

**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 accompanied by the official application by November 15, 2011. The application will be reviewed by the HOT Funds Committee at the earliest possible regularly scheduled meeting.

Based on the application, the HOT Funds Committee will make a recommendation to the City Council. 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. 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.

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.**

**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.

**Supplemental Information Required With Application:** Along with the application, please submit the following:

- Proposed Marketing Plan for Funded Event
- Schedule of Activities or Events Relating to the Funded Project

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

**Application**

Date: \_\_\_\_\_

***Organization Information***

Name of Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact Phone Number: \_\_\_\_\_

Web Site Address for Event or Sponsoring Entity \_\_\_\_\_

Non-Profit or For-Profit status: \_\_\_\_\_ FEIN #: \_\_\_\_\_

Entity's Creation Date: \_\_\_\_\_

Purpose of your organization: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

***Event Information***

Name of Event or Project: \_\_\_\_\_

Date of Event or Project: \_\_\_\_\_

Primary Location of Event or Project: \_\_\_\_\_

Amount Requested: \$ \_\_\_\_\_

How will the funds be used: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Primary Purpose of Funded Activity/Facility:

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**Percentage of Hotel Tax Support of Related Costs**

\_\_\_\_\_ Percentage of Total **Event Costs** Covered by Hotel Occupancy Tax

\_\_\_\_\_ Percentage of Total **Facility Costs** Covered by Hotel Occupancy Tax for the Funded Event

\_\_\_\_\_ Percentage of **Staff Costs** Covered by Hotel Occupancy Tax for the Funded Event

If staff costs are covered, estimate percentage of time staff spends annually on the funded event(s) compared to other activities \_\_\_\_\_% Please attach documentation to support all figures in this section.

***Which Category or Categories Apply to Funding Request, and Amount Requested Under Each Category:***

- a) Convention Center or Visitor Information Center:** construction, improvement, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both.

*Amount requested under this category:* \$\_\_\_\_\_

- b) Registration of Convention Delegates:** furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants.

*Amount requested under this category:* \$\_\_\_\_\_

- c) Advertising, Solicitations, Promotional programs to attract tourists and convention delegates** or registrants to the municipality or its vicinity.

*Amount requested under this category:* \$\_\_\_\_\_

- d) Promotion 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

*Amount requested under this category:* \$\_\_\_\_\_

- e) 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.

*Amount requested under this category:* \$\_\_\_\_\_

- f) 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.

*Amount requested under this category:* \$\_\_\_\_\_

How many participants are expected in the sporting related event? \_\_\_\_\_

How many of the participants are expected to be from another city? \_\_\_\_\_

Quantify how the sporting related event will substantially increase economic activity at hotels within the city or its vicinity?

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- g) 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.

*Amount requested under this category:* \$\_\_\_\_\_

What sites or attractions will tourists be taken to by this transportation? \_\_\_\_\_

Will members of the general public (non-tourists) be riding on this transportation? \_\_\_\_\_

What percentage of the ridership will be local citizens? \_\_\_\_\_

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

*Amount requested under this category:* \$\_\_\_\_\_

What tourist attractions will be the subject of the signs?

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***Questions for All Funding Request Categories:***

1. How many years have you held this Event or Project: \_\_\_\_\_
2. Expected Attendance: \_\_\_\_\_
3. How many people attending the Event or Project will use Victoria hotels? \_\_\_\_\_

How many nights will they stay: \_\_\_\_\_

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

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5. Will you negotiate a special rate or hotel/event package to attract overnight stays?

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6. List other years (over the last three years) that you have hosted your Event or Project with amount of assistance given from HOT and the number of hotel room nights used:

<b>Month/Year Held</b>	<b>Assistance Amount</b>	<b>Number of Room Nights Used</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. How will you measure the impact of your event on area hotel activity (e.g.; room block usage information, survey of hoteliers, etc.)? \_\_\_\_\_

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8. Please list other organization, government entities, and grants that have offered financial support to your project: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

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

Newspaper: \$ \_\_\_\_\_  
Radio: \$ \_\_\_\_\_  
TV: \$ \_\_\_\_\_  
Other Paid Advertising: \$ \_\_\_\_\_

Number of Press Releases to Media \_\_\_\_\_

Number Direct Mailings to out-of-town recipients \_\_\_\_\_

Other Promotions \_\_\_\_\_

10. Will you include a link to the CVB or other source on your promotional handouts and in your website for booking hotel nights during this event? \_\_\_\_\_

11. What new marketing initiatives will you utilize to promote hotel and convention activity for this event?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. What geographic areas does your advertising and promotion reach: \_\_\_\_\_

\_\_\_\_\_

13. How many individuals will your proposed marketing reach who are located in another city or county? \_\_\_\_\_

14. If the funding requested is related to a permanent facility (e.g. museum, visitor center):

Expected Attendance Monthly/Annually: \_\_\_\_\_

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

**Supplemental Information Required With All Applications:** Along with the application, please submit the following:

- Proposed Marketing Plan for Funded Event
- Schedule of Activities or Events Relating to the Funded Project
- Organizational Background Statement, describing your mission and purpose, your primary programs and services, and the populations you serve.
- Your organization's current budget, approved by your organization's board. Include all items you expect the HOT funding to pay for, including salaries, benefits, and operating expenses. Identify these funds within your organization's total budget.
- 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 I.R.S. tax exempt certificate
- One or more of the following to demonstrate potential to generate overnight visitors:
  - 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; and/or
  - 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 November 15, 2011 to:**

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