

BURLESON COUNTY

FUNDING APPLICATION – HOTEL/MOTEL OCCUPANCY TAX RECEIPTS

Date: _____

Official Name of Organization Making Application:

Address:

Telephone () _____

Official Representative Authorized to Sign Contracts on Behalf of Organization:

Amount Requested: _____

Detailed Discussion of the Intended Use of Funds (use additional paper if necessary):

How will the intended Use of these Funds serve to promote the tourism and hotel/motel/convention industry of Burleson County? (use additional paper if necessary).

Approved by Commissioners Court

County Judge

Date

USE OF LOCAL HOTEL OCCUPANCY TAX REVENUES

There is a two-part test that every expenditure of local hotel occupancy tax must meet to be valid.

Criteria #1: Every expenditure must DIRECTLY enhance and promote tourism and the convention and hotel industry. A funded event or facility must be likely to do two things:

1. Directly promote tourism (Tourism is defined under Texas State law as bringing visitors from outside of the city into the city or its vicinity)
2. Directly promote the convention and hotel industry

(This requirement has consistently been interpreted by the Attorney General's Municipal Affairs Section and by the Texas Municipal League. They have historically indicated that to directly promote hotel or convention activity, the event must be likely to cause increased hotel or convention activity.) If the funded activity or event or facility is not reasonably likely to have such an effect, local hotel occupancy tax revenues cannot be funded. It is important to note that state law also provides that the hotel occupancy tax may not, in any circumstances, be used for purposes that the city usually expends its general revenues. It also may not be used to pay for governmental expenses that are not directly related to increasing tourism and hotel and convention activity.

Criteria #2: Every expenditure of the hotel occupancy tax must clearly fit into one of six statutorily provided categories for expenditure of local hotel occupancy tax revenues. The six categories for expenditure of the hotel occupancy tax are as follows:

1. Funding the establishment, improvement, or maintenance of a convention center or visitor 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.*See Minimum.
4. Expenditures that Promote the Arts (However, it is not enough that a facility or event promotes the arts; state law requires that the expenditure also must be likely to directly promote tourism and the hotel and convention industry).*See Limits.
5. Funding Historical Restoration or Preservation Programs. *See Limits
6. Fund Costs in Smaller Counties to Hold Sporting Events that Substantially Increase Hotel Activity.

SUMMARY OF THE SIX USES FOR THE LOCAL HOTEL OCCUPANCY TAX

Local hotel occupancy tax revenues only may be spent to establish or enhance a convention center or visitor information center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising and promotions, fund arts programs that will directly promote tourism and hotel and convention activity, fund historic restoration or preservation projects that will enhance tourism and hotel and convention activity, or in smaller counties to fund certain costs for holding sporting events that substantially increase local hotel activity. If a city cannot fit expenditure within one of these six categories, hotel occupancy tax revenues cannot be used for that purpose.