



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

By law of the State of Texas, the City of San Benito 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:** The City of San Benito 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 form at least 60 days prior to the event for use in promotions. The application will be reviewed by the City Manager at the next 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.

The City Manager will make a recommendation to the City Commission for a final determination of funding.

**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 San Benito. The amount that you are requesting should not exceed more than 25 percent of the gross amount of hotel night revenue that you are predicting that will be created or sustained by your event (city should adapt this standard to meet what they consider to be a reasonable return on their investment of hotel occupancy tax funds). 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 City's funding of a particular event.

**Supplemental Information Required With Application:** Along with the application, please submit the following to Manuel De La Rosa, 401 N. Sam Houston, San Benito, Texas 78586.

\_\_\_\_\_ Proposed Marketing Plan for Funded Event

\_\_\_\_\_ Schedule of Activities or Events Relating to the Funded Project

## 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: \_\_\_\_\_ Tax ID #: \_\_\_\_\_

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

Purpose of your organization: To work to increase the number of visitors to the City through the promotion of events that reflect a positive image for the City.

### **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 \_\_\_\_\_%

***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 that directly enhance tourism and the Hotel & 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: Amount requested under this category: \$ \_\_\_\_\_

**e) 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) 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.** Amount requested under this category: \$ \_\_\_\_\_

How many individuals are expected to participate in the sporting related event? \_\_\_\_\_

How many of the participants at the sporting related event are expected to be from another city or county? \_\_\_\_\_

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

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- 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; and 4) tourist attractions in or near the city.** Amount requested under this category: \$\_\_\_\_\_

**What sites or attractions will tourists visit by this transportation?**

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

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

- h) 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 San Benito hotels? \_\_\_\_\_
4. Number of the people many nights will they stay: \_\_\_\_\_
5. 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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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 rooms used:

Month/Year Held	Assistance Amount	Number of Hotel Rooms Used
_____	_____	_____
_____	_____	_____

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

\_\_\_\_\_

\_\_\_\_\_

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

**B:** Please list all other sources of funding you are seeking: \_\_\_\_\_

\_\_\_\_\_

9. Will the event charge admission? Do you anticipate a net profit from the event? If there is a net profit, what is the anticipated amount and how will it be used? \_\_\_\_\_

\_\_\_\_\_

10. 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

\* \_\_\_\_\_

\* \_\_\_\_\_

\* \_\_\_\_\_

11. Will you include a link to the City's Visitor Center, City website, City Facebook sites or other source on your promotional handouts and in your website for booking hotel nights during this event? \_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

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

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

**Please submit no later than 60 days prior to the event.**

Manuel De La Rosa  
401 N. Sam Houston Blvd.  
San Benito, Texas 78586