



## HOTEL OCCUPANCY TAX USE ELIGIBILITY AND GUIDELINES UNDER TEXAS STATE LAW

**State Law:** By law of the State of Texas, the City of Bastrop collects a Hotel Occupancy Tax (HOT) from hotels, bed & breakfasts, and other lodging facilities. Under state law, the revenue from the HOT may be used only to directly promote tourism and the hotel and convention industry. **Chapter 351 of the Tax Code states that the use of HOT funds is limited to:**

- a) **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;
- b) **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- c) **Advertising, Solicitations and Promotions that Directly Promote Tourism and the Hotel and Convention Industry:** advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
- d) **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.
- e) **Historical Restoration and Preservation Activities that Directly Promote Tourism and the Hotel and Convention Industry:** 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.
- f) **Sporting Event Expenses that Substantially Increase Economic Activity at Hotels:** Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity.

**g) 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.

**h) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.**

**City Policy:** Visit Bastrop 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 accompanied by the official application by \_\_\_\_\_ (insert application deadline). The application will be reviewed by the Visit Bastrop Marketing Committee at the earliest possible regularly scheduled meeting. The applicant may be asked to be present at the meeting to answer any questions regarding the application. Applicants will be notified one week prior to the meeting of the time and place for the review.

**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 the City of Bastrop. If an event will not generate any meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds. 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) **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;**
- c) **historical information on the number of guests at hotel or other lodging facilities that attended the funded event (through surveys, guest directories, or other sources; 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:** A portion of the revenues from any event and/or project receiving any type of funding assistance from the HOT funds should be channeled back into the future costs of operating that same event or the continued operation of the project. No other outside event(s), project, charity, etc., sponsored by the host organization may profit from the \_\_\_\_\_ (FILL IN NAME OF ENTITY REVIEWING FUNDING REQUESTS)'s funding of a particular event.

## **Additional Eligibility and Funding Guidelines:**

The Visit Bastrop Board of Directors Marketing Committee and staff accepts applications for supplemental Hotel Occupancy Tax funds from eligible groups and businesses whose proposed projects and events have the capability of attracting overnight visitors to stay in Bastrop hotels.

- The use of Hotel Occupancy Tax dollars must bring visitors to the City of Bastrop and increase occupancy in Bastrop hotels, including the Hyatt Regency Lost Pines Resort. A good question to ask before requesting funding: Will people need to spend the night if they attend this event? If an event will not generate any meaningful hotel activity, it may not be eligible to receive hotel occupancy tax funds.
- The requesting organization should provide a complete projected budget that includes all expenses and a detailed marketing plan for which HOT funds will be designated.
- Requested funding for marketing and advertising should be less than 50% of the expected advertising and promotional expenditures. The purpose of this funding is to assist with the marketing of events and projects, not to be a patron of either the event or the fundraising beneficiary.

## **Tracking Room Nights:**

It is the responsibility of the applicant to monitor the number of out of town guests who stay in Bastrop lodging properties. Applicants can document the generation of overnight hotel visitors by:

- Working with hotels to ensure proper credit and tracking or working with Visit Bastrop to secure room blocks from Bastrop hotels;
- Providing historic information on the number of room nights used during previous years of the same event(s) and on the number of guests at hotels and other lodging facilities that attended the event(s);
- Providing 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;
- Submitting a list of zip codes of event or project attendees/participants in Post Report Documentation; and
- Distributing a survey to attendees.

## **Additional Required Documentation**

- Projects that have received funding of \$5,000 or more for three consecutive years must provide documentation of the need for continued funding. Specifically describe how the use of funds has helped the event develop and expand; identify other sources of funding available; and how the absence of funds would place the continuation of the event in jeopardy.

## **Application Process and Timeline**

Visit Bastrop staff will receive applications for qualified events at any point if there is specific time to allow for a reasonable period for evaluation and for proper planning and support of the event. Request for funds for events occurring inside of 90 days of the request will most generally not be accepted unless there are significant extenuating circumstances.

- Submit completed application to Visit Bastrop – info@visitbastrop.com, or via our website, www.visitbastrop.com. Application must be completed in its entirety, failure to fully complete the application will delay the process.
- Visit Bastrop will review the application and call the Event Organizer to review.
- The application will be presented to the Marketing Committee of the Visit Bastrop Board of Directors for final review. There may be a need for additional communication or information before funding is granted.
- Should funding be granted, a contract will be presented for signature to the Event Organizer and countersigned by Visit Bastrop.
- 50% of the amount requested will be distributed prior to the event. The 50% balance will be distributed upon successful completion of the Post Event Process.
- The Visit Bastrop branding guidelines will be used for all outreach. Branding guidelines will be provided upon signed contract.

**Post Event Process**

- Within 60 days of the event, the organizer will submit the following;
  - Number of room nights utilized, with supporting documentation
  - Estimated number of attendees
  - Media value and reach
  - Copies of paid invoices that correspond to the total requested amount of funds
  - Invoice for the balance of the funding

**Please initial:**

\_\_\_\_\_ The Event “directly enhances and promotes tourism AND the convention and hotel industry” (Texas Tax Code Section 351.101).

\_\_\_\_\_ I understand that submission of an application does not guarantee funding, in whole or in part. The Marketing Committee of the Visit Bastrop Board of Directors will review all applications for appropriate use of HOT Funds and funding levels. The Marketing Committee of the Visit Bastrop Board of Directors will make funding recommendations based upon the appropriateness of the request and funds available.

**Signature** \_\_\_\_\_

**Printed Name** \_\_\_\_\_

**Date** \_\_\_\_\_