



**FY-2020 3<sup>rd</sup> QUARTER  
APPLICATION FOR  
HOTEL OCCUPANCY TAX FUNDING**

The City of Wills Point is currently soliciting 3<sup>rd</sup> Quarter FY-2020 projects to be considered for Hotel Occupancy Tax funding, in an effort to promote tourism and attract overnight visitors to Wills Point. Prospective applicants are encouraged to read all information provided prior to filling out the application. Please contact the City Secretary at 903-873-2578 if additional information is needed.

# Hotel Occupancy Tax

## FY-2020 3<sup>rd</sup> QUARTER PROJECT FUNDING APPLICATION

### PURPOSE

The City of Wills Point is calling for proposed tourism-related projects for Fiscal Year 2020 3<sup>rd</sup> Quarter (July 1, 2020 to September 30, 2020). Projects must be specifically designed to attract overnight visitors to Wills Point. The call for projects is open to eligible organizations located within the Wills Point city limits.

The City accepts applications from eligible organizations seeking funds to be used in the development and promotion of tourism-related activities that are designed to promote tourism and attract overnight visitors to the City of Wills Point.

### GENERAL INFORMATION

The City's use of funds collected through the Hotel Occupancy Tax (HOT) is governed by Chapter 351 of the Tax Code. The primary use of these funds is intended to promote tourism and the convention and hotel industry in Wills Point. The City of Wills Point is under no obligation to allocate any portion of the collected HOT revenues unless the City enters into a funding contract. Award of funds does not guarantee future funding. The City Council shall have the final decision regarding the allocation of funds. The following determinations and definitions apply to the application of HOT funds as of the date of this document.

The use of HOT funds is dictated by State law and defined in the Texas Tax Code (Subtitle D. Local Hotel/Motel Occupancy Taxes; Chapter 351. Municipal Hotel/Motel Occupancy Taxes).

**Part One:** Expenditures must DIRECTLY enhance and promote tourism and the hotel industry.

**Part Two:** Expenditures of HOT funds must clearly fit into one of the nine statutorily provided categories for expenditure of HOT revenues, which are defined below.

The nine categories for expenditure of the Hotel/Motel Occupancy Tax are as follows:

1. **Visitor Information Centers:** Funding the establishment, improvement, or maintenance of a convention center or visitor information center. 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.

2. **Convention Registration:** Paying the administrative costs for facilitating convention registration. The furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants.
3. **Advertising:** Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.
4. **Promotion of the Arts:** Expenditures that promote the arts. The encouragement, promotion, improvements, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields of painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms. *(No more than 15% of the annual Hotel Motel Occupancy Tax revenues can be spent on the arts.)*
5. **Historical Restoration and Preservation:** Funding historical restoration or preservation programs. Historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums *(No more than 15% of the annual Hotel Motel Occupancy Tax revenues can be spent on historic restoration or preservation.)*
6. **Sporting Event Promotion:** Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of fewer than 1 million. *(To qualify, the sporting event must be one that would "substantially increase economic activity at hotels and motels within the city or its vicinity.")*
7. **Upgrading Existing Sports Facilities:** Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities. Certain statutorily bracketed cities may use local hotel occupancy tax to enhance and upgrade existing sports facilities owned by the municipality. *(Wills Point does not have a population of at least 13,000 and is not located in a county with a population of at least 200,000.)*
8. **Tourist Transportation System:** Funding transportation systems for tourists.
9. **Signage:** Signage directing tourists to sights and attractions that are visited frequently by hotel guests in and around the City.

## **ELIGIBILITY**

- As required by State law, all projects must encourage and promote use of hotels and motels with the Wills Point city limits through the enhancement and promotion of tourism, convention and the hotel industry.
- The applicant must be an organization or corporation governed by a board of directors, or similar governance structure.
- The applicant or event must be located in the Wills Point city limits.
- The applicant must demonstrate that the disbursement will directly enhance and promote the tourism, convention, and hotel industry by attracting visitors from outside of Wills Point into the City.
- The applicant must be a legal entity with a legal capacity to enter into contracts.
- The applicant must demonstrate that the programs or events are open and appropriate for the general public.
- The applicant must demonstrate that it is in good financial standing and that the financial safeguards are in place to protect public funds.

## **USE OF FUNDS**

The applicant must state the purpose of the funds and identify the category of acceptable uses under which the proposed use falls.

The applicant must present reasonable evidence that the request will increase overnight stays in Wills Point.

## **APPLICATION AND EVALUATION PROCESS**

The City will accept applications for funding considerations for FY-2020 3<sup>rd</sup> Quarter should be received by the City of Wills Point at 518 Houston Street, Wills Point, TX 75169.

The organization must submit one (1) original of the application.

Each organization must submit the following documents to be included with the application.

- A list of current board of directors and officers, as applicable
- A brief statement of long-range goals for the organization
- A brief statement of long-range goals for the activity or event to be funded
- A document or statement showing financial stability of the organization, as described herein
- An estimated budget for the tourism-related activity or event for which funding is sought

Review of eligibility: Once an application is received, the City will review the application to ensure that all required information has been submitted and that the application is complete. Any deficiencies to the application will be submitted in writing to the

organization. No application will be presented to the Tourism Advisory Council or City Council for consideration if requested information is missing.

Evaluation Criteria: City Staff and the Tourism Advisory Council will use the following criteria to evaluate requests; a) Visitor Appeal; B) Program Quality; c) Attracts overnight visitors to Wills Point; d) Promotes tourism and a positive local economic benefit; e) Meets the standards of the law regarding HOT funds, with advisement of the city attorney.

The application will be brought before the Tourism Advisory Council for review on a monthly basis, no less than 15 days prior to the City Council Meeting on the 2<sup>nd</sup> Tuesday of each month. The organization may be requested to be present during the Tourism Advisory Council's consideration of the applicants to provide more information or clarification.

If the Tourism Advisory Council recommends funding, the request will be brought before the City Council for action through the annual budget development process.

Any Tourism Advisory Council member or City Councilmember shall recuse himself or herself from voting on a funding request for an organization with which they are affiliated.

## **FINANCIAL INFORMATION**

To be eligible for funds, an organization must demonstrate that it is in good financial standing and that it will act as responsible stewards of public funds.

As part of the application, the organization must include any one of the following:

- Most recent Internal or External Audit
  - Most recent Internal or External Financial Statement, including Balance Sheet
  - Proof of Funds Available Letter from Financial Institution
  - Statement of Financial Solvency from Board of Directors, signed and dated by all board members
1. The organization must also demonstrate that it maintains internal financial controls that will allow for proper tracking, accounting, and reporting of the Hotel Occupancy Tax revenues and related expenditures.
  2. The organization must keep Hotel Occupancy Tax revenues in a separate account so that revenues are not comingled with any other money.
  3. For events funded through Hotel Occupancy Tax revenues, organizations must provide proof of insurance. Please note that all procedures for street closure permits with the City of Wills Point must be followed; contact City Secretary, 518 Houston St., Wills Point, TX 75169 for street closure permit applications.

## **LIMITATIONS**

Each applicant may only apply for three (3) projects in any one fiscal year unless prior written authorization is obtained from the City Administrator. Each project must be submitted separately.

Projects must be completed and funds expended within the City's fiscal year ending September 30<sup>th</sup> unless prior written authorization is obtained from the City Administrator.

Special event funding may have a three (3) year cap, unless hotel stays increase, or otherwise recommended by the Tourism Advisory Council. The event should be a producing growth in hotel stays within three years. If the event does not increase hotel stays in three, it may be considered a community event and become ineligible for funding.

All funds distributed must have a direct correlation to the project and must be clearly established within the agreement between the organization and the City.

## **FINANCIAL REVIEW**

The City of Wills Point may, at any time, request a report, document or audit to be submitted by the organization to the City that may relate to the use of Hotel Occupancy Tax revenues.

By signing this agreement, the organization is granting permission for City auditors to review accounting records of the organization.

## **AWARD OF FUNDING AND ACKNOWLEDGEMENTS**

If funding is awarded, the City Council will authorize a funding contract with the organization. The organization must return one (1) signed original funding contract document to the City of Wills Point within thirty (30) days of receiving City Council approval for funding. Failure to return the executed agreement shall be deemed a rejection of the offer for funding by the City Council and the offer shall be deemed withdrawn.

Any funded applicant must notify hotel. Any promotional material must reference Wills Point's hotel.

If an organization's project is selected, the City of Wills Point may require to be listed as a sponsor/partner of the event or activity and/or approved City Logo.

## **REPORTING AND REIMBURSEMENT**

A funded organization will be required to submit a report detailing the expenses for which it seeks reimbursement from Hotel Occupancy Tax revenues. Copies of receipts or invoices shall be provided for expenses to be reimbursed using Hotel/Motel Occupancy Tax revenues. Only expenses that meet Chapter 351 of the Tax Code and the defined guidelines of this

application shall be reimbursed. The City shall not make reimbursements for expenses where no invoice or receipt is provided.

In some circumstances, the City may consider direct payment of expenses to vendors instead of reimbursement to the local organization.

The report seeking reimbursement for a specific event must be submitted within forty-five (45) days after the end of the event. An organization receiving funding for ongoing promotion and multiple events must submit a quarterly report. Failure to submit the post-event report will make an organization ineligible to receive funding for up to one (1) year and/or a reduction in any amount approved.

Partial or incomplete reports will not be accepted. Reports shall be in a form that is acceptable to the City Administrator, and shall show total revenues, total expenses, estimated actual versus expected number of attendees, and the financial impact.

## **FORFEITURE**

Failure to comply with these requirements may result in forfeiture on final payments, required reimbursements and/or disqualification from consideration of future applications.

## HOTEL/MOTEL OCCUPANCY TAX FUNDING APPLICATION

### Organization Information

Name of Organization		
Address		
City/State/Zip		
Contact Person		
Contact Phone Number	Cell	Work/Home
Email		
Website		
Not For Profit? Yes <input type="checkbox"/> No <input type="checkbox"/>	Federal Tax I.D. # (if applicable)	
Write a short description about your organization.		

### Proposal Information

Name of the project/event and a short description:
Duration of project/event: <div style="display: flex; justify-content: space-between; width: 80%; margin-left: 20px;"> <span>Start date</span> <span>End date</span> </div>
Amount of Hotel/Motel Occupancy Tax funds requested:



List other sources of funding:

Are there any partners in the community? (if so, please list them below) Yes  No

Eligible funding category for request: (Please see category descriptions provided in this packet.)

Visitor Information/Convention Center

Convention Registration

Advertising

Promotion of the Arts

Historical Restoration and Preservation

Sporting Event Promotion

Upgrading Existing Sports Facilities

Tourist Transportation System

Signage

Has this project or event been conducted before? Yes No

If yes, how many years/times? \_\_\_\_\_

Previous year attendance: Local Visitors \_\_\_\_\_ Out of Town Visitors \_\_\_\_\_

Project attendance: Local Visitors \_\_\_\_\_ Out of Town Visitors \_\_\_\_\_

Hotel room booked:

Number of rooms booked by participants in previous year \_\_\_\_\_

Number of rooms projected to be booked by this year's participants \_\_\_\_\_

If major increase/decrease in number of rooms booked is projected, please explain why:

\_\_\_\_\_

\_\_\_\_\_

Number of years that the organization has received Hotel/Motel Occupancy Tax funds?

\_\_\_\_\_

What outside marketing is going to be conducted and how will it be effective? Please be as detailed as possible.

How does the project/event contribute to Wills Point?

I have read and agree to comply with the terms outlined in the Hotel/Motel Occupancy Tax funding guidelines stated in this packet.

I certify that the information contained in this applications is correct to the best of my knowledge and that I am authorized to make this application on behalf of the organization herein described for the purpose of receiving City of Wills Point Hotel/Motel Occupancy Tax funds.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Attachments:

List of current board of directors and officers (if applicable)

Proof of insurance (if applicable)

Statement of organization's ability to financially support this activity

**SUBMIT TO:**

City of Wills Point  
Attn: City Secretary  
518 Houston Street  
P. O. Box 505  
Wills Point, TX 75169  
903-873-2578