

CITY OF DEL RIO

Hotel Occupancy Tax (HOT) Funds

By ordinance, the City of Del Rio approves a local hotel occupancy tax with portions of the fund to be dedicated to support convention and tourism centers, promotional and tourist advertising of the City, promotion of the arts, historical preservation and program support for events and activities that attract tourists to the City of Del Rio.

I. Use of HOT Funds

Municipal hotel occupancy taxes are primarily governed by Chapter 351 of the Texas Tax Code. The HOT funds are generated as a result of a person paying for the use or possession, or for the right to the use or possession, of a room in a hotel, motel or bed and breakfast, with a cost of \$2 or more each day, that is ordinarily used for sleeping, not on a permanent basis.

There is a **two-part test** for every expenditure of local Hotel Occupancy Taxes.

Criteria # 1 Every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.

Criteria # 2 Every expenditure MUST clearly fit into one of nine statutorily provided categories.

The nine categories for expenditure of the hotel occupancy tax are as follows:

1. Funding the establishment, improvement or maintenance of a convention center or visitor information center.
2. Paying the administrative costs for facilitating convention registration.
3. Paying for advertising, solicitations and promotions that attract tourists and convention delegates to the city or its vicinity. (1/7 of total funds must be spent on advertising and promoting the city and its vicinity to attract tourist and hotel/convention activity)
4. Expenditures that promote 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.
5. Funding historical restoration or preservation programs. This funding may be used in primarily two ways. First, to enhance historical restoration and preservation projects. Second, for activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums. Either of those uses must be for activities, programs or events that are likely to attract tourists and hotel guests.

6. Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million. This sporting event must include mostly participants from out of town.
7. Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities. (THIS DOES NOT APPLY TO DEL RIO).
8. Funding transportation systems for tourists.
9. Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

II. Review Process

The Del Rio City Council approved the Hotel Occupancy Tax (HOT) Fund Committee to be a permanent board, for the main purpose of providing HOT fund recommendations to the City Council.

The HOT Fund Committee reviews acceptable applications from individuals, groups and organizations applying for HOT funding. An acceptable application is one that is complete and meets the deadline requirements.

Each group, with an acceptable application, will be scheduled for a date and time to present their request to the Committee. At the presentation, the Committee may ask questions and seek clarification. A formal presentation is encouraged, however it is not required.

After presentations are made, the Committee will make initial funding recommendations. Notification of the initial funding recommendations will be emailed to all applicants. Funding recommendations may be less than the amount requested.

Applicants will be notified by email of the Committee's final recommendations. The City Council will receive formal recommendations by the HOT Fund Committee Chairperson, at a regularly scheduled Council meeting, and will make the final decision on the allocation of funds.

After Council approval, the hotel tax funds may be dispersed either by directly paying the vendor, or by reimbursing the organization for any approved expenses, or otherwise as determined by the City Council and/or the City Manager.

Any organization that owes tax dollars to the City of Del Rio will not receive funds until their debt is paid.

Hotel Occupancy Tax Fund Application

I. Submitting an Application

Application forms will be available online at www.cityofdelrio.com. After clicking on the City website, go to *Business, Hotel Occupancy Tax Application*. Applicants must submit a completed application and provide required documentation. Completed applications will be accepted online.

Email is the preferred method of receiving the application and required documents, however applications will also be accepted at City Hall, City Secretary Office, 109 West Broadway, Del Rio, TX 78840.

Multiple applications from a group will be accepted. Each event/program must have a separate application. Additional supporting materials may be brought to the HOT presentation.

Notification of dates and times of presentations, appeals or any changes that may occur, will be made by email and/or phone. Applicants are responsible for providing email addresses / phone numbers that will allow them to be contacted expediently.

II. Organization Information

Legal name of Organization requesting funds:

Organization Mailing Address:

Primary E-Mail:

Phone #:

Name of Primary Contact:

Title of Primary Contact:

Primary Contact # (If different from above):

Mailing Address of Primary Contact (If different from above):

E-Mail (If different from above):

Phone # (If different from above):

III. Organization Type

This Organization Is: Private Non-Profit/Tax Exempt Other

Tax ID#

Type of Organization (IRS Code):

What is the Mission of your Organization?

Year Organization was established:

Number of full time staff:

Number of part time staff:

Number of volunteers:

IV. Required Information to be submitted with Application

- Budget for the proposed event/program, including ALL revenue sources and expenditures
- Organization financial statements from previous two years
- Articles of Incorporation
- By-laws
- Board Members - names and titles

V. Name of Event/Program

Purpose of the Event/Program

VI. Previous HOT Funding

Has the Organization previously received HOT funding from the City of Del Rio?

Yes or No

If Yes, what year(s) and for what purpose?

VII. Previous Events/Programs Organized

Provide a list of major events/programs that this Organization or Applicant has organized and/or hosted. Additional information such as schedules, financial statements, articles or other relevant information regarding these events/programs may be provided during the Board presentation.

VIII. Request Details

Amount Request:

Does this Event/Program meet Criteria #1? Yes or No
Every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.

Is this request for an Event? Yes or No
If you answered NO, please continue on to Section IX.

Has this Event been held previously? Yes or No.

If Yes, please complete the following:

Date(s):

Location of Event:

No. of Participants; how Verified?

No. of Del Rio hotel rooms used; how verified?

Approximate No. of Attendees:

Will this be a ticketed event? Yes or No

Price of ticket/ admission/ entry fee \$

How many participants do you expect?

Description of participants / teams:
(Geographic or qualifying information, by invitation only, sports teams, etc.)

IX. Criteria #2 of qualifying HOT fund expenditures.

Please fill out or provide separately.

Expense Item	Requested Amount	Criteria #2 Category/ Explain
1.		
2.		
3.		
4.		
5.		
6.		

X. Direct Hotel Occupancy Tax Fund Impact

How will this event/program generate overnight stays in Del Rio lodging?

Will there be a host Hotel(s) associated with your request? Yes or No

If Yes, please complete the following:

Name of Hotel(s):

Hotel Rate:

Approximate No. of Rooms used?

XI. Marketing & Media Coverage

Please be prepared to describe the marketing plan for this project. Include information on print ads, radio, television, distribution of posters, brochures, flyers, etc. Samples may be brought to the presentation but are not required with the application. If funds are awarded by the HOT fund committee, organization must use preapproved collateral provided at <http://www.cityofdelrio.com/657/Hotel-Occupancy-Tax-Application> (logos & approved text)

XII. Comments

XIII. Post Event/Program Report

A Post Event/Program Report is required to be submitted within 60 days of completion of the event/program. The completed post event/program report may be emailed to hotfunds@cityofdelrio.com, or delivered to the City of Del Rio, 109 West Broadway, Del Rio, Texas, 78840. In addition, an organization representative must present a post event report to the Hotel Occupancy Tax Fund Committee at a meeting date once funding is complete. Failure to submit a Post Event/Program report could affect future funding recommendations for HOT funds.

XIV. Acknowledgement

I understand the Texas State limitations placed on use of Hotel Occupancy Tax funds and certify that the requested funds will be used only for purposes described in this application or as approved by the Del Rio City Council. I understand the use of HOT funds is subject to audit and any misuse of funds could prevent any future consideration for assistance. Additionally, the Del Rio City Council reserves the right to impose civil/ criminal penalties on any abuse of funds.

Name _____

Date _____

Title _____