

**HOTEL OCCUPANCY TAX
FUND DISBURSEMENT POLICY**



Introduction & Goals

The intent of this document is to provide requirements, procedures, guidance, and criteria to organizations who wish to apply for funding from Visit Bastrop Hotel Occupancy Tax (HOT) Funds Reimbursement Program.

Municipal Hotel Occupancy Taxes are governed by Chapter 351 of the Texas Tax Code. Additional HOT Funds policies and procedures are established by Visit Bastrop. Visit Bastrop wishes to make (HOT) funds available to qualified events in accordance with the State’s Tax Code and property and sales tax revenues which are commonly used for public purposes, local Hotel Occupancy Tax (HOT) revenues are statutorily dedicated to directly promote and develop Bastrop’s tourism, convention, and hotel industry.

Visit Bastrop’s Hotel Occupancy Tax (HOT) revenue is awarded in a 50/50 payment plan or in the form of a one-time event reimbursement grant. The goal of the program is to provide reimbursements to organizations that directly promote tourism, the convention and hotel industry, and produce overnight visitors, while acting in the best interests of the City of Bastrop within its city limits. HOT funding is meant to assist and support qualified events. Visit Bastrop grants (HOT) funds as deemed appropriate on a case-by-case basis.

The policies and procedures herein define the terms of distribution of revenues from Bastrop’s Hotel Occupancy Tax (HOT). The information has been divided into the following sections.

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HOT Funds Annual Cycle

All applicants are encouraged to meet with Visit Bastrop as needed to ensure completeness of their application prior to submission and confirm that the organization's expenses are in compliance with the terms of the program. Submitting an incomplete application may result in immediate denial of funds.

Applications will be accepted throughout the fiscal year subject to fund availability and provided they are received at least 120 days prior to the event for evaluation and processing. Funding requests for events occurring inside of 120 days of the request will be rejected unless there are significant extenuating circumstances, which are at the discretion of Visit Bastrop.

All applications submitted by the deadline with eligible, reimbursable expenses will be reviewed and evaluated for approval. Visit Bastrop sends approval/denial letters to applicants and any other forms needed to comply with the program within three (3) business days after the application has been approved.

Applicants are responsible for maintaining records of all eligible expenses their event incurs and tracking hotel guests attending their event. Actual receipts, budget outline, number of room nights brought in by their event, and any other required documentation must be submitted with the Post Report for Visit Bastrop to release the awarded funds to the applicant.

Post Report: Applicants have 60 days from the final day of their event to submit a complete Post Report, along with all required documentation.

Applications and Post Reports may be submitted via the following methods:

In Person: Visit Bastrop Office – 1408 B Chestnut Street, Bastrop, TX 78602

By Email: stephanie@visitbastrop.com

For questions, please call 512-332-8994 and ask for the Business Manager.

If submitting forms via email, be sure to send one document complete with all attachments in a single PDF. Applications and Post Reports will not be accepted or reviewed if submitted in pieces.

HOT Program Information

1. By law of the State of Texas, the City of Bastrop collects Hotel Occupancy Tax (HOT) from hotels, bed & breakfast, inns, and any other lodging properties that collect hotel occupancy tax. Overnight stays in recreational vehicles/RV parks are not subject to city HOT; therefore, these stays should not be included as “overnight stays” in an event’s Application or Post Event reporting.
2. Applicants that have outstanding financial obligations to the City or have an ongoing lawsuit against the City of Bastrop are not eligible for HOT funds.
3. Events will be considered for funding if the event takes place within the Bastrop City limits. In order to be eligible for funding, the event must directly promote tourism and the convention and hotel industry within Bastrop City limits and its ETJ.
4. The Authorized Representative of the organization receiving HOT funding must have been authorized by all necessary corporate proceedings and actions to act on behalf of the organization. The Authorized Representative is responsible for all communication between Visit Bastrop, the City of Bastrop, and the organization. Notice to the Authorized Representative is notice to the organization.
5. Expenditure of HOT funds does not authorize, endorse, or otherwise imply approval by the City of Bastrop for items such as permitting or any Planning Department requirements, etc. The organization shall maintain all licenses, permits, as necessary, and the City of Bastrop may require a certificate of insurance with specific coverage on events. Please inquire with the City of Bastrop regarding licenses, permits, and event insurance. Also see page 10 for more details regarding insurance, permits, and licenses for alcohol, and road closures etc.
6. If the HOT funded event is canceled, the organization’s Authorized Representative must notify the city within 10 days of the cancelation and return all awarded HOT funds to Visit Bastrop.
7. Organization agrees to collect and report to the City of Bastrop, the Names and Tax ID numbers from each vendor authorized to conduct sales on the event premises and to notify the vendor that this information will be reported to the city. Event vendors are expected to post a sales tax permit in a manner that is visible to the public, as well as comply with State of Texas laws regarding collection and reporting of sales tax.
8. Organizations should make efforts to minimize event parking and traffic impact, especially regarding business parking lots and patronage. Such efforts may include arranging to transport hotel guests and others via shuttle from satellite parking locations to the event drop-off/pickup points. Organizations should demonstrate their ability to coordinate with existing businesses to minimize impact to their business property.

9. The Post Event Form must be completed and submitted within 60 days of the conclusion of the event. A Post Event Form is required for each funded event. The report will be reviewed by Visit Bastrop to determine how well the entity met its goals and will be used in consideration of future hotel occupancy tax funding requests.
10. Expenses that do not meet the eligibility criteria for HOT fund expenditures shall not be considered for funding. Applicants shall submit proof of eligible expenses by providing actual receipts along with their Post Report totaling the amount awarded in their HOT Fund Approval letter. Checks are valid for 180 days. Any uncleared checks will not be reissued.
11. **Request for funding shall not exceed \$10,000 per applicant within a given fiscal year.**
12. Organization agrees to provide the following metrics about your event as required for post event reporting, including but not limited to
 - Event attendance numbers
 - Number of hotel rooms actually booked.
 - Number of hotel guests who attended your event.
 - Event profit: Return on Investment Calculation
 - $[(\text{Total Sales Revenue} - \text{Total Cost of the Event}) \div \text{Total Cost of Event}] \times 100 = \text{ROI}$
13. The organization must designate someone with the ability to maintain a checkbook register to track and retain paid invoices/receipts, expenses, and reimbursements for your event. All paperwork for additional documentation and audit your HOT fund expenses and reimbursement records. Upon Visit Bastrop or the City of Bastrop's request, the organization shall make HOT fund expenditure-related records, including checks and invoices, available for inspection and review by either Visit Bastrop or the City of Bastrop.
14. A portion of event profits (if a profit was generated) must be channeled into the future costs of operating that same event or the continued operation of the project. At least 25% profit shall be channeled into the costs of conducting next year's event.
15. All event expenses are always subject to approval from Visit Bastrop or the City of Bastrop and are dispersed on a case-by-case basis. Details for funding eligibility can be reviewed on page 7.
16. Expenditures for tokens of appreciation, volunteer recognition, and thank you cards/gifts do not qualify for event HOT Fund expenses.
17. Any mishandling of funds by the organization or the authorized representative will be presented to Visit Bastrop for determination of cure, or possible termination of event funding.

Funding Priority

Funding priority will be given to those events and organizations based upon their documented ability to directly promote tourism and the convention and hotel industry in the City of Bastrop. The following guidelines are provided to make applicants aware of Visit Bastrop's priorities when reviewing and evaluating the HOT Funds Application AND Post Event Form.

- Ability to provide a record of increased hotel, tourism, and visitor activity. Applicants should provide a record of the number of room nights used during previous years of the same event.
- Ability to provide projected and actual room blocks reserved at area hotels to accommodate overnight guests attending the funded event; room blocks must be differentiated between rooms for artists and room blocks for event attendees.
- Provide the projected and actual number of guests at hotels or other lodging facilities that attend the funded event. Information must be collected from each hotel showing the number of hotel room nights booked due to your event.
- Ability to quantify the projected and actual number of overnight stays at Bastrop hotels to be generated by the event.
- Provide examples of planned and actual marketing or programs and activities likely to generate or encourage overnight visitors to local lodging properties.
- Ability to display that a portion of the revenues from the event receiving funding from HOT funds was channeled back into the future costs of operating that same event.
- Applicants are encouraged to utilize local businesses for materials, food, printing, etc.
- Visit Bastrop will prioritize funds to newer events which need seed money.

HOT Funds Eligibility

All HOT Fund expenditures must comply with Federal, State, and local laws, including, but not limited to the Hotel Occupancy Statute, copyright laws, licensing requirements, and city policies. You should make yourself aware of the following criteria, restrictions, and requirements.

Authorized Uses:

The Texas Tax Code provides a two-part test for every expenditure of HOT revenue. In order to qualify for HOT funding, applications must meet Criteria # 1 AND fit into one of the allowable uses of the tax as required by state law.

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

In other words, the expenditure must be likely to attract visitors from outside Bastrop into the city or its vicinity and must have some impact on convention and hotel activity. If the expenditure is not reasonably likely to accomplish this result, it is not eligible for funding by HOT revenues. The funds must be for an event with attendees.

Criteria # 2 Every expenditure must clearly fit into one of the statutorily provided categories.

Expenditure Categories

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, solicitation, and promotions that attract tourists and convention delegates to the county or its vicinity.
4. Expenditures that promote the arts. *Please note that 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.*
5. Funding historical restoration or preservation programs
6. Funding certain expenses, including promotional expenses, directly related to a sporting event.
7. Signage directing tourists to sights and attractions frequently visited by hotel guests.

Additional Guidelines

City Article: Advertising or promotion of an event prior to the issuance of the city permit is not allowed.

See: ARTICLE 4.06 - SPECIAL EVENTS PERMITS, PUBLIC GATHERINGS AND PARADES Sec. 4.06.004
- Date of special event not confirmed until permit issued.

HOT Application Information

1. The HOT Fund Application may be found on the Visit Bastrop website under the footer navigation. Applications must be submitted by the deadline outlined on page 3. Applicants may submit applications and post reports via email or in person.
 - In Person: Visit Bastrop Office – 1408 B Chestnut Street, Bastrop, TX 78602
 - By Email: stephanie@visitbastrop.com
2. Visit Bastrop considers applications for events which meet the State of Texas Statute regarding HOT Funds, which includes the necessary requirements of Criteria #1 of directly promoting tourism AND the convention and hotel industry, as well as the requirements of Criteria #2 of fitting into one or more of the listed categories on page 7.
3. All applications will be reviewed by Visit Bastrop within 10 business days of the received date. During the evaluation process, applicants may be asked to present information and answer questions from Visit Bastrop. Please ensure completeness of the Application and include all required documentation as listed.
4. The event shall abide by the City of Bastrop's HOT Funds Policy and Procedures and meet the general eligibility requirements identified in the section: HOT Funds Eligibility on page 7. If an event will not generate any trackable and meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds.

Keep a copy of the application. It will be referenced when reporting post event information.

Please return your completed application with necessary attachments and signature to Visit Bastrop by the application deadline. If you have any application questions, please contact Visit Bastrop's Business Manager at stephanie@visitbastrop.com or 512-332-8994.

Notification of Funding Decision

1. Applicants receive notification of event funding after Visit Bastrop makes determinations. The Business Manager will present applicants with a letter of approval or denial. The letter of approval specifies the event's method of payment and the awarded dollar amounts. A letter of denial will outline the reason(s) HOT Funds were not awarded.

Approval Letter

2. The approved event's grant money must match eligible expenses in the Post Event Form according to the terms specified by the State Statute and Visit Bastrop's HOT Fund Policy. When in doubt, you should consult with Visit Bastrop's Business Manager with questions to ensure your expenditures qualify. Visit Bastrop's determination will be final. The law requires the grant money be allocated based on specific categories. Your approved funding was allocated into categories based on information you provided in your Application, Post Event Form, and follow-up questions/interviews.
3. Recipients who received an Approval of Funding letter will need to submit an invoice in the amount of their awarded funds according to the communication by Visit Bastrop's Business Manager.
4. All entities who are approved for HOT Funds must complete and submit the Post Event Report within 60 days of the conclusion of your event. The report will be reviewed by Visit Bastrop to determine how well the entity met its goals and will be used in consideration of future hotel occupancy tax funding requests.
5. During event progression, please keep financial records available as outlined in the Visit Bastrop HOT Policy and Procedures (Page 5).

Budget Items

6. Approvals for HOT Funds are by organization/individual per fiscal year. If approved for funding, you cannot commingle expenses or funding with any other event you may be organizing.
7. Due to category caps, funding shall be expended as directed by the City of Bastrop and cannot be shifted from one category to another.

For any questions, comments, or concerns please contact Visit Bastrop's Business Manager at stephanie@visitbastrop.com or 512-332-8994.

Event Insurance, Permits, & Licenses

Event Insurance

The City of Bastrop may require applicants to procure and maintain event insurance for the duration of their event. Applicants are responsible for coordinating with the city regarding insurance requirements.

Permits & Licenses

Please contact the City of Bastrop for details regarding road closure permits and licenses such as: alcohol, fireworks, overnight RV stays in city parks, etc. There may be additional fees for these items.

City Contact Information