

TO: Board of Directors
FROM: Executive Committee
DATE: October 18, 2018
SUBJECT: 2019 State Legislative Priorities



SAN ANTONIO
HOTEL & LODGING ASSOCIATION

POSITION STATEMENT:

The San Antonio Hotel & Lodging Association priorities for the 86th Legislature center around maintaining, growing and protecting the tourism and hospitality industry. This includes remaining vigilant on collection and use of the Hotel Occupancy, in addition to preventing any action that would be considered discriminatory and detrimental to tourism to San Antonio and Texas.

San Antonio ranks as one of the most popular domestic travel destinations, welcoming an average of 34.4 million visitors to the region, 29.7 million visitors to Bexar County, and 18.2 million overnight visitors. Hospitality and Tourism continues to remain one of the region's top industries, employing nearly one in every eight workers (approximately 130,796 individuals) in San Antonio. The industry is currently the third largest industry in the city. This critical industry contributes \$195 million to the city in fees and taxes and a total of \$375 million to all local governments combined.

The legislative priorities for the San Antonio Hotel & Lodging Association include:

1. **Protecting Conventions**, to include opposition to any legislation that would be considered discriminatory and result in cancellation of convention activity, such as transgender bathroom or religious freedom protection bills, as well as any anti-immigration bills.
2. **Protect the local hotel tax from non-tourism purposes**. Every legislative session there are proposals by individual local governments to use local hotel tax for general government purposes that have little to nothing to do with tourism promotion. These bills have included use of local hotel tax for street repairs, daycare, economic development, job training, education, etc.
3. **Support retention of State tourism Public Improvement District (PID)** authority. Currently, Dallas is the only city in Texas that has implemented a local tourism PID. This district has had over a \$15 ROI in room nights for every \$1 they have expended in incentives to attract increased convention and group hotel activity.
4. **Prevent government mandated employee benefits - Paid Sick Leave (PSL)** recently became a city ordinance. Several grassroots organizations (TOP, Move SA and Working Texans for Paid Sick Leave) submitted 144k signatures petitioning the city to enact an ordinance similar to the one that passed earlier this year in Austin. Those who oppose this ordinance aren't against Paid Sick leave; just local municipalities trying to dictate business policies that are in conflict with the Texas Minimum Wage Act as well as the Fair Standards Labor Act (FSLA). Several pro-

business groups filed a lawsuit to request more time to outline the correlation and conflicts between Federal, State and Local policy. Although this ordinance will go into effect in San Antonio on January 1, 2019 (and every business must be in compliance by August 1, 2019).

5. **Support retention of State Event Trust Fund authority**, which provides a source for matching funds for the costs of city-wide events that have a substantial tourism impact (e.g.; Super Bowl, Final Four, NASCAR, etc.). The state funding comes from the uptick in state taxes that are directly attributable from these specific events.
6. **Restore full funding for State tourism promotion** which was cut in half during the last Legislative session from \$79 million to \$35 million. Research shows that for every \$1 spent on state tourism advertising, more than \$7.92 is returned in state tax revenues. State tourism is a self-funded program with a dedicated funding source with dedicated uses. By statute, funding for the program comes from 1/12th of the state's 6% hotel occupancy tax. The remaining portions help fund all other state programs such as public education, health and human services, etc.
7. **Oppose Statewide Preemption of Short-Term Rental Regulations by Cities:** Opposition to any statewide preemption of STR regulations by local governments. There are over 550,000 STR transactions annually by Airbnb in Texas. Airbnb's growth has doubled year-over-year for the past four years and Airbnb does not currently take responsibility for collecting the state or local hotel tax. Airbnb may propose a duty on STR websites to collect state and local hotel tax along with a state-wide preemption of local governments control.
8. **Protect the 30-day hotel tax exemption.** Every session, there is an effort from small cities, counties and chambers to eliminate the exemption for guests who stay over 30 days from paying the hotel occupancy tax.
9. **The Alamo**, supporting committed and potential funding sources to develop the newly adopted Alamo Master Plan.