

HOTEL OCCUPANCY TAX USE GUIDELINES UNDER TEXAS STATE LAW FUNDING APPLICATION FORM

State Law: By law of the State of Texas, the City of Victoria collects a Hotel Occupancy Tax (HOT) from hotels, bed & breakfasts, and other lodging facilities. Under state law, revenue from the municipal hotel occupancy tax may be used **only to promote tourism and the convention and hotel industry**, and that use is limited to the following. Tex. Tax Code Ann. § 351.101 (Vernon)

1. **Convention Centers and Visitor Information Centers:** the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing operation and maintenance of convention center facilities or visitor information centers, or both;
2. **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
3. **Advertising, Solicitations and Promotions:** advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
4. **Promotions of the Arts:** 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.
5. **Historical Restoration and Preservation:** historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.
6. **Sporting Event Expenses:** expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the city or its vicinity.
7. **Directional Signs:** signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality
8. **Transportation of Tourists:** funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations:
 1. the commercial center of the city;
 2. a convention center in the city;
 3. other hotels in or near the city; or
 4. tourist attractions in or near the city.

The law specifically prohibits the use of the local hotel tax to cover the costs for general city transit costs to transport the general public.

City Policy: The City of Victoria accepts applications from groups and businesses whose program fits into one or more of the above categories. **All requests for funds should be submitted in writing on the official application by Thursday, June 30, 2016.** The application will be reviewed by the HOT Funds Committee at the earliest possible scheduled meeting. The Committee will base its decision on the information in the application form.

Based on the application, the HOT Funds Committee will make a recommendation to the City Council. Applicants will have an opportunity to appeal the recommendation, in writing, prior to Council's consideration. The City Council will make the final decision on your request.

Eligibility and Priority for Hotel Tax Funds: Priority will be given to those events and entities based on their ability to generate overnight visitors to Victoria. If an event will not generate any meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds. All recipients of HOT funds will be required to submit a post-event report which documents the expenditure of the HOT funds **and which verifies the direct promotion of tourism and the hotel and convention industry.** Events will not receive HOT funds until the City receives documentation proving the ability to generate overnight visitors, either through this application, or through the Post-Event Report. Events can prove this potential to generate overnight visitors by:

- a) historic information on the number of room nights used during previous years of the same events;
- b) historic information on the number of guests at hotel or other lodging facilities that attended the funded event (through surveys, guest directories, or other sources;
- c) documentation showing the size of a room block that has been reserved at area hotels to accommodate anticipated overnight guests attending the funded event; and/or
- d) examples of the planned marketing of the programs and activities that will likely generate overnight visitors to local lodging properties from this event.

Use of Revenues from Event: No other outside event(s), project, charity, etc., sponsored by the host organization may receive funds from the City of Victoria's funding of a particular event.

Electronic submission preferred:

Submit to:

kconnally@victoriatx.org

-or-

HOT Funds Committee
c/o City Attorney's Office
105 W. Juan Linn St.
P.O. Box 1758
Victoria, Tx. 77901

City of Victoria
Application for HOT Funds
2016

Date: _____

Part I: Information about the requesting organization.

1.1 Name of Organization: _____

1.2 Address: _____

City, State, Zip: _____

1.3 Contact Name: _____ Contact Phone Number: _____

Contact Email: _____

1.4 Web Site Address for Event or Entity: _____

1.5 Non-Profit or For-Profit status: _____ FEIN #: _____

1.6 Entity's Creation Date: _____

1.7 Please provide an organizational background statement, describing your mission and purpose, your primary programs and services, and the populations you serve.

Part II: Information about the event to be funded.

2.1 Name of event: _____

2.2 Primary location of event: _____

2.3 Date of event: _____

2.4 How many times have you held this event: _____

2.5 For each of the last three times the event has been held, list the year of the event, the number of attendees, and the method of determining the attendance (crowd estimates, ticket sales, sign-in sheets, etc.):

Year Held	Number of Attendees	Methodology
_____	_____	_____
_____	_____	_____
_____	_____	_____

2.6 Description and primary purpose of event:

Part III: Information about economic impact of the event.

Promotional Activities:

3.1 Please list all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Newspaper: \$ _____ Radio: \$ _____
TV: \$ _____ Other: \$ _____

Number of press releases to media, including social media: _____ (number of releases)

Number direct mailings and emails to out-of-town recipients: _____ (number of recipients)

Other promotions: _____

3.2 What geographic areas does your paid advertising and promotion reach: _____

Economic Impact:

3.3 If the funding requested is related to a permanent facility rather than a specific event (e.g. museum, visitor center):

Expected Attendance Monthly/Annually: _____

Percentage of those in attendance that are staying at area hotels/lodging facilities: _____%

3.4 Over the last three times your event was held, how much HOT funds assistance did your event receive, and how many hotel room nights were documented?

Month/Year Held	Assistance Amount	Number of Room Nights Documented
-----------------	-------------------	----------------------------------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

Describe the methodology used to document how many attendees stayed overnight in a hotel room in Victoria.

3.5 How many people attending the event this year do you estimate will use Victoria hotels? _____

How many nights will they stay: _____

3.6 Do you reserve a room block for this event at an area hotel and if so, for how many rooms and at which hotels:

3.8 What method will you use to document how many attendees will stay overnight in a hotel room in Victoria?

- Questionnaire or Survey
 - Registration Form
 - Guest Book
 - Hotel Room Block Report
 - Other, please describe: _____
-

Note: You are requested to submit copies of the above documentation showing hotel room nights associated with your event with your Post Event Report.

Part IV: Funding Request.

4.1 What is the total budget for this event? \$_____

4.2 Amount Requested: \$_____

4.3 If staff costs are covered, estimate percentage of time staff spends annually on the funded event(s) compared to other activities _____%

4.4 Will your event be receiving funds from other organizations, government entities, or grants?

Yes

No

4.5 What is the intended use of the funds? In what way will the funds affect this event:

Part V: Supplemental Information: Please attach the following to the application prior to submission:

- Your organization's most recent financial statements, including a copy of the most current audit or review conducted. If a formal audit is not conducted, please describe the mechanism used by your organization to validate expenses (i.e. does the Board review?).
- A copy of your agency's IRS tax exempt certificate.
- Your organization's current budget, approved by your organization's board.
- Income statement from past event(s) that have received HOT Funds in the 12 months preceding your application.
- Proposed budget for event to be funded in whole or in part with grants from this application with line items where HOT Funds will be used highlighted. Include all items you expect the HOT funding to pay for, including salaries, benefits, and operating expenses – even if HOT Funds are only covering a portion of certain expenses.
- One or more of the following to demonstrate potential to generate overnight visitors:
 - Established events:
 - a) historic information documenting the number of room nights used during previous years of the same events;
 - b) historic information documenting the number of guests at hotel or other lodging facilities that attended the funded event (through surveys, guest directories, or other sources; and/or
 - New events:
 - c) current information on the size of a room block that has been reserved at area hotels to accommodate anticipated overnight guests attending the funded event;
 - d) examples of the planned marketing of the programs and activities that will likely generate overnight visitors to local lodging properties from this event.

Please Submit no later than June 30, 2016 to:

kconnally@victoriatx.org

City Attorney's Office
105 W. Juan Linn St.
P.O. Box 1758
Victoria, TX 77901