

# Texas Municipal League

FOR IMMEDIATE RELEASE  
Friday, April 14, 2017



## **Airbnb to Texas cities: Nothing but air**

Airbnb's announcement that it will finally start complying with one part of state tax law failed to mention the company continues to ignore local tax payments to more than 500 Texas cities and its effort to pass a state law wiping out local regulations protecting neighborhoods.

"Cutting a deal with the Comptroller on state taxes is just a smokescreen to cover the company's refusal to pay taxes currently owed and its intention to continue flouting tax laws in communities across Texas," said Bennett Sandlin, Executive Director of the Texas Municipal League. "At the same time, Airbnb is trying to ram through the legislature their special interest law to ban cities from adopting rules to deal with growing citizen complaints about the company's hotel operations in residential neighborhoods."

Texas law currently classifies short term rentals as hotels and requires collection of state and local hotel taxes. Cities must use hotel tax revenues to promote tourism and conventions. Allowable expenditures from local hotel taxes include advertising, promoting the arts, sporting events and historic preservation and for convention facilities and sports facilities.

"While the rest of the tourism and hotel industry contributes to efforts to promote tourism and conventions in Texas, Airbnb wants special treatment allowing their business to benefit from programs paid for by others," Sandlin said.

The California-based company is lobbying the Texas Legislature to pass bills banning cities from regulating its rental properties. Responding to citizen complaints about disruptive weekend party houses, many Texas cities have adopted rules on short term rentals to protect the character of residential neighborhoods. Bills, including SB 451 and HB 2551, would ban those neighborhood protections.

"Airbnb is just another out-of-state company trying to force all Texans to conform to the way they want to run their business and escape accountability for paying local taxes and obeying local rules," Sandlin said.

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