

**ORDINANCE NO. 141**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COAHOMA, TEXAS, TO BE ENTITLED “HOTEL OCCUPANCY TAX”, TO PROVIDE FOR THE AUTHORIZATION, COLLECTION, AND USE OF SUCH TAX; TO PROVIDE DEFINITIONS; A TAX RATE OF SEVEN PERCENT OF THE PRICE OF A HOTEL-MOTEL ROOM; APPLICATION IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY; REPORTING REQUIREMENTS; A CRIMINAL PENALTY OF UP TO \$500.00; ADMINISTRATIVE PENALTIES FOR VIOLATION; ADMINSTRATIVE REQUIREMENTS, AND PROVIDING FOR FINDINGS OF FACT: SEVERABILITY; REPEALER, PUBLICATION, EFFECTIVE DATE; AND PROPER NOTICE.**

**HOTEL OCCUPANCY TAX**

**WHEREAS**, the City of Coahoma, Texas (the "City") is a General Law Type-A city pursuant to Article II, Section 4 of the Texas Constitution and Section 22. 001 et seq, Tex. Loc. Gov. Code. Ann. (Vernon); and

**WHEREAS**, Chapter 351, Texas Tax Code, authorizes cities to impose and collect a hotel occupancy tax for occupancy of a hotel room as outlined therein, for the promotion and growth of the tourism industry that will enhance the City; and

**WHEREAS**, there is available a Hotel Occupancy Tax of seven percent (7%) as provided by State Statute, the proceeds of which can be utilized by the City to promote tourism, and enhance the arts and historical preservation of the City; and

**WHEREAS**, the City Council held discussion and invited public comment on the proposed tax and its uses in a public hearing; and

**WHEREAS**, the City Council deems it to be in the best interest of the City to adopt a Hotel Occupancy Tax;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COAHOMA, TEXAS:**

**SECTION 1.** That all of the above premises are found to be true and correct and are incorporated.

**SECTION 2.** That the following regulations shall be effective as provided herein, in the City and its Extraterritorial Jurisdiction:

### **ARTICLE I. DEFINITIONS**

The following words, terms and phrases, when used in this ordinance shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

***Consideration.*** Shall mean the cost of the room, sleeping space, bed or dormitory space but shall not include the cost of any food served or personal services rendered to the occupant not related to cleaning and readying such room or space for occupancy and shall not include any tax assessed for the occupancy thereof by any other governmental agency.

***Hotel.*** Shall mean a building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast. The term does not include a hospital, sanitarium, or nursing home, a dormitory or other housing facility owned or leased and operated by an institution of higher education or a private or independent institution of higher education as those terms are defined by Section 61.003 of the Texas Education Code, used by the institution for the purpose of providing sleeping accommodations for persons engaged in an educational program or activity at the institution; or an oilfield portable unit as defined by Section 152.001 of the Texas Tax Code. A Hotel also includes a short-term rental and includes the rental of all or part of a residential property to a person who is not a permanent resident under Section 156.101 of the Texas Tax Code.

***Occupancy.*** Shall mean the use or possession, or the right to the use or possession of any room, space or a sleeping facility.

***Occupant.*** Shall mean anyone who, for a consideration, uses, possesses or has the right to use or possess any room or rooms, or sleeping space or facility in a hotel under any lease, access, license, contract or agreement.

***Permanent Resident.*** Shall mean any occupant who has or shall have the right of occupancy of any room or rooms, or sleeping space or facility in a hotel for at least thirty (30) consecutive days during the current calendar year or preceding year.

***Person.*** Shall mean any individual, company, corporation or association owning, operating, managing or controlling any hotel.

***Quarterly Period.*** Shall mean the regular calendar quarters of the year, the first quarter being composed of the months of January, February, and March; the second quarter being the

months of April, May and June; the third quarter being the months of July, August, and September; and the fourth quarter being the months of October, November and December.

## **ARTICLE II. TAX LEVY, COLLECTION REPORTING**

### **A. Tax Levied; Amount; Exceptions**

(1) There is hereby levied a tax upon the cost of occupancy of any room or space furnished by any hotel where such cost of occupancy is at the rate of two dollars (\$2.00) or more per day, such tax to be equal to seven percent (7%) of the consideration paid by the occupant of such room to such hotel, exclusive of other occupancy taxes imposed by other governmental agencies.

(2) No tax shall be imposed hereunder upon a permanent resident.

(3) No tax shall be imposed hereunder upon a corporation or association organized and operated exclusively for religious, charitable or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

### **B. Collection of Tax**

Every person owing, operating, managing or controlling any hotel shall collect the tax imposed by this ordinance for the City of Coahoma.

### **C. Filing of Quarterly Report**

On the last day of the month following each quarterly period, every person required in this ordinance to collect the tax imposed herein shall file a report with the City Secretary showing the consideration paid for all room occupancies in the preceding quarter, the amount of the tax collected on such occupancies and any other information the City may reasonably require in rules and regulations to the collection and reporting of the tax. Such person shall pay the tax due on such occupancies at the time of filing such report. Every person required to collect the tax and file the report with the City, shall also furnish to the City Secretary at the time of payment of said tax a copy of the quarterly report filed with the state comptroller in connection with the State of Texas Hotel Occupancy Tax. The report shall be in a form prescribed by the City Council. If the City Council has not prescribed such a form, the format of the report shall be similar to that of the form used by the State of Texas to report hotel occupancy tax.

### **D. Authority to Promulgate Rules and Regulations; Access to Books and Records**

The Mayor shall have the power to make such rules and regulations as are reasonable and necessary to effectively collect the tax levied hereby and shall upon reasonable notice have access to books and records necessary to enable him/her or designee to determine the correctness of any report filed as required by this article and the amount of taxes due under the provisions of this article.

### **E. Criminal Penalties for Failure to Collect Tax, Make Reports and Pay Tax**

If any person required by the provisions of this ordinance to collect the taxes imposed herein, make reports as required herein and pay the tax imposed herein, shall fail to collect such taxes, file such report or pay such taxes, or if any such person shall file a false report, such person shall be guilty of a misdemeanor and upon conviction be punished in an amount not to exceed \$500.00. Each day that a violation continues shall constitute a separate offense.

### **F Administrative Penalties for Failure to Collect Tax, Make Reports and Pay Tax**

If any person required by the provisions of this ordinance to collect the taxes imposed herein, make reports as required herein and pay the tax imposed herein, shall fail to collect such taxes, file such report or pay such taxes or if any such person shall file a false report, such person shall pay a penalty equal to 15 percent of the total amount of tax owed if the tax has been delinquent for at least one complete fiscal quarter.

### **G. Additional Penalties**

The City may also pursue any remedy authorized by the Texas Tax Code Chapter 351 for a municipality of its type and size.

### **H. Reimbursement for Cost of Collection of Tax**

Every person required in this ordinance to collect the tax imposed by the City, may deduct and withhold from the payment, as reimbursement for the cost of collecting the tax, an amount not to exceed one percent (1%) of the amount of the tax collected and required to be reported.

### **I. Tax Applies to Extraterritorial Jurisdiction**

The provisions of this ordinance as may be amended from time to time shall apply to all territory within the extraterritorial jurisdiction of the City as the same may exist from time to time, and the same shall be and is hereby imposed on all applicable persons within the said extraterritorial jurisdiction of the City.

### **I. State Tax Code Applicability**

The administration of this article shall be in accordance with the provisions of the state law regarding hotel occupancy taxes found at Texas Tax Code and Ch. 351 of the Texas Tax Code.

**SECTION 3.** That this ordinance supersedes the provisions of any other ordinance on the same subject matter to the extent of a conflict.


**SECTION 4.** That it is hereby officially found and determined that the meeting at which this ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required by law.

**SECTION 5.** That should any part, portion, section or provision of this ordinance be declared to be invalid or inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion or judgment shall in no way affect the remaining parts, portions, sections or provisions of this ordinance which provisions shall remain and continue to be in full force and effect.

**SECTION 6.** That the City Secretary is hereby directed to publish a caption of this Ordinance that summarizes its purpose and penalty, as provided in Section 52.011 of the Texas Local Government Code.

**SECTION 7.** That this ordinance shall become effective immediately upon its passage, approval, and publication.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Coahoma, Texas on this the 2<sup>nd</sup> day of February, 2019.

By:   
Warren Wallace, Mayor

**ATTEST:**

  
Tammy Griffith, City Secretary

