

BILL ANALYSIS

C.S.H.B. 5509
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Intergovernmental Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to the Texas Human Trafficking Prevention Task Force's 2024 report to the legislature, the National Human Trafficking Hotline consistently ranks Texas among the states with the highest number of human trafficking cases. The bill author has informed the committee that hotels are frequently exploited by traffickers due to the high turnover of guests and the minimal oversight they typically receive. While law enforcement actively investigates trafficking operations, the bill author has also informed the committee that municipalities have historically had few direct tools to act against businesses suspected of enabling or ignoring trafficking activities and must often wait to take action until after a lengthy criminal conviction process, limiting their ability to protect vulnerable individuals immediately. C.S.H.B. 5509 seeks to address this issue by allowing municipalities to suspend or revoke the certificate of occupancy for a hotel that is under investigation for human trafficking offenses or that the municipality has reasonable cause to believe is involved in such offenses.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 5509 amends the Local Government Code to authorize the governing body of a municipality to suspend or revoke a certificate of occupancy for a hotel located in the municipality under the following circumstances:

- a law enforcement agency gives notice to the municipality, or the municipality otherwise learns, that the law enforcement agency is investigating the hotel for an offense involving trafficking of persons; or
- the municipality has reasonable cause to believe that such an offense is being committed at the hotel.

The bill defines "hotel" by reference to Tax Code provisions governing the hotel occupancy tax. The bill establishes that its provisions do not limit a hotel owner's or operator's right to a public hearing and to present evidence at a proceeding regarding the suspension or revocation of a certificate of occupancy. The bill requires a municipality that seeks to suspend or revoke a certificate of occupancy for a hotel under the bill's provisions to follow procedures that are consistent with the suspension or revocation of a certificate of occupancy for any other type of business or use of land within the municipality. The bill's provisions may not be construed to create a private cause of action.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5509 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision absent from the introduced defining the term "hotel" by reference to Tax Code provisions governing the hotel occupancy tax. The substitute accordingly omits references to a motel which were present in the introduced, as motels are included in that statutory definition of "hotel."

The substitute includes provisions absent from the introduced that do the following:

- establish that the bill's provisions do not limit a hotel owner's or operator's right to a public hearing and to present evidence at a proceeding regarding the suspension or revocation of a certificate of occupancy;
- require a municipality that seeks to suspend or revoke a certificate of occupancy for a hotel under the bill's provisions to follow procedures that are consistent with the suspension or revocation of a certificate of occupancy for any other type of business or use of land within the municipality; and
- establish that the bill's provisions may not be construed to create a private cause of action.