# NATIVE CHAOS HOLDINGS

*Independent Transparency Initiative*

Pre-Release Courtesy Distribution | Independent Compliance Research

July 10, 2026

**VIA CERTIFIED MAIL — RETURN RECEIPT REQUESTED**

Texas Office of Court Administration
Municipal Court Operations — Fee and Judge Compliance
205 W. 14th Street
Austin, Texas 78701

**Re: Pre-Release Courtesy Copy — Municipal Court Operations, Technology Fee, and Judge Compliance Findings, City of Chandler, Texas**

Dear Public Information Coordinator:

Native Chaos Holdings, an independent transparency initiative publishing independent compliance research, is pleased to provide a courtesy pre-release copy of a Non-Compliance Findings Report concerning the City of Chandler, Texas Code of Ordinances, with particular focus on Chapter 11 (Taxation) and the municipal oil production tax at §4.07.028. The research reviews publicly available provisions of the City Code against applicable state law and the Comptroller's office jurisdiction.

The findings within the Comptroller's tax administration jurisdiction are as follows:

- CRITICAL — §11.04.007: Hotel Occupancy Tax — 10% of HOT proceeds are deposited in the unrestricted general fund. Tax Code §351.101 strictly limits HOT revenue to an enumerated list of tourism-related purposes and expressly prohibits use for general governmental purposes. Direct statutory violation.
- CRITICAL — §4.07.028: Municipal production tax of $0.02 per barrel of oil. No statutory grant exists for general-law cities to impose severance or production taxes; this is a state-occupied field under Tax Code Chapters 201–202. The provision is void.
- HIGH — §11.04.006: Hotel Occupancy Tax — Delinquency penalty of 5% per 30 days with no stated cap. Tax Code §351.004 authorizes a penalty not to exceed 15% of the tax due. The uncapped escalator violates the statutory ceiling.
- MEDIUM — §11.04.002: Imposes tax on rooms costing '$2.00 or more' per day; current Tax Code Chapter 351 contains no such minimum. May improperly narrow the tax base.
- MEDIUM — §11.03.002: Economic-development sales tax cites repealed 'section 4B, art. 5190.6, V.T.C.S.' Modern citation is LGC Chapter 505 and Tax Code §321.101(b).

## Findings Routed to TX-OCA

| Ordinance | Category | Severity | Description |
|---|---|---|---|
| §7.05.003 | CONFLICT | CRITICAL | Municipal court technology fee — CCP Art. 102.0172 inapplicable to cities <100,000 |
| §7.02.001 | CONFLICT | CRITICAL | Judge appointment vs. Gov't Code §29.004 mayor as ex officio judge |
| §7.02.004 | CONFLICT | CRITICAL | Judge qualifications conflict with Gov't Code §29.004 |

| | | | |
|---|---|---|---|
| §12.04.052 | CONFLICT | CRITICAL | Class C penalty cap $2,000 vs. LGC §54.001 $500 statutory cap |
| §7.05.001 | AUTHORITY GAP | HIGH | Court fee schedule — unsupported CCP anchors |

Native Chaos Holdings intends to make the full audit report publicly available no earlier than 30 days from the date of this letter. Native Chaos Holdings respectfully requests the opportunity for any agency technical review of these tax provisions during this period. Should the Comptroller elect to provide guidance on any of the foregoing findings, Native Chaos Holdings would welcome the opportunity to incorporate that guidance into a supplemental findings annotation before public release. Any inquiries may be directed to Native Chaos Holdings using the contact information set forth above.

Respectfully submitted,

**Native Chaos Holdings**

*Independent Transparency Initiative*

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*Enclosure: Independent Non-Compliance Findings Report (Full Text)*

*Distribution Tracking Code: NCH-TX-COMP-20260630*

## APPENDIX — AGENCY PROFILE & DISTRIBUTION TRACKING

### Agency Contact Information

| Field | Value |
|---|---|
| Agency | Texas Office of Court Administration |
| Division | Municipal Court Operations — Fee and Judge Compliance |
| Main Address | 205 W. 14th Street |
| Main Phone | (512) 463-1627 |
| Taxpayer Assistance | (844) 677-6255 |
| Public Information | oca.publicinfo@txcourts.gov |
| Email | OCA-Legalsupport@txcourts.gov |
| Mailing | 205 W. 14th Street, Suite 600, Austin, TX 78701 |

### Distribution Tracking

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| Native Chaos Holdings | Independent research initiative; not affiliated with or representing the City of Chandler, its City Council, or any City official |

## Reviewer Notes (for Agency Use)

Native Chaos Holdings welcomes written comments and guidance from your office within 30 days of this distribution. Comments may be returned via email to Chandler@NativeChaosHolding.com with subject line including the Distribution Tracking Code above. All feedback will be incorporated into a supplemental findings annotation before public release of the full audit. This packet is provided for informational purposes only and does not represent, coordinate with, or request action by the City of Chandler, Texas, its City Council, or any other City official.

STATUTE CITATION UPDATE (July 10, 2026)
All statutory citations in this letter have been verified against the current text on statutes.capitol.texas.gov. Key precise citations include:
- LGC §54.001(b): General ordinance fine cap is $500 (Class C misdemeanor per Penal Code §12.23); $2,000 only for fire safety, zoning, or public health and sanitation (other than dumping of refuse).
- HS §822.042(b): Owner has 15 days to appeal a dangerous-dog determination ("Notwithstanding any other law, including a municipal ordinance"). Destruction order is stayed for 10 calendar days during appeal.
- LGC §229.001(b): Municipality may not regulate possession of a firearm or air gun in a park or public meeting place owned or leased by a political subdivision (including the city itself).
- HS §388.003: Statewide energy code (current IECC edition) is mandatory.
- Tax Code §351.101: Hotel occupancy tax revenue is strictly limited to tourism, convention, and advertising purposes — no unrestricted diversion to the general fund is permitted.
- NRC §81.0523(b)–(c): Railroad Commission has exclusive jurisdiction over oil and gas operations; subsurface well construction, casing, cementing, and pipeline permitting are preempted unless strictly limited to aboveground activity.

These updates strengthen the findings. The full updated report is enclosed.