

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

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

- i) **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;
- ii) **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- iii) **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;
- iv) **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** that 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 picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms, and
- v) **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.
- vi) **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 who substantially increase economic activity at hotels and motels within the city or its vicinity.

I, _____, understand I must follow all state and local Hotel Occupancy Tax laws.

City Policy: Visit Bay City 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 90 days in advance before the funds are needed. Invoices and proof of receipts must be turned in within 90 days after the event has taken place. Anything that exceeds the 90 day deadline will not be paid.**

The application will be reviewed by the *Bay City Tourism Council* 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.

Only complete information will be submitted.

Initial here

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 Bay City / Matagorda County. 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. 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 event requesting hotel tax funds;
- c) **historical information on the number of guests at hotel or other lodging facilities that attended the funded event;** and/or
- d) **examples of marketing of the programs and activities that are likely to generate encourage overnight visitors** to local lodging properties.

Use of Local Vendors: Visit Bay City encourages all event organizers to patronize Bay City and Matagorda County businesses for food, supplies, materials, printing, etc.

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 **Visit Bay City** funding of a particular event. Visit Bay City logo must be included in any and all advertising for the event. Any sponsorship package benefits will be given directly to the Visit Bay City.

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

- _____ W-9 Form and 501 (c) status Form
- _____ Schedule of Activities or Events Relating to the Funded Project

Submit to: Visit Bay City Matagorda County
1901 5th Street, Bay City, TX 77414
Attn: Heidi Martinez
hmartinez@cityofbaycity.org
979-323-1176

Application

Organization Information

Date: _____

Name of Organization: _____

Address: _____

City, State, Zip: _____

Contact Name: _____ Phone Number: _____

Web Site Address for Event or Sponsoring Entity _____

Is your organization: Non-Profit _____ Private/For Profit _____

Tax ID #: _____ Entity's Creation Date: _____

Purpose of your organization: _____

What category does your request apply under? _____
(refer to page 1)

Name of Event or Project _____

Date and Location of Event or Project: _____

Amount Requested: _____

How will the funds be used: _____

Primary Purpose of Funded Activity/Facility: _____

Please 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:

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

Sporting Related Event Funding:

How many individuals are expected to participate? How many are from another city or county?

Questions for All Funding Requests:

How many years have you held this Event or Project? _____

Expected Attendance: _____

How many people attending the Event or Project will use *Bay City and Matagorda County* hotels, motels or bed & breakfasts?

How many nights will they stay? _____

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

How will you measure the impact of your event on area hotel activity?

Please list other organization, government entities and grants that have offered financial support to your project: _____

Please check all promotion efforts your organization is coordinating, and the amount financially committed to each media outlet:

Paid Advertising ____ Newspaper ____ Radio ____ TV ____ Internet ____

Press Releases to Media ____ Direct Mailing to out of town recipients _____

Other _____

What areas does your advertising and promotion reach:

What number of individuals will your proposed marketing reach that are located in another city or county?
