

Chapter 17

TAXATION

ARTICLE I. IN GENERAL

Sec.17-1 Tax Code adopted, sales tax adopted.

- (A) The City hereby adopts the Property Tax Code of the State, V.A.C.S. Tax code, Title I and all taxation by the City shall be in accordance with State Law.
- (B) The City, pursuant to State Law, has adopted a two percent (2%) local sales tax to be administered and collected according to State law.

Sec.17-2 Assessment and collection--City Council to appoint officers, entities.

The City Council shall, by resolution, appoint officers or entities for assessment and collection of any taxes imposed by the City, and shall, by resolution, enter into any contracts with such officers or entities deemed necessary by the Board to carry out the assessment and collection of taxes.

Sec.17-3 Rates and levies--City Council to set by resolution.

The City Council shall set taxation rates and levies by resolution or ordinance.

Sec.17-4 Tax rates, discounts, etc. to comply with State law.

All tax rates, discounts, levies, payments and penalties imposed by the City Council shall be in compliance with State law.

Sec.17-5 Exemptions from ad valorem taxes.

The City Council may annually, by resolution, provide for specific exemptions from ad valorem taxes. If no resolution is so made, there shall be no exemptions; any exemptions granted for the previous years notwithstanding.

Sec.17-6 Gas and electricity--tax retained.

The City retains the taxes authorized by the Local Sales and Use Tax Act (Article 1066c, Vernon's Texas Civil Statutes) on the receipts from the sale, production, distribution, lease, or rental of, and the use, storage, or other consumption of gas and electricity for the residential use, as authorized by Section 6 of House Bill No. 1, Acts 1978, 65th Legislature, Second Called Session. (Ord. No. 69,3-12-79)

ARTICLE II.

HOTEL-MOTEL OCCUPANCY TAX

Sec.17-7 Definitions.

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

Hotel shall mean any building or buildings in which the public may, for a consideration, obtain sleeping accommodations. The term shall include hotels, motels, tourist homes, houses, or courts, lodging houses, inns, rooming houses, or other buildings where rooms are furnished for a consideration, but "hotel" shall not be defined so as to include hospitals, sanitariums or nursing homes.

Consideration shall mean the cost of the room in such hotel only if the room is one ordinarily used for sleeping, and shall not include 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.

Occupancy shall mean the use or possession, or the right to use or possess, any room in a hotel if the room is one ordinarily used for sleeping and if the occupant's use, possession, or right to use or possession extends for a period of less than thirty (30) days.

Occupant shall mean anyone who, for a consideration, uses, possesses, or has a right to use or possess, any room in a hotel if the room is one ordinarily used for sleeping.

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

Tax assessor-collector shall mean the Mayor of the City or such other duly designated officer.

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.

Sec.17-8 Rate of tax established.

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 Eight and one-half (8 1/2%) Percent of the consideration paid by the occupant of such room or space to such hotel.

Sec.17-9 Collection of tax by owners, operators, etc.

Every person owning, operating, managing or controlling any hotel shall collect the tax imposed by this Article for the City. (Ord. No. 29, 4-2-75)

Sec. 17-10 Room Occupancy Tax - Reports/Payment

On or before the 15th day of the month following each monthly period, every person required by Article II of Chapter 17 hereof to collect the tax imposed herein shall file a report with the Finance Department showing the consideration paid for all room or sleeping space occupancies in the preceding month, the amount of tax collected on such occupancies, number of room nights available during the reporting period, number of room nights rented during the reporting period, and any other information as the Finance Department may reasonably require, which report shall be in writing. Such persons shall pay the tax due on such occupancies by the 15th day of the month following each monthly period. (Ord No. 29E, 2-19-92)

Sec.17-11 Discount for timely payment.

Any person timely paying the tax due under this Article may deduct and withhold from the person's payment to the City, as reimbursement for the cost of collecting the tax, an amount equal to one percent (1%) of the amount of tax collected and required to be reported to the City.

Sec. 17-12 Room Occupancy Tax - Procedures.

(A) The Finance Department shall adopt procedures, rules, and regulations as are reasonably necessary to effectively collect the tax levied herein, and shall upon request of any person owning, operating, managing, or controlling any hotel, furnish a copy of such procedures, rules, and regulations for the guidance of such person and facilitate the collection of such tax as a collection is required herein. Such procedures, rules, and regulations shall be in writing and a copy thereof shall be placed on file with the City Secretary. The Finance Department shall be permitted to have access to books and records of the taxpayer during reasonable business hours as shall be necessary to enable the Finance Department to determine the correctness of any report filed under Section 17-10, and to determine the correctness of the amount due under the provisions of this Chapter, or to determine whether or not a report should have been filed and the amount, if necessary, of taxes due.

(B) The City Manager or the Director of Finance shall pursuant to §351.0041 of the Tax Code of the State of Texas issue a certificate stating that no taxes are due or issue a statement of the amount required to be paid before a certificate may be issued when requested by the owner or purchaser of a hotel. The Certificate or statement shall be issued within Sixty (60) days after receipt of the request.

(C) If a person who is liable for the payment of a tax under this chapter 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 municipality to provide the receipt showing that the amount has been paid or a certificate showing that no tax is due.

(D) 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. (Ord. No. 29E, 2-19-92)

Sec.17-13 Room Occupancy Tax - Criminal Penalty.

(A) A person commits an offense if the person fails to file a report with the Finance Department, collect a tax for the City, or pay a tax to the Finance Department as the person is required to do by Article II of Chapter 17 of the City of South Padre Island Code of Ordinances or fails to follow any procedure, rule, or regulation promulgated by authority of Section 17-12.

(B) An offense under Article II is a misdemeanor punishable by fine as provided in Section 21-1 of the City of South Padre Island Code of Ordinances. (Ord. No. 29E, 2-19-92)

Sec. 17-14 Room Occupancy Tax - Civil Penalties.

If the person who is required to pay the tax imposed by Article II of Chapter 17 fails to collect such tax, file a report, or does not pay the tax when it is due, the person is liable to the municipality for interest, which begins to accrue after the due date at twelve percent per annum, from that day to the date of payment. If the tax has been delinquent for at least one complete municipal fiscal quarter, the person is liable to the municipality for a penalty equal to fifteen percent of the total amount of the tax owed, plus all interest accrued. [Ord 13-12, Sept 2013]

Sec.17-15 Revenues--Use.

All revenues derived from the tax levied herein shall be used for the purposes authorized by law. (Ord. No. 29, 4-2-75)

Sec. 17-16 Tax Imposed in Extraterritorial Jurisdiction. The hotel-motel tax as provided by Article II of Chapter 17 of the Code of Ordinances of the City of South Padre Island is hereby applicable to all properties located within the extraterritorial jurisdiction of the City of South Padre Island. All properties located within the extraterritorial jurisdiction shall impose and collect the tax and comply with all the provisions provided by Article II of Chapter 17 of the Code of Ordinances of the City of South Padre Island.

ARTICLE III Tax Increment Reinvestment

Sec. 17-20. DESIGNATING THE AREA AS A REINVESTMENT ZONE.

The area described in Sec. 17-21 below and more commonly referred to as the "South Padre Island Development Project" and officially assigned the name as designated in Sec. 17-24 below (which reinvestment zone so described, named and designated is hereinafter referred to as the "Zone"), is hereby designated as a Tax Increment Reinvestment Zone.

Sec. 17-21. DESCRIPTION OF THE BOUNDARIES OF THE REINVESTMENT ZONE.

Attached hereto as Exhibit "A"(3 pages), which is incorporated herein by reference for all purposes is a Cameron County Appraisal District Map with the parcels, area and boundaries of the Zone shaded in purple.

Sec. 17-22. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR THE ZONE.

There is hereby created a Board of Directors (the "Board") for the Zone, with all the rights powers and duties as provided by the Act to such Boards or by action of the City Council. Pursuant to Section 311.009(a) of the Texas Tax Code the Board shall consist of not less than five (5) and not more than fifteen (15) members. The City of South Padre

Island Tax Increment Reinvestment Zone Board shall consist of seven (7) members; six appointees from the City of South Padre Island, one appointee from Cameron County. Each taxing unit other than the City that levies taxes on real property in the Zone may appoint one member to the Board. A unit may waive its right to appoint a member. The City Council shall appoint the remaining directors. Appointees shall be for a two (2) year term. Upon expiration of their respective terms of office, replacements to the Board shall be appointed. Vacancies on the Board shall be filled by the respective taxing unit making such appointments for the remainder of the unexpired term.

Sec. 17-23. EFFECTIVE DATE AND TERMINATION DATE OF THE ZONE.

The Zone shall take effect on September 21, 2011 and continue until its termination date of December 31, 2026 unless otherwise terminated earlier as a result of payment in full of all project costs, tax increment bonds, if any, including interest on said bonds as authorized or permitted by law.

Sec. 17-24. ASSIGNING A NAME TO THE ZONE.

The Tax Increment Reinvestment Zone created hereby is assigned the name of "REINVESTMENT ZONE NUMBER ONE, CITY OF SOUTH PADRE ISLAND, TEXAS."

Sec. 17-25. TAX INCREMENT BASE. The tax increment base for the Zone is the total assessed value of all real property taxable by the City and located in the Zone, determined as of January 1, 2011, the year in which the Zone was designated as a Reinvestment Zone (the "Tax Increment Base").

Sec. 17-26. ESTABLISHMENT OF A TAX INCREMENT FUND.

There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER ONE, CITY OF SOUTH PADRE ISLAND, TEXAS TAX INCREMENT FUND" (HEREIN CALLED THE "Tax Increment Fund"). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

Sec. 17-27. FINDINGS.

The City hereby finds and declares that (a) improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City; and (b) the Zone meets the requirements of Section 311.005 of the Act, being that the Zone area "be predominantly open or undeveloped, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the municipality..."

The City of South Padre Island, pursuant to the Act, further finds and declares that:

1. the proposed zone is a contiguous geographical area located wholly within the City limits or extraterritorial jurisdiction of South Padre Island;
2. less than thirty percent (30%) of the property in the proposed Zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d) of the Act;
3. the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifty per cent (50%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;
4. the proposed Zone does not contain more than fifty percent (50%) of the total appraised value of real property taxable by Cameron County and the Point Isabel Independent School District, and
5. development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

Sec. 17-28. DESIGNATION OF A SECTION 311.005(a) ZONE.

The Zone is designated pursuant to Section 311.005(a) of the Act.