

FUNDING APPLICATION FORM

HOTEL OCCUPANCY TAX USE GUIDELINES UNDER TEXAS STATE LAW



Texas Tax Code Chapter 351 allows the City of Rockport to collect Hotel Occupancy Tax (HOT) from hotels, motels, 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 and may be used for the following:

1. **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;
2. **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
3. **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;

NOTE: City of Rockport Resolution No. 09-15 – the City expends funds collected for the purpose of advertising with any media outlet that is outside 75 miles of the City of Rockport.

4. **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** 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.
5. **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 solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:
 - a. at or in the immediate vicinity of convention center facilities or visitor information centers; or
 - b. located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates;
6. **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 municipality or its vicinity.

7. Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations:

- a. the commercial center of the city;
- b. a convention center in the city;
- c. other hotels in or near the city; or
- d. 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.

8. Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

City Policy: The City of Rockport accepts applications from groups and businesses whose program fits into one or more of the above categories. All requests for funds should be submitted by the official application to the City Secretary. The application will be reviewed by the Rockport City Council. The applicant **may be asked** to be present at a meeting to answer any questions regarding the application. Applicants will be notified of the time and date of the meeting. Based on the application, staff will make recommendation to the City Council. The City Council will make the final decision on requests.

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 the City of Rockport. The amount requested should not exceed more than 15% of the gross amount of hotel night revenue predicted to be created or sustained by the event. Events can prove this potential to generate overnight visitors by:

1. **Historic information on the number of room nights used during previous years of the same events;**
2. **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;**
3. **Historical information on the number of guests at hotels or other lodging facilities that attended the funded event (through surveys, guest directories, or other sources; and/or**
4. **Examples of the planned marketing of the programs and activities that will generate or encourage overnight visitors to local lodging properties from the 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, project, charity, etc. sponsored by the host organization may profit from the City of Rockport's funding of a particular event.

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

1. Comprehensive detailed budget of proposed event/project.
2. Proposed Marketing Plan for Funded event/project.
3. Schedule of Activities or Events Relating to the Funded event/project

Hotel Occupancy Tax Funding Application 2023-2024

Date: _____

Organization Information

Name of Organization: _____

Address: _____

City, State, Zip: _____

Contact Name: _____ Contact Phone Number: _____

HOT Contract Email: _____

Web Site Address for Event or Sponsoring Organization: _____

Type of Organization: Governmental Non-Profit Private/ For-Profit

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

Purpose of Organization: _____

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:

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:

- 1) Convention Center or Visitor Information Center:** 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. Amount requested under this category: \$ _____

- 2) Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants. Amount requested under this category: \$ _____

- 3) Advertising, Solicitations and Promotions that directly promote tourism and the Hotel & Convention Industry:** to attract tourists and convention delegates or registrants to the municipality or its vicinity. Amount requested under this category: \$ _____

- 4) Promotion of the Arts that Directly Enhance Tourism and the Hotel & Convention Industry:** 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: Amount requested under this category: \$ _____

5) 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. Amount requested under this category: \$ _____

6) 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 municipality 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?

7) Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations: a) the commercial center of the city; b) a convention center in the city; c) other hotels in or near the city; and d) tourist attractions in or near the city. Amount requested under this category: \$ _____

What sites or attractions will tourists be taken to by this transportation? _____

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

What percentage of the ridership will be local citizens? _____

8) 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?

Questions for All Funding Request Categories:

1. How many years have you held this Event or Project: _____
2. Expected Attendance: _____ Prior year's attendance: _____
3. How many people attending the Event or Project will use City of Rockport hotels? _____

Number of 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:

4. List other years (over the last three years) that you have hosted your Event or Project with amount of assistance given from and the number of hotel rooms used:

Event Date	Assistance Amount		Number of Hotel Rooms Used
	City HOT Funds	Others	
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

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

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

7. 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?

8. 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 _____

9. Will you include a link to local hotels on your website for booking during this event?

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

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

12. What geographic areas does your advertising and promotion reach?

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

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

Expected Attendance Monthly/Annually: _____

Percentage of those in attendance that are staying at area hotels/lodging facilities: _____%

Please Submit before May 31, 2023 to:

City of Rockport

City Secretary

tvaldez@cityofrockport.com