

## **MEMORANDUM**

**To:** Honorable Mayor & City Council

**From:** Toni Kunz City Administrator

**Date:** September 14, 2026

**Agenda Item:** 7G Hotel Occupancy Tax Policy Memo

**Action Requested:** Discussion and action

**Overview and Background:** City of Bandera, Hotel Occupancy Tax Grant Policy, Created March 12, 2024, consideration to be updated September 22, 2026

Current version of the *City of Bandera Hotel Occupancy Tax Grant Policy*, adopted March 12, 2024:

Purpose:

Once annually during the last quarter of the fiscal year (July - August) the City will advertise through multiple media sources soliciting applications (Request for Proposals) for granting Hotel Occupancy Tax (HOT) money. There will be a minimum 30-day window for accepting applications.

Criteria:

Annually the City Council will review the application and award grant monies based on the following criteria, subject to available funds available in the current annual HOT fund budget:

1. Applications must be filled out completely to disclose the HOT funding received by other entities and current application (s) for any HOT funding from other entities.
2. All grants are awarded on a reimbursement basis with proper documentation.
3. No more than 50% of the annual HOT budget will be awarded in grants. This may be spread across multiple applications. However, one application may not receive more than 25% of the annual budget for HOT funds.
4. Grant awards are always based on the monies available at the time of the award in September.

### **Staff Recommendation:**

Based on discussions in the September 8, 2026 City Council meeting, the following contains edits to set policy that will stand the test of time allowing each council the freedom to grant funds according to their goals and projects that may be in the works now and in the future.

#### PURPOSE:

The purpose of this Hotel Occupancy Tax (HOT Fund) Grant Policy for the City of Bandera is to state how the local HOT Fund money that has been collected from overnight lodging is granted to organizations for events and projects that directly promote tourism and increase hotel stays in the City of Bandera, and in compliance with the State of Texas Comptroller.

Annually, the City will accept applications for granting HOT Fund money by August 31<sup>st</sup> in order to review applications and to grant HOT Fund money by September 30<sup>th</sup>.

#### CRITERIA:

City Council will determine the total amount of HOT Fund money to be granted for the year, based on the current HOT Fund money available, the City Council's planned projects that are eligible to use HOT Fund money, and any existing obligations for HOT Fund money.

Applicants must fill applications out completely to include disclosing any other HOT Funds received from other entities and pending application(s) for HOT Funds from other entities.

All grants are awarded on a reimbursement basis with proper documentation.

HOT Fund money will be awarded in grants and may be spread across multiple applicants or applications. However, one applicant may not receive more than 25% of the annual budget for HOT funds.

All grants are awarded based on the HOT fund monies available at the time of the award.