

**Ordinance No. 2001.10**  
**Village of Salado**  
**County of Bell**  
**State of Texas**  
**May 3, 2001**

**AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS ESTABLISHING A HOTEL-MOTEL OCCUPANCY TAX; PROVIDING FOR THE ESTABLISHMENT OF A SALADO TOURISM COUNCIL AND RULES AND REGULATIONS GOVERNING SAID COUNCIL; PROVIDING FOR THE CREATION OF THE POSITION OF SALADO TOURISM DIRECTOR; PROVIDING FOR APPLICABILITY AND AN EFFECTIVE DATE AND PROVIDING FOR A SEVERABILITY CLAUSE**

Whereas, the Village of Salado is, and has been in the past, a recognized stop for tourist, and as a result has developed a tourism industry which is beneficial to the Village; and

Whereas, the continued promotion and growth of the tourism industry will enhance the Village, and inure to its benefit; and

Whereas, there is available a four (4%) percent Hotel Occupancy Tax as provided by State Statute, the proceeds of which can be utilized by the Village of Salado to promote tourism, and enhance the arts and historical preservation of the Village; and

Whereas, it is deemed in the best interest of the Village of Salado to accomplish the goals as set forth above, and to enact and approve a four (4%) percent Hotel-Motel Occupancy Tax, the proceeds of which can be devoted to the foregoing purposes:

NOW THEREFORE, be it ordained by the Board of Aldermen of the Village of Salado, Texas that there is hereby levied, enacted, and approved a four (4%) percent Hotel-Motel Occupancy Tax in the Incorporated Village of Salado and it's Extra Territorial Jurisdiction (ETJ), and there is hereby created a Salado Tourism Council, all as hereinafter set forth:

Section 20-01.                      Definitions

The following words, terms and phrases are defined as follows:

- (a) Hotel: Any building or buildings in which the public may, for a consideration, obtain sleeping accommodations, including hotels, motels, tourist homes, houses or courts, lodging houses, inns, rooming houses, or other buildings where rooms are furnished for a consideration but not including hospitals, sanitariums or nursing homes.
- (b) Consideration: The cost of the room in a hotel only if the room is ordinarily used for sleeping, and not including the cost of any food served or personal services rendered to the occupant of such room not related to the cleaning and readying of such room for occupancy.

- (c) **Occupancy:** The use or possession, or the right to the use or possession of any room or rooms in a hotel if the room is one which is ordinarily used for sleeping and if the occupant is other than a permanent resident as hereinafter defined.
- (d) **Occupant:** Anyone who, for a consideration, uses, possesses, or has a right to use or possess any room or rooms in a hotel under any lease, concession, permit, right of access, license, contract or agreement, other than a permanent resident as hereinafter defined.
- (e) **Person:** Any individual, company, corporation or association owning, operating, managing or controlling any hotel.
- (f) **Permanent Resident:** Any occupant who has or shall have the right to occupancy of any room or rooms in a hotel for at least thirty (30) consecutive days during the calendar year or preceding year.
- (g) **Grant:** A transfer of moneys from the Hotel-Motel Tax Account to designated recipients following formal request procedures.

Section 20-02.

Tax Levied: Amount: Exemptions

There is hereby levied a tax of Four percent (4%) of the price paid for a room in a hotel on every person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs \$2.00 or more each day, and is ordinarily used for sleeping. The price of a room in a hotel does not include the cost of food served by the hotel and the cost of personal services performed by the hotel for the person except those services related to the cleaning and readying of the room for possession.

Exceptions are as follows:

- (a) No tax shall be imposed upon a permanent resident.
- (b) No tax shall be imposed for federal or state employees traveling on official business.
- (c) No tax shall be imposed for diplomatic personnel who present a Tax Exemption card issued by the United States Department of State.
- (d) No tax shall be imposed for federal or state military personnel traveling on official military business. This exemption does not cover military staff on leave or between stations.

Section 20-03.

Collection of Tax

Every person owning, operating, managing or controlling any hotel shall collect the tax levied by this ordinance for the Village of Salado.

The hotel operator shall be entitled to .005% of the hotel occupancy tax revenues collected by the hotel as reimbursement for the operator's administrative costs for collecting the tax. However, as herein below provided, this reimbursement may be forfeited at the discretion of the Village if the

hotel operator fails to timely pay over the tax or timely file a report as required by the Village or file a false report with the Village.

Section 20-04. Monthly Report to Village Secretary

On the 20<sup>th</sup> day of the month following each last day of the month, every person required to collect the tax imposed hereby shall file a report with the Village Secretary showing the price paid for all room occupancies in the preceding month, the amount of the tax collected on such occupancies, and any other information the Village Board of Alderman may reasonably require. Such person shall pay the tax due on such occupancies at the time of filing such report. The report shall be in a form prescribed by the Board of Alderman. The Village Secretary and Mayor are hereby authorized and directed to do all such things necessary or convenient to carry out the terms of this ordinance. The Village Secretary shall have the authority to request and receive within a reasonable time documentation for information contained in the report to the Village by the hotel.

Section 20-05. Rules and Regulations Relating to Hotel-Motel Occupancy Tax  
Access to Books & Records

The Village Board of Aldermen 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 to determine the correctness of any report filed as required by this ordinance, and the amount of taxes due under the provisions of this article.

Section 20-06. Penalties

If any person shall fail to file a report as required herein or shall file a false report or shall fail to pay to the Village Secretary the tax as imposed herein when said report payment is due, he shall be charged an amount equal to five percent (5%) of the amount due as penalty, and after the first thirty (30) days, he shall be charged an amount equal to an additional five percent (5%) of such tax. However, such penalty shall never be less than One and No/100 (\$1.00) Dollar. Delinquent taxes shall draw interest at the rate of ten percent (10%) per annum beginning sixty (60) days from the due date.

Any person violating any of the provisions of this article, including hotel operators who fail to collect the tax, fail to file a return, file a false return, or who are delinquent in their tax payment, shall be guilty of a misdemeanor and shall, upon conviction, be fined in any sum not to exceed Five Hundred and No/100 (\$500.00) Dollars, and each twenty-four (24) hours of any such violation shall constitute a separate offense.

Section 20-07.

Additional Penalties

The Village is hereby authorized to take the following actions against any person required to collect the tax imposed hereby and pay the collection over to the Village and who has failed to file a report, or filed a false report, or failed to pay the tax when due:

- (a) Require the forfeiture of any revenue the Village allowed the hotel operator to retain for its cost of collecting the tax;
- (b) Bring suit against the hotel for noncompliance; and /or
- (c) Bring suit against the hotel seeking any other remedies provided under Texas law.

Section 20-08.

Additional Authorization to Bring Suit

The Village is hereby authorized to bring suit against any person required to collect the tax imposed hereby and required to pay the collection over to the Village and who has failed to file a report, or filed a false report, or failed to pay the tax when due. Such suit may seek to collect such tax not paid or to enjoin such person from operating a hotel in the village until the tax is paid or the report is filed or both, as applicable and as provided in the injunction.

Section 20-09.

Use of Revenue Derived from Levy of Hotel Occupancy Tax

The revenue derived from any hotel occupancy tax imposed and levied by this ordinance may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:

- (1) the acquisition of sites for and the construction, improvement, enlarging, equipment, repairing, operation, and maintenance of convention center facilities (as such is defined in V.A.T.S. Tax Code, Section 351.001);
- (2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- (3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
- (4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms; and
- (5) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:
  - (a) which are at or in the immediate vicinity of convention center facilities; or

- (b) which are located elsewhere in the municipality or its vicinity that would be frequented by tourists, convention delegates, or other visitors to the municipality.

Revenue derived from the hotel occupancy tax shall be expended only in a manner which directly enhances and promotes tourism and the convention and hotel industry as hereinbefore delineated. Such revenue shall not be used for the general revenue purposes or general governmental operations of the municipality which are not directly related to promoting the hotel and convention industry or tourism in the municipality.

Section 20-10. Administrative Requirements: Accountability; Keeping of Records.

The Village Board of Aldermen may, by contract, delegate to a person, including another governmental entity of a private organization, the management or supervision of programs and activities funded with revenue from the hotel occupancy tax. The Village Board of Aldermen shall approve in writing in advance the annual budget of the Village Tourism Director to which it delegates the Tourism functions, and shall require the entity to make periodic reports to the Village Board of Aldermen at least annually listing the expenditures made by the Village Tourism Director of revenue from the tax provided by the municipality.

The Tourism Director must maintain the revenue provided by the municipality from the tax in a separate account established for that purpose and may not commingle that revenue with any other money or maintain it in any other account.

The municipality may not delegate to any person or entity the management or supervision of its convention and visitors programs and activities funded with revenue from the hotel occupancy tax other than by contract as provided herein. The Tourism Director will submit requests for checks for expenditures from the Village Secretary. The approval by the Village Board of Aldermen of the annual budget of the Tourism Director to which these functions are delegated creates a fiduciary duty in the person or entity with respect to the revenue provided by the municipality to the person or entity under the contract.

The Tourism Director shall maintain complete and accurate financial records of each expenditure of hotel occupancy tax revenue made and on request of the Salado Board of Aldermen shall make the records available for inspection and review.

Hotel occupancy tax revenue may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs only if those administrative costs are incurred directly in the promotion and servicing of expenditures hereinbefore authorized. The portion of the total administrative costs for activities for which hotel occupancy tax revenue may be used may not exceed the administrative costs actually incurred in conducting the authorized activities.

Hotel occupancy tax revenue may not be spent for travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of the person's job in an efficient and professional manner.

Section 20-11.

Effective Date

The hotel occupancy tax authorized herein shall become effective commencing on the first day of the month following the date upon which this ordinance, or an amended form thereof, has been adopted and enacted by the Village of Salado, and shall thereafter be collected on all rooms under occupancy (as that term is herein defined) from and after the effective date, regardless of the date upon which payment or reservation for the occupancy was made.

Section 20-12.

Establishment of Salado Tourism Council

There is hereby established a Salado Tourism Council and the Rules and Regulations of the Salado Tourism Council as set forth in Attachment A are hereby enacted as the initial Rules and Regulations of the Salado Tourism Council.

Section 20-13.

Severability

In the event that any one or more of the provisions, clauses, or words of this ordinance or the application thereof to any situation or circumstance shall for any reason be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect any other provisions, clauses, or words of this ordinance or the application thereof to any other situations or circumstance and it is intended that this ordinance shall be severable and that it shall be construed and applied as if such invalid or unconstitutional clause, section, provision, or word had not been included herein.

APPROVED AND PASSED this the 3<sup>d</sup> day of May, 2001.

Charlotte Douglass  
Mayor Charlotte Douglass

ATTEST:

Dianna Zulauf  
Village Secretary, Dianna Zulauf