

Chapter 27

TAXATION*

- Art. I. In General, §§ 27-1--27-25
- Art. II. Ad Valorem Taxation, §§ 27-26--27-45
- Art. III. Bingo, §§ 27-46--27-70
- Art. IV. Hotel Occupancy Tax, §§ 27-71--27-95
- Art. V. Tax on Coin-Operated Machines, §§ 27-96--27-125
- Art. VI. Municipal Sales and Use Taxes, § 27-126

ARTICLE I. IN GENERAL

Sec. 27-1. Penalty.

Unless stated otherwise, violations of this chapter shall be punished as provided in section 1-8.

Secs. 27-2--27-25. Reserved.

ARTICLE II. AD VALOREM TAXATION**

Sec. 27-26. Exemption for older persons.

(a) All persons living within the city who are sixty-five (65) years of age or older are hereby entitled to an exemption of twenty thousand dollars (\$20,000.00) from the assessed value of their residence homesteads as such homesteads are defined by state law, if they comply with requisites of this section.

(b) Such exemption includes those individuals who are married or unmarried and also includes those individuals living alone.

(c) Only those individuals who qualify according to (d) and (e) below shall be entitled to the exemption provided herein.

(d) In order to qualify for the exemption granted herein, all persons who will be sixty-five (65) years of age or older on January first of the year in which they seek the exemption provided in this section must register in the office of the tax assessor-collector between January first and April thirtieth of that year.

(e) All individuals who are eligible for the exemption provided herein must apply each year in which they want to take advantage of such exemption.

(f) The tax assessor-collector shall determine the eligibility of all individuals applying for the exemption provided by this section, and his determination shall be final.

(g) The first tax year in which any individual may qualify for the twenty-thousand-dollar

*Cross references—Finance, § 2-76 et seq.; licenses, permits and miscellaneous business regulations, Ch. 15.

**Charter reference—Tax administration, § 83 et seq.

exemption herein is the tax year beginning January 1, 1988.

(Code 1963, Ch. 12, art. 1, § 3 [Ord. No. 74-48, § 1, 9-23-74; Ord. No. 81-40, § 1, 8-25-81; Ord. No. 86-65, § 1, 9-9-86; Ord. No. 86-79, § 1, 10-28-86]; Ord. No. 88-87, §§ I, II, 9-20-88)

State law reference(s)--Authority to grant such an exemption, V.T.C.A., Tax Code § 11.13(b).

Sec. 27-27. Tax limit for qualifying individuals.

(a) Pursuant to and consistent with the provisions of Tex. Const. art. 8, § 1-b(h) and Tex. Tax Code § 11.261, adopted effective January 1, 2004, for a person who is disabled or is sixty five (65) years of age or older who receives a residence homestead exemption authorized by law, the total amount of ad valorem taxes imposed on that person's homestead by the city may not be increased while it remains the residence homestead of that person or that person's spouse who is disabled or sixty-five (65) years of age or older and receives a residence homestead exemption on the homestead.

(b) The provisions of this section shall be administered in conformance with Tex. Const. art. 8, § 1-b(h) and Tex. Tax Code § 11.261. If any provision of this section is deemed to be inconsistent with state law, state law shall control.

(c) If an individual makes improvements to the individual's residence homestead, other than repairs and other than improvements required to comply with governmental requirements, the city may increase the amount of taxes on the homestead in the first year the value of the homestead is increased on the appraisal roll because of the enhancement of value by the improvements. The amount of the tax increase is determined by applying the current tax rate to the difference between the appraised value of the homestead with the improvements and the appraised value it would have had without the improvements. A limitation provided by this section then applies to the increased amount of city taxes on the residence homestead until more improvements, if any, are made.

(d) A limitation on city tax increases provided by this section expires on January 1 if:

1. none of the owners of the structure who qualify for the exemption provided by Texas Tax Code §11.13(c) for a disabled individual or an individual 65 years of age or older and who owned the structure when the limitation provided by this section first took effect is using the structure as a residence homestead; or
2. none of the owners of the structure qualifies for the exemption provided by Texas Tax Code § 11.13(c) for a disabled individual or an individual 65 years of age or older.

(e) If an individual who qualifies for a limitation on city tax increases under this section dies, the surviving spouse of the individual is entitled to the limitation on taxes imposed by the city on the residence homestead of the individual if:

1. the surviving spouse is disabled or is 55 years of age or older when the individual dies; and
2. the residence homestead of the individual
 - a. is the residence homestead of the surviving spouse on the date that the individual dies; and

b. remains the residence homestead of the surviving spouse.
(Ord. No. 07-103, § 2, 12-11-07)

Secs. 27-28--27-45. Reserved.

ARTICLE III. BINGO*

Sec. 27-46. Tax imposed.

There shall be required a two (2) percent gross receipts tax imposed on the conduct of bingo games within the city. (Code 1963, Ch. 3, art. 13, § 1)

State law reference(s)--Tax authorized, Vernon's Ann. Civ. Stat. art. 179d, § 3.

Sec. 27-47. Adoption of state laws.

The Bingo Enabling Act [Vernon's Ann. Civ. St. art. 179d] is hereby adopted and incorporated in this article as though fully set out, for all purposes, so far as is applicable to a municipality. All provisions for administration, implementation and enforcement of the two (2) percent gross receipts tax found in the act are specifically adopted by reference as are any subsequent amendments adopted by the state legislature. (Code 1963, Ch. 3, art. 13, § 2 [Ord. No. 86-43, § 1, 6-24-86])

Secs. 27-48--27-70. Reserved.

ARTICLE IV. HOTEL OCCUPANCY TAX**

Sec. 27-71. Definitions.

The following words, terms and phrases are, for the purpose of this article, except where the context clearly indicates a different meaning, defined as follows:

Consideration shall mean the cost of the room, sleeping space, bed or dormitory space or other facilities in such hotel and 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 occupancy thereof by any other governmental agency.

Director of finance shall mean the director of finance for the city.

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 or rooming house, but does not include a hospital, sanitarium or nursing home.

Occupancy shall mean the use or possession, or the right to the use or possession of any room, space or sleeping facility in a hotel for any purpose.

***State law reference**—Bingo Enabling Act, Vernon's Ann. Civ. St. art. 179d.

****Cross reference**—Allocation of hotel, motel tax revenue, § 2-132.

State law reference—Municipal hotel occupancy taxes, V.T.C.A., Tax Code § 351.001 et seq.

Occupant shall mean anyone, who, for a consideration uses, possesses, or has a right to use or possess any room or rooms, or sleeping spaces or facility in a hotel under any lease, concession, permit, right of access, license, contract or agreement.

Permanent resident shall mean any occupant who has or shall have the right to 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.

(Code 1963, Ch. 12, art. 2, § 1 [Ord. No. 71-38, § 1, 8-9-71; Ord. No. 87-72, § 1, 10-13-87]; Ord. No. 92-28, § I, 6-9-92)

Cross reference(s)--Definitions and rules of construction generally, § 1-2.

State law reference(s)--Similar provisions, V.T.C.A., Tax Code §§ 156.001, 351.001.

Sec. 27-72. Levy of tax; rate; exception.

(a) There is hereby levied a tax upon the occupant 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 (7) percent of the consideration paid by the occupant of such room, space or facility to such hotel, exclusive of other occupancy taxes imposed by other governmental agencies.

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

(c) No tax shall be imposed under this article upon diplomatic personnel who present a tax exemption card issued by the United States Department of State, federal or state employees traveling on business, or federal or state military personnel traveling on official military business. This exemption does not apply to institutions of higher learning or city officers and employees.

(Code 1963, Ch. 12, art. 2, § 2 [Ord. No. 71-38, § 1, 8-9-71; Ord. No. 84-8, § 1, 2-28-84]; Ord. No. 88-26, § II, 4-12-88)

State law reference(s)--Authority to impose hotel occupancy tax, V.T.C.A., Tax Code § 351.002; maximum tax rate, V.T.C.A., Tax Code § 351.003.

Sec. 27-73. Collection.

Every person owning, operating, managing or controlling any hotel shall collect the tax imposed in section 27-72 for the city. (Code 1963, Ch. 12, art. 2, § 3 [Ord. No. 71-38, § 1, 8-9-71])

Sec. 27-74. Reports.

(a) On or before the last day of the month following each calendar month, every person required in section 27-73 to collect the tax imposed in this article shall file a report with the director of finance showing the consideration paid for all room occupancies in the preceding month, the amount of the tax collected on such occupancies, and any other information as the director of finance may reasonably require. Such persons shall pay the amount of tax collected from occupants during the period of the report at the time of filing the report.

(b) Every person required in section 27-73 to collect the tax imposed in this article shall include, as part of their report to the city, a copy of the hotel's most recent quarterly tax report prepared for the state comptroller's office.

(c) Each monthly report shall contain the following certification: "I declare the information contained herein, including any exhibits attached hereto, is true and correct to the best of my knowledge."

(Code 1963, Ch. 12, art. 2, § 4 [Ord. No. 71-38, § 1, 8-9-71; Ord. No. 87-72, § 1, 10-13-87]; Ord. No. 88-70, § 1, 7-12-88; Ord. No. 92-28, § I, 6-9-92)

Sec. 27-75. Rules and regulations.

The director of finance shall have the power to make such rules and regulations as are necessary to effectively collect the tax levied herein, and upon twenty-four (24) hours written notice, shall have access to books and records necessary to enable him 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. (Code 1963, Ch. 12, art. 2, § 5 [Ord. No. 71-38, § 1, 8-9-71; Ord. No. 87-72, § 4, 10-13-87]; Ord. No. 92-28, § I, 6-9-92)

Sec. 27-76. Penalties.

If any person shall fail to collect the tax imposed in this article, or shall fail to file a report as required herein, or shall fail to pay to the director of finance the tax as imposed herein when such report for payment is due, or shall file a false report, then such person shall be deemed guilty of a misdemeanor and upon conviction be punished as provided in section 1-8. In addition, such person who fails to remit the tax imposed by this article within the time required shall forfeit five (5) percent of the amount due as a penalty, and after the first thirty (30) days shall forfeit an additional five (5) percent of such tax. The penalty shall never be less than one dollar (\$1.00). Delinquent taxes shall draw interest at the rate of twelve (12) percent per annum beginning sixty (60) days from the date due on the tax imposed by this article. (Code 1963, Ch. 12, art. 2, § 6 [Ord. No. 71-38, § 1, 8-9-71; Ord. No. 87-72, § 5, 10-13-87]; Ord. No. 88-70, § III, 7-12-88; Ord. No. 92-28, § I, 6-9-92)

Sec. 27-77. Authorized agents.

Every person required in section 27-73 to collect the tax imposed in this article shall furnish the city, in writing, the names of those individuals who shall serve as the authorized agent(s) of the hotel to file the monthly hotel occupancy tax reports. (Ord. No. 92-28, § I, 6-9-92)

Sec. 27-78. Collection procedures on purchase of hotel.

(a) If a person who is liable for the payment of a tax under this article is the owner of a hotel and sells the hotel, the successor to the seller or the seller's assignee shall withhold an amount of the purchase price sufficient to pay the amount due until the seller provides a receipt by a person designated by the director of finance to provide the receipt showing that the amount has been paid or a certificate showing that no tax is due.

(b) The purchaser of a hotel who fails to withhold an amount of the purchase price as

required by this section is liable for the amount required to be withheld to the extent of the value of the purchase price.

(c) The purchaser of a hotel may request that the person designated by the director of finance to provide a receipt under subsection (a) issue a certificate stating that no tax is due or issued a statement of the amount required to be paid before a certificate may be issued. The person designated by the director of finance shall issue the certificate or statement no later than the sixtieth day after the date that the person receives the request.

(d) If the person designated by the director of finance to provide a receipt under subsection (a) fails to issue the certificate or statement within the period provided by subsection (c), the purchaser is released from the obligation to withhold the purchase price or pay the amount due. (Ord. No. 92-28, § I, 6-9-92)

Secs. 27-79--27-95. Reserved.

ARTICLE V. TAX ON COIN-OPERATED MACHINES

Sec. 27-96. Definitions.

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

Coin-operated machine shall mean every machine or device of any kind or character which is operated by or with coins, or metal slugs, tokens or checks; “music coin-operated machines” and “skill or pleasure coin-operated machines” as those terms are hereinafter defined, shall be included in such terms.

Music coin-operated machine shall mean every coin-operated machine of any kind or character, which dispenses or vends or which is used or operated for dispensing or vending music and which is operated by or with coins or metal slugs, tokens or checks. The following are expressly included within such term: Phonographs, pianos, graphophones, and all other coin-operated machines which dispense or vend music.

Operator shall mean any person who exhibits, displays or permits to be exhibited or displayed, in a place of business other than his own, any coin-operated machine in the city.

Owner shall mean any person owning any coin-operated machine in the city.

Service coin-operated machines shall mean every pay toilet, pay telephone and all other machines or devices which dispense service only and not merchandise, music, skill or pleasure.

Skill or pleasure coin-operated machines shall mean every coin-operated machine of any kind or character whatsoever, when such machine or machines dispense or are used or are capable of being used or operated for amusement or pleasure or when such machines are operated for the purpose of dispensing or affording skill or pleasure, or for any other purpose other than the dispensing or vending of “merchandise or music” or “service” exclusively, as those terms are defined in this article. The following are expressly included within this term: marble machines, marble table machines, marble shooting machines, miniature race track

machines, miniature football machines, miniature golf machines, miniature bowling machines, and all other coin-operated machines which dispense or afford skill or pleasure. Every machine or device of any kind or character which dispenses or vends merchandise, commodities or confections or plays music in connection with or in addition to such games or dispensing of skill or pleasure shall be considered as skill or pleasure machines and taxed at the higher rate fixed for such machines.

(Code 1963, Ch. 3, art. 1, § 1 [Ord. No. 82-72, § 1, 12-14-82])

Cross reference(s)--Definitions and rules of construction generally, § 1-2.

State law reference(s)--Similar provisions, Vernon's Ann. Civ. St. art. 8801.

Sec. 27-97. Amount of tax.

(a) Every owner, save an owner holding an import license and holding coin-operated machines solely for resale, who owns, controls, possesses, exhibits, displays, or who permits to be exhibited or displayed in this state any coin-operated machine shall pay, and there is hereby levied on each coin-operated machine, as defined herein, except as are exempt herein, an annual occupation tax of seven dollars and fifty cents (\$7.50).

(b) The city may provide a duplicate permit if a valid permit has been lost, stolen or destroyed. The fee for a duplicate permit is two dollars (\$2.00).

(Code 1963, Ch. 3, art. 1, § 2 [Ord. No. 82-72, § 2, 12-14-82])

State law reference(s)--Authority to levy above tax, Vernon's Ann. Civ. St. art. 8814.

Sec. 27-98. Exemptions.

Gas meters, pay telephones, pay toilets, food vending machines, confection vending machines, beverage vending machines, merchandise vending machines, and cigarette vending machines which are now subject to an occupation or gross receipts tax, stamp vending machines, and "service coin-operated machines," as that term is defined, are expressly exempt from the tax levied in this article. (Code 1963, Ch. 3, art. 1, § 3 [Ord. No. 82-72, § 3, 12-14-82])

State law reference(s)--Similar provisions, Vernon's Ann. Civ. St. art. 8803.

Sec. 27-99. Attachment of permit to machine.

The permit issued by the city to evidence the payment of the tax levied in this article shall be securely attached to the machine. (Code 1963, Ch. 3, art. 1, § 4 [Ord. No. 82-72, § 4, 12-14-82])

Sec. 27-100. Expiration.

The tax levied in this article shall be paid annually and the permit issued therefor shall expire on December thirty-first of each year. (Code 1963, Ch. 3, art. 1, § 7 [Ord. No. 82-72, § 7, 12-14-82])

Sec. 27-101. Tax paid to assessor and collector.

The occupation taxes levied by this article are to be paid to the city assessor and collector and by him accounted for and deposited to the credit of a city general fund. (Code 1963, Ch. 3, art. 1, § 5 [Ord. No. 82-72, § 5, 12-14-82])

Sec. 27-102. Penalty.

(a) Any person installing or permitting to be installed for operation, any such coin-operated machines or operating or permitting to be operated any such coin-operated machines, without first paying or causing to be paid the occupation tax levied by this article, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished as provided in section 1-8. Each person having an interest in the installation for operation or the operation of such coin-operated machines shall be separately subject to prosecution hereunder.

(b) Any person failing to conspicuously display or cause to be conspicuously displayed, a license receipt evidencing payment of the occupation tax herein prescribed on any such coin-operated machine installed for operation, or permitted to be installed for operation or operated or permitted to be operated by such person shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished as provided in section 1-8. Each person having an interest in the installation for operation or the operation of such coin-operated machines shall be separately subject to prosecution hereunder.

(Code 1963, Ch. 3, art. 1, § 6 [Ord. No. 82-72, § 6, 12-14-82])

Secs. 27-103--27-125. Reserved.

ARTICLE VI. MUNICIPAL SALES AND USE TAXES*

Sec. 27-126. Telecommunications services tax.

(a) A tax is hereby authorized on all telecommunications services sold within the city. For purposes of this section, the sale of telecommunications services is consummated at the location of the telephone or other telecommunications device from which the call or other communication originates. If the point of origin cannot be determined, the sale is consummated at the address to which the call or other communication is billed.

(b) The rate of the tax imposed by this section shall be the same as the rate imposed by the city for all other local sales and use taxes as authorized by the legislature of the state.

(Code 1963, Ch. 12, art. 3, § 1 [Ord. No. 87-29, § 1, 5-12-87])

State law reference(s)--Authority to impose sales and use tax on telecommunication services, V.T.C.A., Tax Code § 321.210.

***State law reference**--Municipal sales and use taxes, V.T.C.A., Tax Code § 321.101 et seq.