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April 2, 2025

**Testimony on H.B. 2767**

Presented to the Texas House State Affairs Committee

By Tina Paez, Director, Administration & Regulatory Affairs Department, City of Houston

**Chairperson King, Vice-Chairperson Hernandez and Members of the Committee,**

Thank you for the opportunity to testify on H.B. 2767. My testimony today seeks to highlight concerns regarding the impact of this legislation on the City of Houston and its ability to have regulatory authority over an online global marketplace.

H.B. 2767 establishes a broad definition of an "online global marketplace" and would prohibit the City of Houston from regulating such entities. While I understand the intent to provide regulatory clarity and ensure statewide consistency for digital commerce, I am concerned that this bill removes an essential tool from Houston's ability to address community-specific challenges.

Local governments are at the forefront of addressing public safety, quality-of-life concerns, and nuisance-related issues. One area of increasing concern is the rise of short-term rental properties facilitated by online global marketplaces. Municipalities across Texas have implemented their own ordinances, requiring adherence to occupancy limits, noise restrictions and compliance with local codes to mitigate the impacts of short-term rentals. These ordinances are tailored to the needs of individual communities and often result from extensive public engagement and stakeholder input.

By preempting local regulatory authority, H.B. 2767 could limit the ability of Houston to respond effectively to nuisance complaints and public safety issues. The bill also prohibits local governments from requiring personally identifiable information from online platforms without an administrative subpoena or court order. While privacy protections are important, this restriction could hinder timely enforcement actions in cases where local authorities need to address illegal or disruptive activities occurring at short-term rental properties.

Additionally, restricting local governments from regulating online global marketplaces could impact the ability of the City of Houston to collect Hotel Occupancy Taxes (HOT). Houston relies on HOT revenue to fund tourism initiatives, infrastructure improvements, and other essential services. Without the ability to oversee online global marketplace activities within our jurisdiction,

Houston could face challenges in ensuring compliance with tax collection requirements, leading to potential revenue losses.

I respectfully urge you to consider a more balanced approach that preserves local governments' ability to regulate in areas directly affecting public health, safety, and quality of life while still ensuring online global marketplaces are not subject to inconsistent regulatory burdens across different jurisdictions. I encourage the committee to consider amendments that would allow municipalities to maintain reasonable oversight over the online marketplace and other locally impactful services provided through these online platforms.

Thank you for your time and consideration. I am happy to answer any questions you may have.

Respectfully,



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