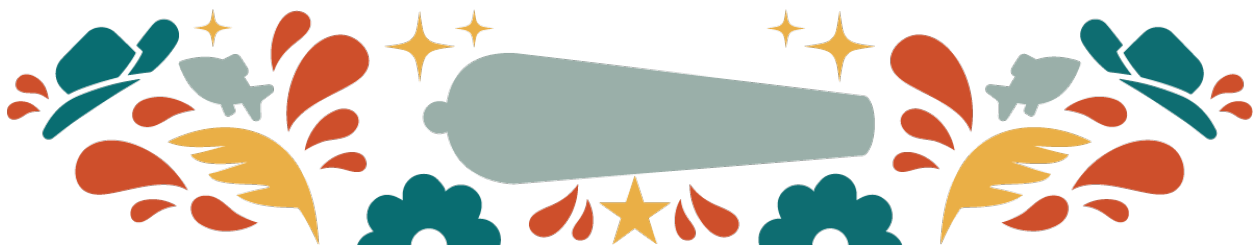




# CITY OF GONZALES

## **Hotel Occupancy Tax (HOT) Fund Gonzales Convention & Visitor Bureau Grant GUIDELINES**

The Gonzales HOT Funds application has been updated as of January 1, 2025. Some guidelines and requirements may have changed. Applicants must review the updated guidelines thoroughly before starting the online application. As part of the application process, applicants must confirm they have reviewed the guidelines by answering the first question in the online form.



# CITY OF GONZALES

## HOTEL OCCUPANCY TAX (HOT) FUNDS GUIDELINES

### **Overview of the Application Process**

This packet was designed to establish universal guidelines that apply to all entities requesting HOT funds from the City of Gonzales. There are stringent requirements in the Tax Code regulating the use of HOT funds as outlined below. Any misrepresentation or fraudulent claims by an applicant will disqualify them from receiving any funds now or in the future.

### **Texas Tax Code Chapter 351**

The Texas Tax Code allows the City of Gonzales to collect Hotel Occupancy Tax (HOT) from hotels, motels and short-term rentals. Under state law, the revenue from the HOT funds may only be used to directly promote tourism and the convention & hotel industry within the city of Gonzales.

Please note that there are legal requirements and/or limitations on certain categories that may affect the availability of funds under those categories. The use of HOT funds is limited to one or more of the following 8 categories:

1. **Convention Centers and Visitors Information Centers:** the acquisition of sites for and the construction, improvements, enlarging, equipping, repairing operation and maintenance of convention center facilities or visitor information centers, or both.
2. **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants.
3. **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.
4. **Promotions of the Arts and 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 facility or event can show hotel nights that are booked due to their events or those guests at hotels attended 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 the presentation, performance, execution and exhibition of these major art forms.

5. **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.
6. **Sporting Events Expenses that Substantially Increase Economic Activity at Hotels:** Sporting related expenses if the majority of the participants are tourists. The event must substantially increase economic activity at hotels within the City or its vicinity.
7. **Funding transportation systems for transporting tourists from hotels to and near the City to and of the following destinations:**
  - the commercial center of the City
  - a convention center in the City
  - other hotels in or near the City
  - tourist attractions in or near the City.

It should be noted, the laws specifically prohibit the use of the local hotel tax to cover the costs for general city transit costs to transport the general public.

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

## City Policy

The City of Gonzales accepts applications from groups and businesses meeting one or more of the eight Tax Code categories. Priority will be given to events that demonstrate the ability to generate overnight visitors to the City of Gonzales. If an event will not generate any meaningful overnight business to the hotels within the City of Gonzales, it is not eligible for the use of HOT funds.

*It should be noted that any debt owed to the City of Gonzales, including but not limited to property tax or debt for services, must be cleared prior to the approval or disbursement of any funds.*

- **Event Applications-** Applications must be submitted at least 60 days prior to the event date and will be reviewed by the Convention and Visitors Board (CVB) which meets on the third Thursday of the month. Applicants are encouraged to attend the CVB meeting to address any questions that may delay the approval process. **Incomplete or late applications will not be accepted.**

The City Council will have final approval for any application requests over \$5,000. You will be notified of the City Council review date, and your attendance is required at the City Council meeting. While the CVB does make a recommendation to the City Council, it should be noted that the City Council will make the final decision on your request.

- **Post Event Report-** Funds are disbursed on a reimbursement basis. All entities that are approved for HOT funds must submit a Post Event Report along with supporting documentation within 90 days of the event. The Post Event Report will be reviewed by the CVB to determine if the entity met eligibility criteria and it will be used in consideration for future HOT fund requests. Upon final approval from the CVB, the Finance Department will issue a check. **Incomplete or late Post Event Reports will not be accepted.**
- **Advertising Funds-** Advertising funds must be utilized in advance of the event and target visitors outside a 50 mile radius of the City of Gonzales. Applicants must include a copy of a plan and budget that outlines advertising/media sources such as but not limited to; marketing collateral, magazines, newspapers, radio, television and social media. Documentation should also include rate card/sheets and expected run dates.
- **Hotel Occupancy-** It is the responsibility of the applicant to monitor the number of out-of-town guests who stay at lodging properties within the City of Gonzales in relation to their event. The event organizer is required to work with the local hotels to ensure proper credit and tracking. The event organizer is responsible for securing room blocks at local hotels and including that data when submitting the Post Event Report. Please note that stated room nights presented will be subject to an audit by the City of Gonzales staff.

Along with the Post Event Report, documentation will need to include event attendance numbers with the overnight stays directly attributed to the event, and a budget summary of revenue and expenses. If initial estimates of overnight stays in the Event Application were not met, the CVB will recommend an amended amount of reimbursement to be funded.

- **Funding Allocation-** A combination of room tax revenue and event attendance is used to calculate the funds being disbursed. The applicant will be eligible to receive funding based upon the tiered formula outlined below up to a maximum of \$4,999. Comp rooms are **NOT** eligible for reimbursement.
  - 0-25 attendees, \$750 max
  - 26-50 attendees, \$1,500 max
  - 51-75 attendees, \$2,250 max
  - 76-100 attendees, \$3,000 max
  - 101-150 attendees, \$3,750 max
  - 150+attendees, \$4,999 max, anything above negotiable, city approval required

It should be noted, events with an established attendance history over 10,000 will be reviewed on a case by case basis and the City Council will make the final decision on the amount approved.

- **Local Vendors-** Applicants are highly encouraged to utilize local Gonzales businesses for food, supplies, materials, printing, and etc. A list of local businesses is available at the Chamber of Commerce.
- **Use of Revenues from Events-** No other outside event(s), project, charity, etc., sponsored by the host organization may profit from the City of Gonzales' funding of a particular event.