

ORDINANCE NO. O-2025-__

AN ORDINANCE AMENDING CHAPTER 38, ARTICLE IV AND ARTICLE V, CODE OF ORDINANCES (2018 EDITION), CITY OF ROUND ROCK, TEXAS, REGARDING HOTEL OCCUPANCY TAXES AD PERMITTING REQUIREMENTS AND PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK,

TEXAS:

I.

That Chapter 38, Article IV, Section 38-76, Code of Ordinances (2018 Edition), City of Round Rock, Texas, is hereby amended by clarifying the definition of "hotel" as follows:

ARTICLE IV. - HOTEL OCCUPANCY TAX

Sec. 38-76. - 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:

Consideration means the price of, or value received for, the right to use a sleeping room, bed, or dormitory space or other sleeping facility in a hotel, and includes the price of conveniences customarily provided in connection with sleeping accommodations, including mattress, sheets, bedspreads, pillows, pillow cases, bed frames, air conditioning, electricity, lighting, water, soap, towels, wash cloths, toilet tissue, shower or bath facilities, lavatory, chairs, trash receptacles, plus any other goods or services which are not ordinarily subject to sales tax. The consideration paid for a sleeping room or facility shall not include the price of food served, nor the price of personal services rendered to the occupant which are unrelated to cleaning and readying a room for occupancy, nor any sales tax, nor occupancy tax assessed by other governmental agencies, provided that these charges are stated separately on the folio or invoice of the occupant. Charges not stated separately shall be presumed to be part of the consideration paid for occupancy of a sleeping room or sleeping facility, and shall be taxed under this article.

Director means the director of finance or the director's designated representative.

Hotel.

- (1) The term "hotel" means any building or complex of buildings, trailer, converted railroad pullman car, or any other facility in which the public may, for a consideration, obtain sleeping accommodations. The term shall include hotels, motels, short term rentals, tourist homes, houses or courts, lodging houses, inns, rooming houses, trailer houses, trailer motels, parked railroad pullman cars used for sleeping accommodations and not involving the transportation of travelers, dormitory where bed space is rented, apartments not

occupied by permanent residents, and all other facilities where rooms or sleeping facilities or space are furnished for consideration.

(2) The term "hotel" does not include:

- a. Hospitals, sanitariums, or nursing homes; or
- b. 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 V.T.C.A., Education Code § 61.003, used by the institution for the purpose of providing sleeping accommodations for persons engaged in an educational program or activity at the institution; or
- c. An oilfield portable unit, as defined by V.T.C.A., Tax Code § 152.001.

Occupancy means the use or possession, or the right to the use or possession, of any room in a hotel if the room is one ordinarily used for sleeping and if the occupant is other than a permanent resident as hereinafter defined.

Occupant means anyone who, for a consideration, uses, possesses, or has a right to use or possess any room in a hotel under any lease, concession, permit, right of access, license, contract or agreement, other than a permanent resident as hereinafter defined.

Permanent resident means any occupant who has or shall have the right to occupancy of any room in a hotel for at least 30 consecutive days, so long as there is no interruption of payment for the period.

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

Permit means an initial registration and annual renewal of registration for properties defined as a hotel in this section 38-76 and section 38-100.

Formatted: Font: Italic

Short term rental means private homes, condos, apartments, or any other individual units leased for short periods of time for sleeping accommodations and is a "hotel" as defined in this section 38-76 and section 38-100.

Formatted: Font: Italic

Quarter means 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. The municipal fiscal quarters are composed of the same months, but the first quarter is composed of the months of October, November and December.

II.

That Chapter 38, Article IV, Section 38-78, Code of Ordinances (2018 Edition),

City of Round Rock, Texas, is hereby amended as follows:

Sec. 38-78. - Collection of tax.

- (a) Every person, owning, operating, managing, or controlling any hotel shall collect the tax levied by [section 38-77](#) for the city.

(b) The hotel operator shall be entitled to one percent of the hotel occupancy tax revenues collected if monthly remittance is less than \$25,000.00 as reimbursement for the operator's administrative costs for collecting the tax. However, as hereinbelow provided, this reimbursement may be forfeited at the discretion of the city if the hotel operator fails to timely pay over the tax or timely file a report as required by the city, or files a false report with the city.

III.

That Chapter 38, Article IV, Section 38-80, Code of Ordinances (2018 Edition), City of Round Rock, Texas, is hereby amended as follows:

Sec. 38-80. - Monthly reports to the director.

On or before the last day of each month, every person required to collect the tax imposed by this article IV shall file a report with the director for the preceding month, showing the price paid for all room occupancies in the preceding month, the amount of tax collected on such occupancies, and any other information the director 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 director. The director is hereby authorized and directed to do all such things necessary or convenient to carry out the terms of this article IV. The director shall have the authority to request and receive within a reasonable time documentation of information contained in the report. Reports and payments may be made in person, by mail, or through an online portal on the city's website.

IV.

That Chapter 38, Article IV, Section 38-88, Code of Ordinances (2018 Edition), City of Round Rock, Texas, is hereby added to read as follows:

Sec. 38-88. – Permit application.

(a) An owner/operator of a hotel as defined in section 38-76 and 38-100 shall obtain a permit from the city for any hotel property located within the city limits.

(b) Application for a permit shall be in a form provided by the director of finance of the director of finance's designee and shall include the following information:

(1) The name, address, email and telephone number of each owner/operator of the hotel;

(2) The name, address, email and a twenty-four hour telephone number of the local contact person designated by the owner or the operator who is available twenty-four (24) hours per day, seven (7) days per week for the purpose of: (1) responding in person within one hour to complaints regarding the condition, operation, or conduct of occupants, and (2) taking remedial action to resolve any such complaints;

(3) The name and address of the hotel;

(4) The number of bedrooms and the applicable overnight and daytime occupancy limit of the hotel; and

Formatted: Font: Bold

(5) Such other information as the city manager, or designee, deems reasonably necessary to administer this article.

(c) The application shall be filed with the director of finance or the director of finance's designee.

(d) An owner/operator of a hotel that is paying hotel occupancy taxes as of October 1, 2025, shall be exempt from filing an initial permit application and shall be automatically classified as initially permitted by the city.

V.

That Chapter 38, Article IV, Section 38-89, Code of Ordinances (2018 Edition),
City of Round Rock, Texas, is hereby added to read as follows:

Sec. 38-89. – Initial hotel permit and fee.

(a) The owner/operator of a hotel shall pay an initial permit fee of \$35. The initial permit fee is waived for any hotel that is paying hotel occupancy taxes to the city as of October 1, 2025, and is automatically initially permitted by the city.

(b) A permit is valid from the date the completed application is filed with the city through the end of the calendar year.

(c) All owners/operators shall obtain a permit for each individual property (unit), even if the tax payments are made under one taxpayer identification number.

VI.

That Chapter 38, Article IV, Section 38-90, Code of Ordinances (2018 Edition),
City of Round Rock, Texas, is hereby added to read as follows:

Sec. 39-90. – Permit renewal and fee.

(a) A permit renewal is to be filed by the permit holder annually by January 1 of each year by all hotels, including a hotel that was initially automatically permitted by the city.

(b) The permit holder shall pay an annual permit renewal fee of \$25 to the city for each individual property (unit).

VII.

That Chapter 38, Article IV, Section 38-91, Code of Ordinances (2018 Edition),
City of Round Rock, Texas, is hereby added to read as follows:

Formatted: Font: Bold

Formatted: Indent: Left: 0.5", Hanging: 0.31", Tab stops: 0.81", Left

Formatted: Font: Bold

Sec. 39-91. – Permit compliance - penalties.

(a) The owner/operator of any existing hotel, including short term rentals, that is not currently paying hotel occupancy taxes to the city and therefore, not eligible for automatic permitting shall complete the permit application, pay the permit fee, and receive a permit no later than sixty (60) days from October 1, 2025.

(b) The owner/operator of any new hotel, including short term rentals, shall complete a permit application, pay the permit fee and receive a permit prior to the commencement of hotel operations.

(c) Failure to comply with the initial and renewal permit requirements set forth in this article may result in the issuance of a citation. A violation of this subsection is a class C misdemeanor offense punishable by a fine not exceeding the amount set forth in section 1-9. Each day shall constitute a separate offense.

Formatted: Font: Bold

Formatted: Font: Bold

Formatted: Font: (Default) Arial, 10 pt, Ligatures: Standard + Contextual

Formatted: List Paragraph, Indent: Left: 0.75", Add space between paragraphs of the same style, No bullets or numbering

Formatted: List Paragraph, Indent: Left: 0.5", Hanging: 0.31", Add space between paragraphs of the same style, Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Indent at: 0.75"

VIII.

That Chapter 38, Article V, Section 38-100, Code of Ordinances (2018 Edition),

City of Round Rock, Texas, is hereby added to read as follows:

ARTICLE V. - ADDITIONAL HOTEL OCCUPANCY TAX

Sec. 38-100. - Definitions.

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

"Act" means V.T.C.A., Local Government Code ch. 334, as amended.

"Approved venue project" means the sports and community venue project that was approved by a majority of the voters voting at the election held in the city on November 8, 2011, in accordance with the Act.

"City" shall mean the City of Round Rock, Texas.

"City attorney" shall mean the City Attorney of the City of Round Rock or the designated representative.

"Consideration" shall mean the price of, or value received for, the right to use a sleeping room, bed, or dormitory space or other sleeping facility in a hotel, and includes the price of conveniences customarily provided in connection with sleeping accommodations, including mattress, sheets, bedspreads, pillows, pillow cases, bed frames, air conditioning, electricity, lighting, water, soap, towels, wash cloths, toilet tissue, shower or bath facilities, lavatory, chairs, trash receptacles, plus any other goods or services which are not ordinarily subject to sales tax. The consideration paid for a sleeping room or facility shall not include the price of food served, nor the price of personal services rendered to the occupant which are unrelated to cleaning and readying a room for occupancy, nor any sales tax, nor occupancy tax assessed by other governmental agencies, provided that these charges are stated separately on the folio or invoice of the

1 occupant. Charges not stated separately shall be presumed to be part of the consideration paid for
2 occupancy of a sleeping room or sleeping facility, and shall be taxed under this article.

3

4

5 "*Director*" shall mean the director of finance or the director's designated representative.

6 "*Hotel*" shall mean any building or complex of buildings, trailer, converted railroad pullman car, or
7 any other facility in which the public may, for a consideration, obtain sleeping accommodations. The term
8 shall include hotels, motels, short term rentals, tourist homes, houses or courts, lodging houses, inns,
9 rooming houses, trailer houses, trailer motels, parked railroad pullman cars used for sleeping
10 accommodations and not involving the transportation of travelers, dormitory where bed space is rented,
11 apartments not occupied by permanent residents, and all other facilities where rooms or sleeping facilities
12 or space are furnished for consideration. The term does not include:

13 (1) A hospital, sanitarium, or nursing home;

14 (2) A dormitory or other housing facility owned or leased and operated by an institution of
15 higher education or a private or independent institution of higher education, as those terms
16 are defined by V.T.C.A., Education Code § 61.003, as amended, that is used by the
17 institution for the purpose of providing sleeping accommodations for persons engaged in
18 an educational program or activity at the institution; or

19 (3) An oilfield portable unit, as defined by V.T.C.A., Tax Code § 152.001.

20 "*Occupancy*" shall mean the use or possession of, or the exclusive right to the use or possession
21 of a sleeping room or sleeping facility in a hotel.

22 "*Occupant*" shall mean any individual, corporation, governmental agency, partnership, or
23 association that has paid a consideration for the exclusive right to use a sleeping room or sleeping facility
24 in a hotel.

25 "*Permanent resident*" shall mean any occupant who has occupied or has paid for the exclusive
26 right to occupy a particular sleeping room or rooms or sleeping facility in a hotel for at least 30 consecutive
27 days so long as there is no interruption of payment for the period.

28 "*Permit*" means an initial registration and annual renewal of registration for properties defined as a
29 hotel in this section 38-76 and section 38-100.

30
31 "*Project fund*" means the fund entitled the "sports and community venue project fund," created
32 pursuant to the resolution.

33 "*Quarter*" shall mean the regular calendar quarters of the year, the first quarter being composed of
34 the months of January, February and March, and the second quarter being the months of April, May and
35 June, the third quarter being the months of July, August and September, and the fourth quarter being the
36 months of October, November and December. The municipal fiscal quarters are composed of the same
37 months, but the first quarter is composed of the months of October, November and December.

38 "*Resolution*" means the resolution adopted by the city council establishing the sports and
39 community venue project fund.

Formatted: Font: Italic

Formatted: Font: Italic

1 "Short term rental" means private homes, condos, apartments, or any other individual units leased
2 for short periods of time for sleeping accommodations and is a "hotel" as defined in this section 38-76 and
3 section 38-100.

4
5 "Tax" means the hotel occupancy tax levied in this article pursuant to V.T.C.A., Local Government
6 Code ch. 334, as amended.

7 **IX.**

8 That Chapter 38, Article V, Section 38-105, Code of Ordinances (2018 Edition),
9 City of Round Rock, Texas, is hereby amended as follows:

10 **Sec. 38-105. -Reports.**

11 On or before the last day of each month, every person required to collect the tax imposed by this
12 article V shall file a report with the director for the preceding month, showing the price paid for all room
13 occupancies in the preceding month, the amount of tax collected on such occupancies, and any other
14 information the director may reasonably require. Such person shall pay the tax due on such occupancies
15 at the time of filing such report. The report shall be in a form prescribed by the director. The director is
16 hereby authorized and directed to do all such things necessary or convenient to carry out the terms of this
17 article V. The director shall have the authority to request and receive within a reasonable time
18 documentation of information contained in the report. Report and payment may be made in person, by
19 mail, or through an online portal on the city's website.

20 **X.**

21 **A.** All ordinances, parts of ordinances, or resolutions in conflict herewith are
22 expressly repealed.

23 **B.** The invalidity of any section or provision of this ordinance shall not
24 invalidate other sections or provisions thereof.

25 **C.** The City Council hereby finds and declares that written notice of the date,
26 hour, place and subject of the meeting at which this Ordinance was adopted was posted
27 and that such meeting was open to the public as required by law at all times during which
28 this Ordinance and the subject matter hereof were discussed, considered and formally
29 acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government
30 Code, as amended.

1 Alternative one.

2 By motion duly made, seconded and passed with an affirmative vote of all the
3 Council members present, the requirement for reading this ordinance on two separate
4 days was dispensed with.

5 **READ** and **APPROVED** on first reading this the ____ day of
6 _____, 2025.

7 **READ, APPROVED** and **ADOPTED** on second reading this the ____ day of
8 _____, 2025.

9
10
11 _____
12 CRAIG MORGAN, Mayor
13 City of Round Rock, Texas

14 ATTEST:

15
16 _____
17 ANN FRANKLIN, City Clerk