



Use of Tax Revenue Funds

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Uses

Promote tourism and the convention and hotel industry, limited to the following

- Acquisition
- Facilities
- Advertising
- Promotion
- Historical
- Sports Facilities
- Signage





Acquisition and Facilities

Acquisition of sites

- Construction
- Improvement
- Enlarging
- Equipping
- Repairing
- Operation
- Maintenance of convention center facilities or visitor information centers or both.

Furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants

Advertising and Promotion

Advertising and conducting solicitations and promotional programs

- Attract Tourists and convention delegates or registrants

Encouragement, promotion, improvement, and application of the arts

- Instrumental and vocal music
- Dance
- Drama
- Folk art
- Creative writing
- Architecture
- And other arts related to the presentation, performance, execution, and exhibition of these major art forms



Historical

Historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:

- At or in the immediate vicinity of convention center facilities or visitor information centers
- Located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates

Sports Facilities

The promotion of tourism by the enhancement and upgrading of existing sports facilities or fields if:

- The municipality owns the facilities or fields.





Signage

Directing the public to sights and attractions that are visited frequently by hotel guests in the municipality

DO NOT USE

For general revenue
purposes



For general
governmental operations

City Duties



May delegate a person the management or supervision of programs and activities funded with revenue from the tax.



Shall approve in advance the annual budget of the person to which it delegates.



Maintain revenue in a separate account.



May NOT delegate to any person the management or supervision of its convention and visitors' programs and activities funded with revenue from the tax other than by contract.



The approval of the annual budget of the person creates a fiduciary duty in the person with respect to the revenue provided by the tax.



A person with whom a municipality contracts under this section shall maintain complete and accurate financial records of each expenditure and make the records available for inspection.

HOT Revenue - Can

Hotel occupancy tax revenue may be spent for:

- day-to-day operations
- Supplies
- Salaries
- Office rental
- Travel expenses
- Other administrative costs (incurred directly in the promotion and servicing expenditures authorized under section 351.101(a))
- If a municipal or other public or private entity that conducts an activity authorized under this section conducts other activities that are not authorized under this section, the portion of the total administrative costs of the entity for which hotel occupancy tax revenue may be used may not exceed the portion of those administrative costs actually incurred in conducting the authorized activities.



HOT Revenue – Can Not

May not be spent for:

- Travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of tourism.
- Visitor information center under Subsection (a)(1) to acquire a site for, construct, improve, enlarge, equip, repair, staff, operation, or maintain any part of a building or facility that is not primarily used to distribute or disseminate tourism-related information to tourists.

Grants

This section does not prohibit a person that receives a grant from a municipality to conduct an activity authorized by Subsection (a)(4) from making a grant by contract to another person to conduct an activity authorized by that subdivision. A person that receives a grant from a grantee of the municipality under this subsection shall:

- at least annually submit a report of the person's expenditures of funds received from the grantee to the governing body of the municipality; and
- make records of those expenditures available for review to the governing body of the municipality and any other person.

A municipality may not require a person that receives funds directly from the municipality through a grant to conduct an activity authorized by Subsection (a)(4) to waive a right guaranteed by law to the person or to enter into an agreement with another person.

QUESTIONS?

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