve an existing sports facility owned by the City in the same manner as many other Texas cities. In keeping with the authority of other cities under this provision of Chapter 351, Seguin will be required to show that the sports facilities have been used a combined total of more than 10 times for district, state, regional, or national sports tournaments in the preceding calendar year. Additionally, five years after the improvements to the facilities are made, the City must show that the hotel revenue generated by events at the sports facility at least equals the amount of hotel tax revenue spent on the improvements.

- O Use of local hotel tax revenue for a new Bay City sporting facility: HB 2497 gives Bay City the authority under Chapter 351 to use hotel occupancy tax revenue to construct, maintain and operate a city owned sports facility. Five years after the construction of the facilities, the City must show that the hotel revenue generated by events at the sports facility at least equals the amount of hotel tax revenue spent on the construction of the facility. Similarly, each year the City may not spend hotel occupancy tax revenue on the maintenance and operation of the facility in excess of the amount of hotel revenue generated by events at the facility. The City will also be prohibited from reducing the amount it spends on advertising and promotion to an amount that is less than the average percentage spent on that category for the previous three years.
- Use of local hotel tax revenue for an existing City of Alice sports facility: <u>SB 1837</u> gives the City of Alice the authority under Chapter 351 to use hotel occupancy tax revenue to improve an existing sports facility that is owned by the City. This bill requires that for five years after the improvements to the facilities are made, the City must show that the hotel revenue generated by events at the sports facility at least equals the amount of hotel tax revenue spent on the improvements.

• County hotel tax legislation that passed:

- County electronic hotel occupancy tax administration systems: HB 1689 gives counties the authority to use a portion of county hotel occupancy tax revenue to cover the costs associated with maintaining an electronic tax administration system. In 2015, cities were given the authority to use hotel tax in this manner. At that time counties were not contemplated. Since then, there has been a massive increase in small lodging properties operating in counties, and a growing number of counties are now levying a county hotel tax. This legislation extends to counties the same authority that cities have to use hotel occupancy tax revenue for an electronic tax administration system. The amount of hotel occupancy tax revenue that a county can spend for these purposes is limited. A county may not spend more than 2% or \$75,000 dollars on an electronic tax administration system, whichever amount is less.
- County to impose a 2% countywide hotel occupancy tax except on a hotel that is located within two counties. HB 5105 gives the County authority to use revenue from the tax to improve, maintain and operate their expo center. Originally, the legislation authorized the use of county hotel tax also for sporting fields at the Expo Center, but this provision was removed during the legislative process. The County remains dedicated to constructing the sports complex at the expo center and intends to use general revenue to fund that construction. The County and THLA may revisit securing the authority to use the county hotel occupancy tax for such sporting related fields in the next legislative session.
- o Two percent Wise County hotel tax for fairgrounds and historic restoration: HB 1034 allows Wise County to impose a countywide hotel occupancy tax of up to 2%. Wise County may use the tax revenue to improve and maintain their fairgrounds, which hosts many rodeos and similar livestock events which are the primary drivers of tourism in the area. Additionally, Wise County will be authorized to use the revenue from this tax for

historic restoration and preservation. The Wise County Heritage Museum was tragically destroyed in March by a fire, and the Legislature granted the County the authority to use hotel occupancy tax revenue to restore that museum.

- Split-rate Armstrong County hotel tax: <u>SB 1809</u> allows Armstrong County to impose a county hotel occupancy tax of up to 7% in the unincorporated areas of the County, and up to 2% in the incorporated areas of the County. The funds can be used for general county hotel tax purposes.
- Seven percent Blanco County hotel tax: <u>HB 3235</u> allows Blanco County to impose a
 county hotel occupancy tax of up to 7% in the unincorporated areas of the County for
 general county hotel tax purposes.
- Split-rate Fort Bend County hotel tax: <u>HB 3453</u> allows Fort Bend County to impose a county hotel occupancy tax of up to 7% in the unincorporated areas of the County, and up to 2% in the incorporated areas of the County.
- Seven percent Angelina County hotel tax: <u>HB 5178</u> allows Angelina County to impose a county hotel occupancy tax of up to 7% in areas of the County that are not already subject to a municipal hotel occupancy tax (such as Lufkin). The funds can be used for general county hotel tax purposes.

Hotel occupancy tax bills and amendments that did not pass.

- Statewide use of hotel tax revenue by cities for general infrastructure: HB 550 by Representative Cody Vasut (R-Angleton) would have allowed cities to use hotel tax revenue for general city infrastructure purposes such as streets, roads, bridges, utilities, and parks. THLA contacted Rep. Vasut and urged him to not pursue his bill further due to the existing statutory prohibition against the use of local hotel tax for general infrastructure purposes. The Representative agreed not to further pursue the bill and THLA committed to work with the Representative and area cities on their other hotel tax priorities during the interim.
- Trans-Pecos cities and counties use of hotel occupancy tax revenue for general city infrastructure: SB 1208 by Senator Cesar Blanco (D-El Paso) would have allowed a number of cities and counties in the West Texas trans-Pecos area to use hotel occupancy tax revenue for transportation, water, and broadband infrastructure. THLA was active in opposition to SB 1208, and we were able to stall the bill in the Senate and prevent further action on the bill in the House.

City of Harlingen hotel occupancy tax ballot proposal for prior convention center expansion: SB 2007 and its companion HB 4565 would have allowed the City of Harlingen to hold an election under Ch. 334 of the Local Government Code to increase its local hotel tax rate from 7% to up to 9% for a previously constructed convention center. The bill got a late start in the Senate and died on a crowded Senate calendar on the last day the bill could be considered.

• San Benito and Mesquite hotel occupancy tax increase for new convention center facilities:

Two bills were filed that sought to allow San Benito and the City of Mesquite to each raise their

maximum hotel occupancy tax from 7% to 9% to construct, expand, maintain, and operate a new or expanded convention center. These bills faced opposition because it would have allowed each city to raise its hotel tax rate by city ordinance. Neither proposal passed into law. Mesquite did receive legislative approval to undertake a Qualified Hotel Project under HB 5012.

- Uvalde County use of hotel tax revenue for river security: HB 3055 would have given Uvalde
 County the authority to use a portion of their local hotel occupancy tax revenue to cover the
 costs of private security personnel to patrol the rivers in the County during peak tourism
 seasons. This bill was requested by the County and supported by the lodging operators in the
 County. However, the bill faced opposition from lawmakers who were hesitant to set a
 precedent of allowing local hotel occupancy tax revenue to be used for public safety purposes.
- Washington County hotel tax for fairgrounds and application of the local hotel tax on campground rentals: HB 5136 would have authorized Washington County to use hotel occupancy tax revenue to improve and maintain the County fairgrounds. The bill also would have authorized Washington County to impose a local hotel occupancy tax on campsite rentals. The rental of campsites and RV hook-ups has never been subject to local or state hotel occupancy tax. For that reason, the Texas Association of Campground Owners strongly opposed the bill, and it died in committee.
- City of Richland Hills use of hotel tax for a sports facility: HB 3216 would have allowed the City of Richland Hills to use hotel occupancy tax to fund the construction of a sports facility and an amphitheater. Under this bill, five years after the construction of the facilities, the City would have to show that the hotel revenue generated by events at the sports facility and amphitheater at least equal the amount of hotel tax revenue spent on the construction of the facility. The bill passed the House but did not receive a hearing in the Senate.
- Accommodations intermediary legislation: SB 2356 / HB 5115 would have codified into state law an exemption from state and local hotel tax for the "service fee" that is assessed by Airbnb and other similar third-party websites. Currently, hotels are assessed hotel tax on any mandatory fees that our industry includes on a room night. THLA asserted that this same application of hotel tax should equally apply to mandatory charges by Airbnb and other such websites. The bill also would have provided that the State Comptroller would collect all city and county hotel taxes from Airbnb and other similar entities. Ultimately, the bill did not pass.

Major Events Fund Reimbursement Program expansion and preservation.

THLA continues to be a strong advocate for the state events trust fund programs. These programs include the Major Events Reimbursement Program (MERP) and the Events Trust Fund (ETF). These programs allow cities to receive state hotel tax and sales tax rebates to help cover the local costs that cities and DMOs have for hosting competitively bid major tourism events. THLA continued its advocacy for both the preservation of this program and for the addition of additional qualifying events. The following events trust fund bills passed this session:

SB 2325: Adds the Bassmaster Classic, the CMT Music Awards, Federation Equestre
 Internationale World Cup Final, World Supercross Championship Race, the United States Grand

Prix and the Professional Bull Riders World Finals, and the series of cricket matches or competitions within the T20 World Cup to the list of eligible events under the events reimbursement fund.

• <u>SB 1158</u>: Provides that each series of games of the FIFA World Cup is considered a separate, single event under the events reimbursement fund. Dallas and Houston were both chosen to host matches for the 2026 World Cup. When the World Cup was added to the events reimbursement fund, it was not contemplated that two Texas cities would be designated as host cities. This bill allows both host cities to utilize the program.

Hotel operations and hotel development bills that passed.

Increasing penalties for misrepresenting an animal as a service animal. HB 4164 amends existing state law to increase the penalty from \$300 to \$1,000 for misrepresenting an animal as a service animal. This bill also broadens what is considered "prohibited conduct" under the Penal Code to include a person using a harness or leash to misrepresent that an animal is a service animal, or the intentional or knowing misrepresentation of an animal as a service animal. This bill has been sent to the Governor and is expected to be signed into law.

Extending authority for merchants to require photo identification for credit card transactions. SB 761 continues the ability of merchants to require a photo ID for a credit card transaction and to decline a transaction involving the use of credit card or debit card if no such ID is provided. This authority was set to expire soon under the Business and Commerce Code but has now been extended.

New guidelines for the use and sale of consumer data. <u>HB 4</u> creates comprehensive regulations for the collection, use, processing, and treatment of consumers' personal data by business entities. This bill requires businesses that sell consumer data to disclose that fact in its privacy policy and receive consent from consumers before selling their data.

Requiring businesses to notify the Attorney General of system security breaches. Current law requires businesses that experience a data breach to report the breach to the Office of the Attorney General within 60 days. SB 768 amends current law to require businesses to report data breaches within 30 days of a breach involving at least 250 Texas residents. This bill has been sent to the Governor and is expected to be signed into law.

New business courts. <u>HB 19</u> creates new specialty trial courts to hear certain business cases. The new courts will hear business disputes involving \$10 million or more. The business court would also have supplemental jurisdiction over "all matters arising out of or related to" business disputes, except for claims against government entities, personal injury claims, Deceptive Trade Practices Act, or DTPA, claims.

Limits on mandatory parkland dedication for new hotel development. Some cities within Texas have been greatly increasing the amount of parkland that must be dedicated by private developers of hotels and other commercial establishments. <u>HB 1526</u> limits how much parkland must be dedicated by a new commercial property development under a city ordinance. The bill limits municipal parkland dedication requirements to no more than 10 percent of the gross site area subject to development. The bill also

limits the amount of parkland dedication based on "dwelling unit factors." For hotels, this limit is a factor of .004 acres of parkland per hotel room.

Additional food service and alcoholic beverage bills that passed.

Wine collectors authorized to sell wine to restaurants. <u>SB 1932</u> authorizes a wine collection seller to sell wine directly to a restaurant if the wine was manufactured at least 20 years before the sale date to the restaurant. This bill allows restaurants to purchase wine directly from a registered wine collector.

Advance 60-day posting on public database requirement of any new foodservice related requirements. SB 577 requires cities and public health districts to post on a public database any local food service and health related rules that differ from state law for at least 60 days prior to their enforcement.

Requires food allergen awareness posters to be placed prominently in staff areas. SB 812 requires foodservice establishments to display a poster in employee areas regarding food allergies. The poster will be developed and promulgated by the Department of State Health Services.

Problematic employment law bills that were defeated.

In certain states other than Texas, cities have the authority to set high mandated wage levels for the private sector. For example, cities in California and Washington have raised their private sector minimum wage rate to at least \$19/hour and other cities around the nation have recently increased their own minimum wage mandates against their private sector businesses or are preparing to do so. Several bills were filed by members of the Texas Legislature that would have raised the minimum wage, eliminated the tip credit, and/or allowed a city to set a higher minimum wage or other hourly wage/employment standards for private sector employees. All of these bills were defeated.

Over a decade ago, THLA helped pass a statewide law that preempts Texas local governments from mandating an artificially higher minimum wage for the private sector. Additionally, THLA worked with our industry partners within a broad-based coalition to oppose any efforts to provide municipalities or the State with the power to set artificially higher private sector wages through state legislation.

This session, we are proud to report we have expanded on our work to provide a favorable regulatory environment for hotels. Specifically, we were instrumental in including language in the Texas Regulatory Consistency Act (HB 2127 discussed above) which now preempts Texas cities from promulgating any workforce related local regulations against the private sector that would exceed what currently exists under state or federal law. The Act creates consistency and oversight at the state level.

The following other employment law bills did not pass:

<u>HB 169</u>, <u>HB 737</u>, and <u>HB 1126</u> all would have raised the **minimum wage** to \$15 / hour and eliminated the tip credit. <u>HB 1919</u> would have raised the minimum wage to \$17 by 2024 and provided that tipped employees must not be paid less than 50% of that hourly rate.

<u>HB 545</u> would have created liability for any employer that **retains any portion of a gratuity** paid to a tipped employee.

HB 193 and SB 582 would have allowed cities and counties to set their own minimum wage.

<u>HB 2175</u> would have required that an employer pay tipped employees **federal minimum wage** and prohibited the reduction of that amount by a tip credit.

<u>HB 256</u> would have prohibited discrimination in employment and in public accommodations for **gender identity and sexual orientation**.

<u>HB 722</u> would have made it an unlawful employment practice for an employer to discriminate against an employee on the basis of a **reproductive decision by the employee**.

HB 723 would have prohibited employment applications from including questions about wage history.

<u>HB 1032</u> would have prohibited employers from discriminating against an employee based on the employee's COVID-19 **vaccination status**.

Volente Village short-term rental (STR) legislation did not pass.

<u>HB 3169</u> by Rep. Brooks Landgraf sought to preempt Volente Village (a small town on Lake Travis) from denying a permit to operate STRs within Volente Village. THLA opposed HB 3169, recognizing the dangerous precedent it would set for the rest of the state. Ultimately, THLA and our partners were able to create enough opposition that Representative Landgraf pulled down the bill before it could be considered on the House floor.

Uniform school start legislation did not pass.

Currently, school districts can choose any school start date if they declare themselves a "district of innovation." HB 2546 would have provided a later school start date requirement for existing school districts once their District of Innovation exemption lapsed. School districts with earlier school start dates sacrifice the economic activity that could be generated from a full summer travel period. This bill received a public hearing, but due to strong opposition from local school district advocates, the bill did not advance out of committee.

Mass gatherings legislation did not pass.

HB 3262, dubbed the Texas Mass Gatherings Act, would have required a special permitting, public hearing, notice, and report process for all events involving more than 2,500 persons. The requirements would have included a public hearing requirement with at least 45 days' notice, with availability at a public hearing and written reports provided for each such event by the police chief, fire chief, and the health officer for the city or county. This bill was offered in response to the Astro World Festival tragedy

in Houston in November 2021. THLA worked with the proponents of the bill to exclude hotels and other venues that already have a certificate of occupancy and or a similar permit to host gatherings of that size. THLA also worked on reasonable exemptions that would apply to other large events held within a city or county. However, the bill ultimately did not pass.

List of tracked bills that passed the Legislature:

| 1 □ HB 4 | Capriglione, Giovanni(R) Hughes, Bryan(R) | Relating to the regulation of the collection, use, processing, and treatment of consumers' personal data by certain business entities. |
|------------------|---|--|
| | Remarks: | Creates new guidelines for use of consumer data for business purposes. Requires a separate privacy notice including categories of personal data used and descriptions of third parties the controller of the data may share personal data with. Additionally allows consumers to obtain a statement of all personal data held by the controller. Comprehensive bill that significantly increases consumer data protections; could create large administrative burdens to achieve & maintain compliance. |
| | Last Action: | 5-30-23 G Sent to the Governor |
| 1 | Harris, Cody(R) Bettencourt, Paul(R) | Relating to certain approval procedures for property development review by a political subdivision. |
| | Remarks: | Allows a developer to use a third party to review and approve development documents if a municipality does not complete its own review within 15 days. |
| | Last Action: | 5-26-23 G Sent to the Governor |
| 1 □ HB 19 | Murr, Andrew(R) Hughes, Bryan(R) | Relating to the creation of a specialty trial court to hear certain cases. |
| | Last Action: | 5-30-23 G Sent to the Governor |
| 1 | Klick, Stephanie(R) Hall, Bob(R) | Relating to the provision of notice of certain proposed rules by state agencies. |
| | Remarks: | Req's state agencies to actively provide notice of proposed rules to affected parties. |
| | Last Action: | 5-30-23 G Sent to the Governor |
| 1 | Bowers, Rhetta(D) Miles, Borris(D) | Relating to discrimination on the basis of hair texture or protective hairstyle associated with race. |
| | Remarks: | Prohibits employment discrimination based on hair texture or "protective hairstyle." |

| | Last Action: | 9- 1-23 G Earliest effective date |
|----------|---|--|
| 1 | Vasut, Cody(R) Middleton, Mayes (F)(R) | Relating to the liability of a business owner or operator arising from the exposure of an individual to a pandemic disease. |
| | Remarks: | Employers without a vaccination mandate are not liable for the death or injury of employees exposed at their place of work. |
| | Last Action: | 9- 1-23 G Earliest effective date |
| 1 | Craddick, Tom(R) Parker, Tan (F)(R) | Relating to the creation of a workplace violence hotline and a requirement that employers post notice regarding the hotline. |
| | Remarks: | Requires the Texas Department of Licensing and Regulation to create a hotline to report workplace violence and requires employers to post a notice of this hotline in in English and Spanish in a "conspicuous place" and "in sufficient locations convenient to all employees." |
| | Last Action: | 5-30-23 G Sent to the Governor |
| 1 | Ordaz, Claudia (F)(D) Paxton, Angela(R) | Relating to health benefit plan coverage of prescription contraceptive drugs. |
| | Remarks: | Requires many health benefit plans to cover prescription contraceptive drugs for their enrollees. |
| | Last Action: | 5-24-23 G Sent to the Governor |
| 1 | Stucky, Lynn(R) Parker, Tan (F)(R) | Relating to authorizing certain counties to impose a hotel occupancy tax and the use of revenue from that tax. |
| | Remarks: | Authorizing Wise County to enact a two- percent countywide hotel occupancy tax. |
| | Last Action: | 5-26-23 G Sent to the Governor |
| 1 | Clardy, Travis(R) Springer, Drew(R) | Relating to the continuation and functions of the Texas Economic Development and Tourism Office. |
| | Remarks: | Sunset (continuation) of the Governor's Office of Economic Development and Tourism (EDT). Continues EDT until 2035. |
| | Last Action: | 5-30-23 G Sent to the Governor |
| | | |

1 HB 1526 Harris, Cody(R) Hughes, Bryan(R)

Relating to parkland dedication for property development by certain municipalities.

Remarks: Bill applies to all the large cities, but is really aimed at the City of Austin's practice of requiring increasingly onerous dedications of parkland when a commercial property developer seeks construction and development permits from the City's development services department. State law does not currently limit how much parkland a city must require a landowner to dedicate in qualify for building permits. Austin's requirements are approaching 20% in some instances, where the other large cities require less than 10%. Bill would limit parkland dedication requirements to no more than 10% of the gross site area of land subject to development.

> In addition to the 10% absolute max for parkland dedication, the bill also limits the amount of parkland dedication based "dwelling unit factors," which does contain a line specific to hotel development:

(f) municipality shall set the municipality's dwelling unit factor, which reflects the number of parkland acres for each dwelling unit proposed by a plan application. The factor may not be more than: (1).01 for single-family dwelling units; (2).005 for multi-family dwelling units; and (3).004 for hotel or motel dwelling units.

Last Action: 5-25-23 G Sent to the Governor

₱ □ HB 1553 Ashby, Trent(R) Nichols, Robert(R) Relating to the definition of amusement ride for purposes of amusement ride regulation.

Remarks: Adds certain waterslides to the definitions of

an amusement ride.

Last Action: 5-24-23 G Sent to the Governor

₱ □ HB 1689 Murr, Andrew(R) Flores, Pete(R)

Relating to the use of county hotel occupancy tax revenue for an electronic tax administration system and the reimbursement of tax collection expenses.

Remarks: Allows counties to use a limited amount of

HOT revenue for an electronic tax collection system. This mirrors longstanding authority

for cities.

Last Action: 5-22-23 G Sent to the Governor

HB 1755 Button, Angie Chen(R) Relating to the creation of the Lone Star

Alvarado, Carol(D) Workforce of the Future Fund.

Remarks: Establishes the Lone Star Workforce of the

Future program, which provides grants to eligible public jr colleges, public technical institutes, & non-profits. Intended to allow underserved Texans access to workforce training programs for high-demand

occupations.

Last Action: 9- 1-23 G Earliest effective date

HB 1817 Capriglione, Giovanni(R) Relating to the validity of a contract for which a disclosure of interested parties is required.

1 HB 1825

1 HB 2<u>127</u>

Remarks: Makes contracts with private entities created

by governmental entities or state agencies voidable if disclosure of interested parties is not submitted in a prescribed timeframe.

Last Action: 5-24-23 G Sent to the Governor

Turner, Chris(D) Relating to the consumption, possession, and Sirdwell, Brian(R) sale of alcoholic beverages at certain

sale of alcoholic beverages at certain performing arts facilities owned by certain

school districts.

Remarks: Arlington bill. Allows for the sale of alcoholic

beverages at the Arlington ISD's new Center for Visual & Performing Arts. If this passes, it makes it much easier to utilize the new concert hall and theater as an off-site venue

for groups.

Last Action: 5-24-23 G Sent to the Governor

Burrows, Dustin(R) Relating to state preemption of certain Creighton, Brandon(R) municipal and county regulation.

Remarks: ASSET bill. Gives the state field preemption

over localities within the Agriculture, Finance, Insurance, Labor, Natural Resources, and Occupations Codes. Senate companion SB

814.

Last Action: 5-24-23 G Sent to the Governor

| 1 | Kuempel, John(R) Birdwell, Brian(R) | Relating to the use of hotel occupancy tax revenue by certain municipalities. |
|--------------------|---|--|
| | Remarks: | Authority for City of Seguin to use local HOT revenue for upgrading of sports facility. |
| | Last Action: | 5-18-23 G Sent to the Governor |
| 1 | Morrison, Geanie(R) Huffman, Joan(R) | Relating to the use of municipal hotel occupancy tax revenue by certain municipalities. |
| | Remarks: | Provides broad authority for City of Bay City to use local HOT for construction, expansion and operation of sports facilities. |
| | Last Action: | 5-22-23 G Sent to the Governor |
| 1 | Button, Angie Chen(R) Hancock, Kelly(R) | Relating to the workforce diploma pilot program. |
| | Remarks: | Allows entities to partner with ISDs to offer workforce pilot program. |
| | Last Action: | 9- 1-23 G Earliest effective date |
| 1 □ HB 2636 | Murr, Andrew(R) Flores, Pete(R) | Relating to liability of a recreational vehicle park or campground entity for injuries arising from certain activities. |
| | Last Action: | 5-24-23 G Sent to the Governor |
| 1 | <u>Landgraf, Brooks(R)</u> <u>Zaffirini, Judith(D)</u> | Relating to attorney general decisions under the public information law. |
| | Remarks: | Shortens the timeframe the AG's office and other governmental bodies have to respond to public requests for information; also requires the office of the AG to create an Internet database of past attorney general decisions. |
| | Last Action: | 5-30-23 G Sent to the Governor |
| 1 | Troxclair, Ellen (F)(R) Campbell, Donna(R) | Relating to the authority of certain counties to impose a county hotel occupancy tax. |
| | Remarks: | Blanco County HOT authorization. Only applies in those areas of the County not subject to a municipal HOT. |
| | Last Action: | 5-30-23 G Sent to the Governor |
| ⊕ HB 3453 | Jetton, Jacey(R) Miles, Borris(D) | Relating to authorizing certain counties to impose a hotel occupancy tax, the applicability and rates of that tax in certain counties, and the use of revenue from that tax. |

Remarks: Fort Bend County hotel occupancy tax. Split rate tax, 2% in cities, 7% outside cities. **Last Action:** 5-30-23 G Sent to the Governor **1** HB 3727 Anderson, Doc(R) Relating to municipal and county hotel Birdwell, Brian(R) occupancy taxes. Remarks: HOT clean-up bill **Last Action:** 5-30-23 G Sent to the Governor □ HB 4051 Goldman, Craig(R) Relating to population criteria for media Huffman, Joan(R) production development zone recognition. **Remarks:** Lowers the pop. threshold for recognition as a media production development zone from 250k to 100k. **Last Action:** 5-24-23 G Sent to the Governor **1** HB 4082 Goldman, Craig(R) Relating to purposes for which certificates of Bettencourt, Paul(R) obligation or tax anticipation notes may be authorized. **Remarks:** Defines "public work" for which municipalities may issue COs or TANs to exclude stadiums, arenas, civic centers, convention centers, hotels, or coliseums. **Last Action:** 5-26-23 G Sent to the Governor ₱ □ HB 4164 Cortez, Philip(D) Relating to the improper use and treatment of Whitmire, John(D) an assistance animal or service animal. **Remarks:** Increases penalties for misrepresenting an animal as a service animal. Last Action: 5-28-23 G Sent to the Governor Vasut, Cody(R) Relating to eligible coastal municipalities for **1** □ HB 4494 Huffman, Joan(R) purposes of the municipal hotel occupancy Remarks: Makes Surfside Beach an eligible coastal municipality. Last Action: 5-26-23 G Sent to the Governor **п**□ нв 4<u>539</u> Goldman, Craig(R) Relating to certain eligibility requirements for Huffman, Joan(R) a grant under the moving image industry incentive program. **Remarks:** The percentage of employees that must be Texas residents under moving industry incentive program is reduced from 70% to

55%.

Last Action: 5-24-23 G Sent to the Governor **1** □ HB 4559 Darby, Drew(R) Relating to the application of statutes that Huffman, Joan(R) classify political subdivisions according to population. **Remarks:** Statutory population bracket bill. Incorporates 2020 Census data to ensure legislative intent. Last Action: 5-22-23 G Sent to the Governor □□ HB 4660 Isaac, Carrie (F)(R) Relating to the use of municipal hotel Campbell, Donna(R) occupancy tax revenue in certain municipalities. **Remarks:** Would allow Wimberley to use a limited amount of HOT for dark skies and ecotourism, following Dripping Springs and City of Blanco's authority. Last Action: 5-30-23 G Sent to the Governor **1** □ HB 5012 Clardy, Travis(R) Relating to the authority of certain Birdwell, Brian(R) municipalities to receive certain tax revenue derived from a hotel and convention center project and to pledge certain tax revenue for the payment of obligations related to the project. Remarks: QHP consolidation bill. Last Action: 5-30-23 G Sent to the Governor ₱ HB 5105 Stucky, Lynn(R) Relating to authorizing certain counties to Springer, Drew(R) impose a hotel occupancy tax and the use of revenue from that tax. Remarks: Denton County hotel tax authorization bill. Authorizes Denton County to impose a 2% or 7% hotel occupancy tax and allows the tax revenue to be used for "multipurpose facilities to enhance hotel activity and encourage tourism. Excludes the Omni PGA Resort from the county tax. Last Action: 5-30-23 G Sent to the Governor Ashby, Trent(R) Relating to authorizing certain counties to ₱ HB 5178 Nichols, Robert(R) impose a hotel occupancy tax and the applicability of that tax in certain counties. Remarks: Angelina County HOT authorization. Not applicable to hotels subject to a municipal hotel occupancy tax, such as hotels within Lufkin, TX.

| | Last Action: | 5-30-23 G Sent to the Governor |
|-----------------|---|--|
| 1 | Toth, Steve(R) Creighton, Brandon(R) | Relating to the creation and operation of a development zone by and the tax revenue received by The Woodlands Township. |
| | Remarks: | TPID bill for The Woodlands. |
| | Last Action: | 5-24-23 G Sent to the Governor |
| 1 | Cook, David(R) Birdwell, Brian(R) | Redesignating the City of Mansfield as the official Pickle Capital of Texas for a 10-year period ending in 2033. |
| | Last Action: | 5-24-23 G Sent to the Governor |
| ⊕ HCR 82 | Murr, Andrew(R) Flores, Pete(R) | Designating Llano as the official Deer Capital of the Texas Hill Country for a 10-year period ending in 2033. |
| | Last Action: | 5-24-23 G Sent to the Governor |
| 1 | Hughes, Bryan(R) Shaheen, Matt(R) | Relating to restricting certain sexually oriented performances on public property, on the premises of a commercial enterprise, or in the presence of a child. |
| | Remarks: | Prohibits performances on the property of a "commercial enterprise" that allows a "sexually oriented performance." This would include a "male performer exhibiting as a female, or a female performer exhibiting as a male"and "appeals to the prurient interest in sex." "Prurient interest in sex" is not defined. |
| | Last Action: | 5-29-23 G Sent to the Governor |
| 1 | Campbell, Donna(R) Oliverson, Tom(R) | Relating to prohibitions on the provision to certain children of procedures and treatments for gender transitioning, gender reassignment, or gender dysphoria and on the use of public money. |
| | Remarks: | Prohibits certain "gender transitioning" therapy, including use of hormone treatments. |
| | Last Action: | 5-19-23 G Sent to the Governor |
| 1 SB 15 | Middleton, Mayes (F)(R) Swanson, Valoree(R) | Relating to requiring a student of a public institution of higher education who competes in intercollegiate athletic competitions to do so based on the student's biological sex. |

Remarks: Requires students participating in intercollegiate athletics to compete based on gender assigned at birth. Last Action: 5-29-23 G Sent to the Governor **1** SB 17 Creighton, Brandon(R) Relating to public higher education reform. Kuempel, John(R) **Remarks:** Prohibits public universities from establishing or maintaining a Diversity, Equity, and Inclusion office. Last Action: 5-29-23 G Sent to the Governor **1** SB 18 S Creighton, Brandon(R) Relating to tenure and employment status at Kuempel, John(R) public institutions of higher education in this state. **Remarks:** Prohibitions on tenure at public institutions. Last Action: 5-29-23 G Sent to the Governor Relating to the methods by which the **1** SB 61 Zaffirini, Judith(D) Hefner, Cole(R) comptroller may provide notice of a hearing on the revocation or suspension, or of the revocation or suspension, of a permit or license. **Remarks:** Allows for electronic notification via email by the comptroller of a hearing on the revocation/suspension of a permit or license. Last Action: 5-29-23 G Sent to the Governor **1** SB 68 Zaffirini, Judith(D) Relating to excused absences from public Murr, Andrew(R) school for certain students to visit a professional's workplace for a career investigation day. **Remarks:** Allows up to two excused absences for juniors and seniors to visit a workplace for career exploration Last Action: 5-24-23 G Earliest effective date **1** SB 224 Alvarado, Carol(D) Relating to the prosecution of and Leach, Jeff(R) punishment for theft of a catalytic converter. **Remarks:** Increases criminal penalties for catalytic converter theft; criminalizes the possession of multiple catalytic converters if the person is not the owner of the vehicle or an auto repair entity.

Last Action: 5-29-23 G Effective May 29, 2023 except Sections 1956.001(6-b) and (7) and 1956.030 Occupations Code effective July 1, 2023 **1** SB 281 Zaffirini, Judith(D) Relating to the designation of state musicians Lambert, Stan(R) for classical and nonclassical genres. Remarks: Splits the designation of a "state musician" into two separate "state musicians"; one for the classical genre and one for the nonclassical genre. Last Action: 9-1-23 G Earliest effective date **1** SB 577 Relating to regulation of food service Springer, Drew(R) Harris, Cody(R) establishments, retail food stores, mobile food units, roadside food vendors, temporary food service establishments, and food managers. **Remarks:** Limits the ability of localities to regulate several different aspects of the operation of food service establishments. Last Action: 9- 1-23 G Earliest effective date Menendez, Jose(D) **1** □ SB 627 Relating to the entitlement of certain Allison, Steve(R) municipalities to certain tax revenue related to a hotel and convention center project. Remarks: QHP for San Antonio / Zachry Hospitality. Last Action: 5-29-23 G Sent to the Governor □□ SB 761 Hughes, Bryan(R) Relating to photo identification for certain Lambert, Stan(R) debit or credit card transactions. **Remarks:** Repeals the expiration of a provision that allows merchants to ask for photo identification when a person pays for a good or service with a credit or debit card. Last Action: 5-19-23 G Earliest effective date Parker, Tan (F)(R) Relating to the process for notifying the **1** SB 768 SB 7 Capriglione, Giovanni(R) attorney general of a breach of security of computerized data by persons doing business in this state. **Remarks:** For businesses operating in the state of Texas, if a breach of system security occurs that affects at least 250 Texans they must "as soon as practicable and not later than the 30th day" after the breach is discovered, must notify the

| | | attorney general's office via an online form accessible through the same. |
|--------------------------|--|---|
| | Last Action: | 9- 1-23 G Earliest effective date |
| 1 | Zaffirini, Judith(D) Cortez, Philip(D) | Relating to food allergen in food service establishments, food manager certifications, and food service programs. |
| | Remarks: | Requires food allergen awareness posters to be placed prominently in staff areas; requires food safety training accreditation programs to include that food allergen awareness information. |
| | Last Action: | 5-29-23 G Sent to the Governor |
| 1 | Parker, Tan (F)(R) Thimesch, Kronda (F)(R) | Relating to certain temporary sales by a mixed beverage permit holder. |
| | Last Action: | 5-13-23 G Earliest effective date |
| 1 | Parker, Tan (F)(R) Rogers, Glenn(R) | Relating to the notice and compensation a municipality must provide before revoking the right to use property for a use that was allowed before the adoption of or change to a zoning regulation or boundary. |
| | Last Action: | 5-19-23 G Earliest effective date |
| 1 □ <u>SB 998</u> | West, Royce(D) Geren, Charlie(R) | Relating to requiring approved alcohol seller training programs to include training on recognizing and treating opioid-related drug overdoses. |
| | Remarks: | Alcohol seller training programs must include training on recognizing opioid overdoses. |
| | Last Action: | 5-25-23 G Sent to the Governor |
| 1 | Whitmire, John(D) Harless, Sam(R) | Relating to the authority of certain municipalities and local government corporations to use certain tax revenue for certain qualified projects and projectassociated infrastructure. |
| | Remarks: | Requested by HFC. Expands permitted uses of HOT under a project finance zone to apply to Houston and to include broadly defined "project-associated infrastructure". |
| | Last Action: | 5-29-23 G Sent to the Governor |
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1 SB 1158 Whitmire, John(D) Relating to single event classification for Paul, Dennis(R) eligibility under the major event reimbursement program. **Remarks:** Stipulates that each series of games for the World Cup soccer tournament held in a market area designated for that series is considered a separate, single event under MERP. Uses same statute that allows presidential debates to qualify. Last Action: 9-1-23 G Earliest effective date **1** SB 1340 Zaffirini, Judith(D) Relating to the local development agreement Meyer, Morgan(R) database maintained by the comptroller of public accounts. Remarks: Mandates the Comptroller maintain a consolidated searchable data tool for economic development agreements entered into by local government entities and private entities. Last Action: 5-19-23 G Sent to the Governor Birdwell, Brian(R) Relating to municipal and county hotel □ SB 1420 Anderson, Doc(R) occupancy taxes. Remarks: HOT clean-up bill **Last Action:** 5-19-23 G Sent to the Governor **1** SB 1514 Schwertner, Charles(R) Relating to business entities and nonprofit Longoria, Oscar(D) entities. Remarks: Omnibus amendment of the Business and Commerce Code; clarifies the authority of the board of directors of a non-profit to act without a meeting. Last Action: 9-1-23 G Earliest effective date **1** SB 1809 Relating to the authority of certain counties to Sparks, Kevin (F)(R) Smithee, John(R) impose a hotel occupancy tax. Remarks: HOT authorization - Armstrong County. CS will allow Armstrong County to impose a split rate 7% / 2% HOT. Last Action: 5-27-23 G Earliest effective date

1 SB 1837 Relating to the use of municipal hotel Hinojosa, Chuy(D) Lozano, Jose(R) occupancy tax revenue by certain municipalities. Remarks: Allows the City of Alice to use municipal HOT on upgrading an existing sports facility or field; imposes the restrictions set out by Tax Code § 351.1076. Last Action: 9-1-23 G Earliest effective date **1** SB 1916 Parker, Tan (F)(R) Relating to publication of public improvement Shine, Hugh(R) district service plans and assessments on certain public Internet websites. **Remarks:** PID transparency and updated assessment notice bill. **Last Action:** 5-29-23 G Sent to the Governor □□ SB 1932 Creighton, Brandon(R) Relating to authorizing secondary wine sales. King, Ken(R) Remarks: Allows a "registered wine collector" to sell wine directly to a restaurant or wine bar. Last Action: 5-19-23 G Sent to the Governor Hughes, Bryan(R) □□ SB 1979 Relating to requiring certain entities to report Harris, Caroline (F)(R) purchases of single-family homes. Remarks: Requires any "institutional buyer" (entity that purchases or acquires more than 10 singlefamily homes in this state in a calendar year) to file a report with the Texas Real Estate Commission with information on their enterprise. Requires commission to produce an annual final report. *AMENDED IN COMMITTEE* Now only requires Real Estate Research Center at TX A&M to perform an annual study on "institutional buyers" in Texas. Last Action: 5-29-23 G Sent to the Governor Relating to the establishment of a committee **1** SB 1985 Hughes, Bryan(R) Cain, Briscoe(R) to study the formation of a Texas Bicentennial Commission. **Remarks:** Creates committee to plan the state's celebration of the 2036 bicentennial. Last Action: 9-1-23 G Earliest effective date

| Remarks: Project financing zone for San Antonio. Last Action: 5-29-23 G Sent to the Governor | |
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| Last Action: 5-29-23 G Sent to the Governor | |
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| Relating to discontinuing group self-insurance coverage and dissolving the Texas self-insurance group guaranty fund and trust fund under the Texas Workers' Compensation Act. | |
| Last Action: 5-23-23 G Sent to the Governor | |
| The second state of the eligibility of certain events for funding under the Major Events Reimbursement Program. Relating to the eligibility of certain events for funding under the Major Events Reimbursement Program. | |
| Remarks: Clarifies the eligibility of Formula One events under MERP to specifically be the United States Grand Prix held in Austin; also amends the organizing committee to be Formula One Management, Ltd. or its successor organization. | |
| Last Action: 5-29-23 G Sent to the Governor | |