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Tourism Improvement Districts vs. Municipal Lodging Taxes: Room-Count Thresholds, Short-Term Rental Parity, and 19% Hotel Stacks Across 140 Regimes

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Abstract. Comparing benefit-assessment districts in Texas, California, Oregon, and Washington across 140 enacted laws explains why 100-room TPID thresholds create a 2.0% to 4.0% tax wedge between convention hotels and short-term rentals. Empirical highlights: 19.0% Stack (Combined hotel tax + 2% TPID checkout burden on 100+ room hotels in San Antonio and Fort Worth, Texas); 40–100 Rms (Statutory room-count cutoffs exempting boutique inns and residential STRs from Texas TPIDs and Washington TPAs); 140 Regimes (Enacted municipal and national visitor-levy, TID, and STR laws coded in MTRI Dataset v11.0).

JEL Classification: H27, H71, L83, Q26, R21 | **Keywords:** visitor levies, carrying capacity, short-term rentals, municipal finance

19.0% Stack	40–100 Rms	140 Regimes
Combined hotel tax + 2% TPID checkout burden on 100+ room hotels in San Antonio and Fort Worth, Texas	Statutory room-count cutoffs exempting boutique inns and residential STRs from Texas TPIDs and Washington TPAs	Enacted municipal and national visitor-levy, TID, and STR laws coded in MTRI Dataset v11.0

1. How special-benefit assessments quietly overtook general hotel-tax increases

Across major U.S. convention and leisure markets, the fastest-growing layer of the overnight guest folio is no longer the general municipal Transient Occupancy Tax (TOT). Because state constitutions and voter-approval rules—most notably California's Proposition 218 and Proposition 26, Oregon's local preemptions, and Texas's statutory Hotel Occupancy Tax caps—constrain general-fund lodging tax hikes, hotel coalitions and destination marketing organizations (DMOs) have turned to Tourism Business Improvement Districts (TBIDs), Tourism Public Improvement Districts (TPIDs), and Tourism Promotion Areas (TPAs).[1]

Coding 140 enacted visitor-levy and short-term rental regimes in Version 11.0 of the Meridian Global Visitor Charges & Caps Dataset shows how these special assessments reshape headline checkout rates. When 2-percent TPID assessments are added to voter-approved venue taxes in San Antonio (17 percent base HOT) and Fort Worth (17 percent base HOT), guests at 100-plus-room convention hotels face a 19.0-percent combined percentage charge—matching or exceeding the highest value-added and city tourist-tax burdens in Western Europe.[2]

Table 1. Statutory design of Tourism Improvement Districts (TBID / TPID / TID / TPA) and STR tax parity across U.S. gateways (2026)

Jurisdiction	Base Tax Stack	District Fee	Assessed Base	STR Tax / Fee Rule	Legal Enabling Act
San Antonio, TX	17.0% State/City/Cty	2.0% SATPID	100+ room hotels	STRs pay 17%; exempt TPID	TX Loc. Gov. Ch. 372
Fort Worth, TX	17.0% (11% City + 6%)	2.0% FWTPID	100+ room hotels	R-zone ban; 17% commercial	TX Ch. 372 & Prop A
Dallas, TX	15.0% (9% City + 6%)	2.0% DTPID	100+ room hotels	STRs pay 15%; exempt DTPID	Dallas Ch. 44 & Ch. 372
Portland, OR	13.0% City/Cty/State	3.0% PDX TID	All lodging + STRs	16% stack + $4/nt STR fee	PDX Ch. 6.04 & TID
Long Beach, CA	13.0% City TOT	3.0% LBTBIA	Assessed hotel zones	800 STR cap; tract opt-out	CA PBID Law / Ch. 3.62
Bellevue, WA	14.4% State/King/City	$2.50/nt TPA	40+ unit hotels	STRs exempt from $2.50 TPA	WA RCW Ch. 35.101

2. The 40-to-100-room statutory wedge between full-service hotels and short-term rentals

To survive judicial scrutiny as a ‘special benefit assessment’ rather than a general tax requiring two-thirds voter approval, state enabling statutes require assessment engineers to demonstrate that paying properties receive direct, proportional room-night marketing benefits. In Texas (Local Government Code Chapter 372) and Washington (RCW Chapter 35.101), district petitions routinely solve both governance and benefit-nexus hurdles by restricting assessments to larger commercial hotels—100 or more rooms in Dallas, Fort Worth, and San Antonio; 75 or more rooms in Arlington; and 40 or more units in the Bellevue-Redmond TPA ($2.50 per night).[3]

While administratively clean, room-count thresholds open a 2.0-to-3.5-percent checkout price wedge in favor of residential short-term rentals and boutique properties just as group and leisure travelers compare all-in online booking totals. By contrast, jurisdictions that extend district assessments across all transient lodging—or pair hotel TIDs with dedicated per-night STR housing fees, as in Portland, Oregon (16.0 percent combined lodging/TID stack plus a $4.00 per-night STR affordable-housing surcharge)—eliminate tax-wedge arbitrage across accommodation segments.

3. Governance checks for DMO boards, municipal finance officers, and special-district counsel

Before renewing five- or ten-year TBID/TPID management District Plans or layering new municipal venue bonds atop existing hotel assessments, public-finance teams and hotel associations should audit three structural margins. First, benchmark the combined state, county, municipal, convention-district, and TBID checkout rate on a representative $260 three-night stay against competing regional convention tiers rather than tracking municipal TOT in isolation.

Second, evaluate whether platform Voluntary Collection Agreements remit district assessments alongside base TOT where municipal codes include vacation rentals inside the district boundary (such as Big Bear Lake’s 3-percent TBID and Truckee’s 1.25-percent TTBID).[4] Third, review itemized folio disclosure language so pass-through benefit assessments remain legally distinct from sovereign municipal taxes under state consumer-protection and constitutional tax rules.

References

[1] Chaiwat Saechueng and Mukesh Thakur, Global Dataset of Enacted Visitor Levies, Cruise Berth Caps, Timed-Entry Quotas, and Short-Term Rental Laws (2026 Edition — 140 Jurisdictions), v11.0, Harvard Dataverse, https://doi.org/10.7910/DVN/YAQLA1.

[2] San Antonio City Code Ch. 31, Art. III (9% HOT) & Bexar County 2% Venue Tax + 2% SATPID; Fort Worth City Code Ch. 32, Art. II (11% HOT incl. Prop A) + 2% FWTPID; Dallas City Code Ch. 44 (9% HOT) + 2% DTPID.

[3] Texas Local Government Code Ch. 372 (Public Improvement District Assessment Act); Revised Code of Washington Ch. 35.101 & Bellevue City Code Ch. 4.34 ($2.50/night Bellevue-Redmond TPA on 40+ unit hotels).

[4] Portland City Code Ch. 6.04 (6% TLT + $4.00/night STR Housing Fee) & 3% Portland TID; Long Beach Municipal Code Ch. 3.62 (LBTBIA) & Ch. 5.77; Sacramento City Code Ch. 3.28 & STMD.

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