



Guidelines Under Texas Law for the Use of Hotel Occupancy Tax Revenue

State Law: By law of the State of Texas, the City of Angleton collects a Hotel Occupancy Tax (HOT) from hotels, motels and Bed and Breakfasts. Under state law, the revenue for 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:

Criteria One – Every expenditure must directly enhance and promote tourism and the convention and hotel industry in Angleton

Criteria Two – Every expenditure must clearly fit into one of the six statutorily provided categories for expenditures of local HOT revenues. Listed below is a synopsis of said categories. Official wording can be found in Chapter 351 of the Tax Code (Municipal Hotel Occupancy Tax).

- **Convention 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.
- **Registration of Convention Delegates:** The furnishing of facilities, personnel and materials for the registration of convention delegates of registrants.
- **Advertising and promotional programs to attract tourists and convention delegates:** Advertising and conducting solicitations and promotional programs to attract tourists and convention delegates of registrants to the municipality or its vicinity.
- **Promotion of the arts:** Includes instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, TV, and other

arts related to the presentation, performance, execution and exhibition of these art forms.

- **Historical restoration and preservation projects or activities:** Historical restoration and preservation projects or activities of advertising and conducting solicitation and promotional programs to encourage tourists to visit preserved historic sites or museums.
- **Sporting event expenses which substantially increase economic activity at hotels:** Includes promotion expenses directly related to a sporting event in which the majority of participants are tourists.

Funding Requirements

- An event is defined as an occurrence that will promote tourism and will meet the (2) two part test for funding under the Section 351 of the Tax Code.
- All applicants must submit complete audited financial statements including profit/loss statement, income statement and balance sheet from the most current year preceding request
- The maximum amount of funding per event or facilities application for fiscal year 2008-2009 is \$10,000
- All money will be awarded on a first come, first served basis
- All advertising must have the city logo displayed alongside requesting organization's logo and must utilize legitimate media sources that target audiences at least 75 miles outside of Angleton
- All ad copy must be approved by the city prior to placement
- Copies of all advertisements must be turned into the city quarterly
- Visitors Information Centers must be open at least 40 hours each week, with at least 4 of those hours on either Saturday or Sunday to qualify for funding
- All Visitor Information Centers must have a visible sign with the city logo on it naming the City of Angleton as a partner

- Funding may be requested and up to 50% of requested amount may be granted prior to an event with proof that such payment is required – ie deposits, down payments, etc.
- A proposed budget including projected revenue and expenses, along with projected revenue and expenses from any previous years events, must be submitted with application
- For a paid event, applicant must show entry fee schedule and what is included in those fees
- Copies of all receipts and checks must be submitted with final report of event
- Liability on cancellations rests solely with requesting organization
- Applicants must apply for funds at least 30 days before a scheduled event
- All expenditures must meet HOT guidelines
- Budget will be determined on an annual basis
- Any paid event **MUST** submit a zip code survey of participants with the final report of each event
- Final report must be submitted no later than 45 calendar days after the conclusion of the event. Final report must include details on how funds were spent including:
 - Copies of invoices and checks
 - Profit/loss statement
 - Detailed expense report
 - Copies of all advertisements and publicity related to event