

ORDINANCE NO. 10-21-2025-1

AN ORDINANCE OF THE CITY OF MERKEL, TEXAS REPEALING AND REPLACING AN ORDINANCE OF 07-28-1997; AUTHORIZING THE IMPOSITION OF A HOTEL OCCUPANCY TAX; ADOPTING REGULATIONS REGARDING THE COLLECTION OF SUCH A TAX; PROVIDING A PENALTY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Merkel (the "City") is a general law municipality operating pursuant the laws of the State of Texas;

WHEREAS, pursuant to Section 351.002 of the Texas Tax Code, the City is authorized to "impose a tax on a person who...pays for the use or possession or for the right to the use or possession of a room that is a hotel"

WHEREAS, the City's existing ordinance addressing the imposition and collection of a hotel occupancy tax is outdated and the City Council of the City (the "City Council") has determined that it is necessary to adopt an updated ordinance; and

WHEREAS, the City Council finds that adopting this Ordinance is in the best interest of the City for the use, benefit, and welfare of its citizens;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MERKEL, TEXAS THAT:

Section 1. The provisions in the attached Exhibit "A" are hereby adopted as the Hotel Occupancy Tax Ordinance of the City of Merkel.

Section 2. Any person, firm, or corporation violating any of the provisions of this Ordinance shall be deemed guilty of a class C misdemeanor, and upon conviction thereof shall be punished by a fine of not more than Five Hundred Dollars (\$500.00). Each day such violation shall continue, or be permitted to continue, shall be deemed a separate offense.

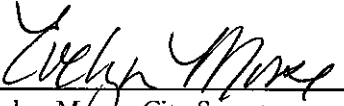
Section 3. An Ordinance of 07-28-1997 is hereby repealed. Any and all other ordinances or ordinance provisions in conflict herewith are hereby repealed or amended to the extent of such conflict.

Section 4. If any provision or section of this ordinance shall for any reason be adjudged invalid or unconstitutional by a court of competent jurisdiction, such judgement shall not affect or invalidate the remaining provisions or sections, which shall remain in full force and effect.

Section 5. This ordinance shall become effective after its publication as required by the Texas Local Government Code.

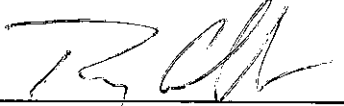
PASSED AND APPROVED this 21st day of October 2025.

ATTEST:



Evelyn Morse, City Secretary

SIGNED:



Ray Cobb, Mayor

EXHIBIT "A"

CITY OF MERKEL HOTEL OCCUPANCY TAX ORDINANCE

Section 1. Definitions.

- (a) Hotel. 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, bed and breakfast, or short term rental. The term does not include hospitals, sanitariums or nursing homes.
- (b) Person. Any individual, company, corporation or association owning, operating, managing or controlling any hotel.
- (c) Short-term Rental. The rental of all or part of a residential property to a person who is not a permanent resident.
- (d) Quarterly period. The regular calendar quarters of the City's fiscal year, the first quarter being composed of the months of October, November and December; the second quarter being the months of January, February, and March; the third quarter being the months of April, May and June; and the fourth quarter being the months of July, August, and September.
- (e) Permanent resident. Any occupant who has the right to use or possess a room in a hotel for at least thirty (30) consecutive days, so long as there is no interruption of payment for the period.

Section 2. Tax Levied; Amount; Exemptions.

- (a) There is hereby levied a tax of seven percent (7%) 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 use or possession of a room that is in a hotel within the City or the City's extraterritorial jurisdiction, 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.
- (b) Exceptions.
 - (1) No tax shall be imposed upon a permanent resident.
 - (2) No tax shall be imposed for federal or state employees traveling on official business.
 - (3) No tax shall be imposed for diplomatic personnel who present a Tax Exemption card issued by the United States Department of State.
 - (4) 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 3. Collection of Tax.

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

Section 4. Quarterly Reports to City

On or before the last day of the month following each quarterly period, every person required to collect the tax imposed hereby shall file a report with the City of taxes showing the price 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. Such person shall pay the tax due on such occupancies at the time of filing each such report. The report shall be in a form prescribed by the City. The City shall have the authority to request and receive within a reasonable time documentation for information contained in the report to the city by the hotel.

Section 5. Access to Books and Records.

The City shall, upon reasonable notice, have access to books and records necessary to enable him to determine the correctness of any report filed as required by the ordinance and the amount of taxes due under the provisions of this article.

Section 6. Penalties.

(a) If any person shall fail to file a report as required herein, shall file a false report, or shall fail to pay the City the tax as imposed herein when said report or payment is due, he shall forfeit five percent (5%) of the amount due as penalty, and after the first thirty (30) days, he shall forfeit an additional five percent (5%) of such tax. Delinquent taxes shall draw interest at the rate of ten percent (10%) per annum beginning sixty (60) days from the due date.

(b) Any person violating any of the provisions of this ordinance, 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) Dollars, and each twenty-four (24) hours of any such violation shall constitute a separate offense.

(c) In addition to these penalties, the City may bring suit against a person who is required to collect the tax imposed by this ordinance and pay the collections over to the City, and who has failed to file a tax report or pay the tax when due, to collect the tax not paid or to enjoin the person from operating a hotel in the City until the tax is paid or the report is filed. In such suit, the City may recover the City's reasonable attorney's fees, costs of an audit of such hotel, an additional penalty of fifteen percent (15%), and additional interest.