



City of Willow Park

COMMUNICATIONS AND MARKETING

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CITY OF WILLOW PARK POLICY AND PROCEDURES HOTEL OCCUPANCY TAX (HOT) FUNDS USE POLICY

Objective

The purpose of the policy is to provide guidelines relating to the use of Hotel Occupancy Taxes collected in accordance with Chapter 351 of the Texas Tax Code, as amended. The policy shall be adopted by the City Council and will be amended as needed.

Scope

This policy further outlines the use of Hotel Occupancy Tax (HOT) revenue to promote tourism and the convention and hotel industry in Willow Park including: Expenditure of HOT Revenue Application Form, review process, evaluation criteria, approval process and timing as well as compliance requirements. The HOT Use Policy is only intended to provide further clarification and guidance on use of collected HOT revenues. State law shall prevail. Any changes to Chapter 351 of the State of Texas Tax Code shall supersede the City Policy.

Definitions

"Disbursement"- Disbursement is defined as payment to any "organization" for funding either through reimbursement or advanced funding of approved expenses in accordance with the City policy and state law.

"Fiscal Year"- The fiscal year shall mean the period between October 1 and September 30 of each year.

"Hotel Occupancy Tax"- The City levies a tax upon the occupant of any room or space furnished by any hotel, motel, lodging facility or short-term rental for not longer than thirty (30) consecutive days, where such costs of occupancy is at the rate of two dollars (\$2.00) or more per day, such tax to be equal to seven (7) percent of the consideration paid by the occupant of such room, space or facility to such hotel, exclusive of other occupancy taxes imposed by other governmental agencies. (Code of Ordinances 11.04.002)

"Internal Review Committee (IRC)"- A three-person committee consisting of the Communications Director, Finance Director, and the City Manager or their Designee is charged with evaluating applications for Hot Funds Use and making funding recommendations to City Council.

"Municipality" - Municipality shall mean the City of Willow Park.

"Organization"- Organization shall mean any person, governmental entity, or private organization requesting use of HOT Revenues.

"Revenues"- Shall be defined as Hotel Occupancy Tax revenues consisting of the tax levied by The City as defined as Hotel Occupancy Tax above.

Uses

The following are permitted uses of Hotel Occupancy Tax revenues, in accordance with Chapter 351 of the Texas Tax Code Section 351.101(a) and this policy. Any percentage breakdown between uses is intended to provide a general guideline and may be modified annually by the City Council without amendment to this policy.

City of Willow Park has a seven percent (7%) Hotel Occupancy Tax Rate, as such, state law requires that least one-seventh (1/7) of the annual Hotel Occupancy Tax revenues be spent on advertising and promoting the city to directly impact tourism and the hotel and convention industry.

Hotel Occupancy Tax revenues may be pledged for the repayment of bonds as allowed by state law. The City Council may set aside up to seventy-five percent (75%) of Hotel Occupancy Tax revenues for repayment of bonds issued for construction related to this policy.

- ***Convention and Visitor's Bureau***

The acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center or visitor information facilities.

The furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants.

Advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity.

- ***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.

- ***Historical Restoration and Museums***

Revenues may be used for historical restoration and preservation projects or activities advertising and conducting solicitations and promotional programs to encourage tourists to visit preserved historic sites or museums located within the municipality.

- ***Sporting Event Promotion***

Revenues may be used for promotion of sporting events in which the majority or participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity.

Sporting event promotion will be given the same funding consideration as outlined for advertising and conducting solicitations and promotional programs in Section A.

- ***Enhancement of Existing Sports Facilities***

Revenues may be used for the promotion of tourism by the enhancement and upgrading of existing sports facilities or fields, including, but not limited to, facilities or fields for baseball, softball, soccer, or flag football so long as:

the municipality owns the facilities or fields;

the sports facilities and fields have been used in the preceding calendar year for district, state, regional, or national sports tournaments.

- ***Signage***

Hotel Tax revenues may be used to construct signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality.

Procedure

Any organization, non-profit, or entity may seek funding as an applicant.

The applicant must be located in the City's corporate limits, extra-territorial jurisdiction, or be sufficiently close in proximity as to reasonably attract tourists to the City, or provide sufficient explanation as to why their locations satisfies this policy.

The applicant must be a legal entity with legal capacity to enter into contracts in the State of Texas.

The applicant must be an organization or corporation governed by a Board of Directors or a business applying for a public project to support tourism efforts within the City.

The applicant must demonstrate that the funds will be used to promote the tourism, convention and hotel industry for the Willow Park region.

The applicant must demonstrate that the programs and/or events are open and appropriate for the general public.

The applicant must demonstrate that they are in good financial standing and that financial safe guards are in place to protect the public funds.

Use of Funds

Organizations or applicants must use granted HOT revenues in accordance with this policy and Chapter 351 of the Tax Code. Applicants must demonstrate that the disbursement will directly enhance and promote tourism by attracting visitors from outside of Willow Park into the City or its vicinity.

The applicant must present reasonable evidence that the request will increase overnight stays in Willow Park. Any funded applicant must notify overnight lodging establishments of the upcoming event. Any promotional material must reference Willow Park lodging establishments.

Application Process

The City of Willow Park will accept Expenditure of HOT Revenue applications year-round. The application and associated documents and deadlines will be made available on the City of Willow Park website.

Financial Information

To be eligible to receive funds, applicants must demonstrate that they are in good financial standing and that they will act as responsible stewards of public funds.

Audit

The City of Willow Park may, at any time, inspect the books or records of the organization that may relate to the use of HOT revenues. The City, at its sole expense, has a right to audit any report or document submitted by the organization to the City by giving thirty (30) days prior written notice to the organization of its intention to do so.

Evaluation of Applications

- *Review of eligibility* - Once an application is received, City Staff will review the application for completeness to ensure all necessary information and documentation has been provided. Any deficiencies to the application will be submitted, in writing, to the organization within 14 business days of the receipt of the application by the City. No application will be presented for Council consideration if deficiencies are present.

- *Internal Review Committee (IRC) Evaluation* - At the close of the application window, complete applications for eligible projects will be reviewed and evaluated by the IRC. The IRC will make recommendations to the full City Council for consideration and award of funds.
- *Council Review* – Projects recommended by the IRC will be considered by the City Council for funding. This will occur at a regularly scheduled, City Council Meeting as per the dates set forth each year and published on the City of Willow Park website. The applicant may be requested to be present at the City Council Meeting during Council consideration to provide more information and/or clarification. Recommendation by the IRC or consideration by City Council does not guarantee funding.

The City Council may only award funds for uses that comply with Chapter 351 of the Texas Tax Code and this policy. Sufficient funds must be available before the Council may award funding.

Conflict of Interest- Any City Councilmember shall excuse themselves from voting on a funding request for an organization with which they are affiliated.

Evaluation Criteria- The IRC will use the criteria shown in the HOT Funding Project Evaluation Form prepared by the City Manager, or designee in order to evaluate requests.