

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

State Law: By law of the State of Texas, the City of Big Spring collects a Hotel Occupancy Tax (HOT) from hotels, 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. **Chapter 351 of the Tax Code states that the use of HOT funds is limited to:**

- a) **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;
- b) **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- c) **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;
- d) **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include 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.
- e) **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.
- f) **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 city or its vicinity.

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

1. the commercial center of the city;
2. a convention center in the city;
3. other hotels in or near the city; or
4. 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.

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

City Policy: The Big Spring Convention and Visitors Bureau Committee 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 no later than 60 days prior to your event. The application will be reviewed by the Big Spring Convention and Visitors Bureau Committee 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.

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 Big Spring. The amount that you are requesting should not exceed more than 50 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 funded event;

c) historical information on the number of guests at hotel or other lodging facilities that attended the funded event (through surveys, guest directories, or other sources; and/or

d) examples of the planned marketing of the programs and activities that will likely generate overnight visitors to local lodging properties from this 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 in Big Spring.

If the event is not held in the future, the profits made from the event (up to the amount funded) must be returned to the Convention and Visitors Bureau.

No other outside event, project, or charity sponsored by the host organization may profit from the Big Spring CVB's funding of a particular event.

In addition to the event funding request of 50% of the hotel revenue, the CVB Committee will also consider paying for expenses for advertising outside of Howard County.

To encourage events to become self sufficient events will only be allowed to receive CVB funding for five years. After five years; they may be allowed to receive funds for advertising outside of Howard County as deemed as appropriate by the CVB committee.

The Big Spring Convention and Visitors Bureau Committee accepts applications from groups and businesses meeting the above criteria and wishing to receive HOT funds. **All entities that are approved for such funds must submit a Post Event Report Form within 90 days of each funded event.** The report will be reviewed by the Big Spring CVB Committee to determine how well the entity met its goals and be used in consideration of future hotel occupancy tax funding requests. All events are subject to auditing at the discretion of the Convention and Visitors Bureau Committee. Priority will be given to those events that demonstrate an ability to generate overnight visitors to Big Spring.

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

- _____ Proposed Marketing Plan for Funded Event
- _____ Schedule of Activities or Events Relating to the Funded Project
- _____ Pre Event Budget
- _____ If Applicable Budget for Advertising outside of Howard County

Submit to: Hayley Herrera or Debbie Wegman
hherrera@mybigspring.com or dwegman@mybigspring.com
Big Spring Convention and Visitors Bureau
113 E.3rd Street
Big Spring, TX 79720
432-263-8235

Application

Date: _____

Organization Information

Name of Organization: _____

Address: _____

City, State, Zip: _____

Contact Name: _____ Contact Phone Number: _____

Contact Email: _____

Second Contact Name: _____ Second Contact Email: _____

Second Contact Phone Number: _____

Web Site Address for Event or Sponsoring Entity _____

Non-Profit or For-Profit status: _____ Tax ID #: _____

Purpose of your organization: _____

Event Information

Name of Event _____

Date of Event _____

Primary Location of Event: _____

THLA Event Funding Formula:

of Hotel Rooms _____ X \$150(amount per room)=\$ _____ X %50 of Hotel Revenue=

\$ _____

Outside of Howard County Advertising: \$ _____

Total Amount Requested: \$ _____

How will the funds be used:

Description of Activities Planned (include schedule of events, samples of posters, flyers, ads, etc.)

Questions for All Funding Request Categories:

1. How many years have you held this Event _____

2. Expected Attendance: _____

3. How many people attending the Event will use Big Spring hotels? _____

Number of nights the visitors will stay (approximate): _____

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

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

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

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

8. 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?

9. Please list all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Local:

Out of Area:

Newspaper:	
Radio:	
Tv:	
Other Paid Advertising:	

Number of Press Releases to Media _____

Number Direct Mailings to out-of-town recipients _____

Other Promotions _____

10. Will you include a link to the CVB or other source on your promotional handouts and in your website? _____

11. What new marketing initiatives will you utilize to promote hotel and convention activity for this event? Also include any marketing outside of Howard County.

This event is: ___Regional ___ Statewide ___ National ___International

I have read and I understand the requirements of the Convention and Visitors Bureau event funding application. I understand that failure to submit a follow up report within 90 days could possibly result in my event not receiving funds in the following year. _____Initial

Signature

Date

