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**NEWS
RELEASE**

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Short-Term Rentals in El Paso to Begin Contributing to Hotel Occupancy Taxes

Resolution Approved by Council to Generate \$3.5 Million Annually to Support Tourism Infrastructure and Promotion

EL PASO, Texas—The City of El Paso will begin collecting Hotel Occupancy Taxes (HOT) on short-term rental properties, creating a more equitable lodging tax structure while generating an estimated \$3.5 million annually to support tourism-related investments throughout the community.

Following action approved by City Council today, HOT collections on short-term rentals will begin no earlier than 90 days or later than 180 days after adoption, allowing time for implementation and outreach.

Revenue generated through the tax is restricted by Texas law and may only be used for tourism-related purposes, including investments that promote tourism and the convention and hotel industry.

“We recognize that many short-term rental operators are local residents and small business owners who have invested in their properties and are working to generate additional income,” said City Representative Art Fierro. “At the same time, this gives the City an opportunity to capture visitor-generated revenue that can be reinvested directly into tourism, arts, events, and infrastructure—helping strengthen our economy while reducing pressure on all local taxpayers.”

The policy change follows public engagement efforts related to proposed amendments to the City’s Short-Term Rental Ordinance. A short-term rental is generally defined as a residential dwelling unit, apartment, condominium, or accessory dwelling rented to overnight guests for fewer than 30 consecutive days.

“Over the last ten years, the City of El Paso has been the only large municipality in Texas that does not collect hotel occupancy tax on short term rentals,” said City Representative Chris Canales. “The action the City Council approved today will ensure that El Paso has the resources we need to continue to improve the experiences of visitors and residents alike.”

Short-term rentals commonly operate through online platforms such as Airbnb and VRBO, with approximately 81 percent of local listings advertised through Airbnb. Demand for these accommodations continues to grow. Based on current bookings and completed stays, Airbnb revenue alone is projected to reach approximately \$23.7 million in 2026.

—MORE—



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“Short-term rentals have become an important part of El Paso’s hospitality landscape, and many operators are working hard to provide a positive experience for visitors,” said City Representative Deanna Maldonado Rocha. “This approach helps create greater consistency across the lodging industry while identifying a new source of revenue that can support cultural attractions, community events, and tourism-related investments that benefit residents and visitors alike.”

Hotel Occupancy Tax revenue generated from short-term rentals may be used to support:

- Maintenance, improvements, and expansion of the Convention Center campus
- Maintenance and debt service related to Southwest University Park
- Funding for local arts and cultural organizations, artists, creative entrepreneurs, arts projects, events, and festivals
- Other tourism-related facilities, programs, and initiatives authorized under Texas law

The City estimates the policy will generate approximately \$3.5 million annually, creating a dedicated funding source to support tourism infrastructure, cultural programming, and destination marketing efforts that drive economic activity throughout the region.

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