



# GUIDELINES FOR HOTEL OCCUPANCY TAX GRANT

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## HOTEL OCCUPANCY TAX GRANT ELIGIBILITY REQUIREMENTS

By law of the State of Texas, the City of Cedar Park adopted and collects a Hotel Occupancy Tax (HOT) from hotels, bed & breakfasts, and other lodging facilities. Under state law, the revenue from HOT funds may be used only to directly promote tourism and the hotel and convention industry **AND** must fit within a statutorily-authorized expenditure category.

The use of Hotel Occupancy Tax dollars must bring visitors to the City of Cedar Park and increase occupancy in Cedar Park hotels. If an event will not generate any meaningful hotel activity, it is not eligible to receive hotel occupancy tax funds.

## ELIGIBILITY REQUIREMENTS

To be eligible to apply for HOT Funds the applicant and event must directly promote tourism and the hotel and convention industry **AND** meet at least one of the following criteria established by [Chapter 351 of the State of Texas Tax Code](#). Please select **ALL** categories that apply to your event.

- ☐ **Sporting Event Expenses that Substantially Increase Economic Activity at Hotels:** Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity;
- ☐ **Convention Centers 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 or registrants;
- ☐ **Promotions of the Arts that 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 art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend 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 to the presentation, performance, execution, and exhibition of these major art forms;

- ☐ **Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.**
- ☐ **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;
- ☐ **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;
- ☐ **Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations:** (a) the commercial center of the city; (b) a convention center in the city; (c) other hotels in or near the city; or (d) tourist attractions in or near the city.

The law specifically prohibits the use of the local hotel tax to cover the costs for general city transit costs to transport the general public;

**ADDITIONAL ELIGIBILITY REQUIREMENTS (ALL MUST BE APPLICABLE IN ORDER TO APPLY):**

- ☐ **Event will generate a minimum of 50 room night stays.**
- ☐ **Applicant has not received funding from the City of Cedar Park Tourism Department for five (5) consecutive years.**

**If you meet the eligibility requirements and can provide supporting documentation, please proceed to the Funding Process Guidelines below:**

## FUNDING PROCESS GUIDELINES

The following is an explanation of the funding process, requirements, and general timeline. A member of the Tourism staff is available to review this information with applicants in detail. You can contact Cedar Park Tourism at (512) 401-5070 to schedule review.

Notice and Hotel Occupancy Tax (HOT) Fund Application Forms can be found on the [cedarparktexas.gov](http://cedarparktexas.gov) website under the Tourism Advisory Board page. The City of Cedar Park Tourism Office will accept applications from eligible groups and businesses whose proposed projects and events fit into one or more of the categories listed in the Eligibility Requirements. Applications will be accepted throughout the fiscal year subject to fund availability and provided they are received at least 90-days prior to the event for evaluation and processing. Event funding requests for events occurring inside of 90 days of the request will be rejected unless there are significant extenuating circumstances (which are at the discretion of the Tourism manager). Only one application per organization/individual can be funded per fiscal year and applications will not be accepted for events that have already occurred.

The HOT Funds Grant Program has an annual funding cycle corresponding to the City of Cedar Park's Fiscal Year (October 1-September 30). If you submit your application in September please be aware that if you are awarded funds, the funding is contingent on the Cedar Park City Council approving the City Budget for the upcoming new fiscal year (October 1 is the beginning of the City's fiscal year). The City Budget will not be approved until mid-to-late September. Tourism staff will notify you once the funding has been approved by the City Council.

**STEP 1: APPLICATION AND SUPPORTING DOCUMENTATION** – Applicants must submit the following documents to [cedarparktourism@cedarparktexas.gov](mailto:cedarparktourism@cedarparktexas.gov) in order to receive funding consideration. Failure to submit this information will result in rejection of the application.

- 1. APPLICATION** – Completed and signed by the event organizer.
- 2. PROJECTED BUDGET** - Applicant must provide a complete projected budget that includes all expenses for which Hotel Occupancy Tax (HOT) funds grant money will be designated.
- 3. MARKETING PLAN** – Applicants should submit a plan documenting how the applicant proposes to market and promote their event or project to attract visitors and overnight stays in Cedar Park hotels. CedarParkFun.com must be listed as a sponsor on all marketing/advertising collateral. CedarParkFun.com will provide all logo assets.
- 4. SIGNED FUNDING PROCESS GUIDELINES DOCUMENT** – This document must be signed and submitted with your application. By signing this document you are acknowledging that you have read, understand, and agree to adhere to the requirements laid out within the document.
- 5. NEED FOR CONTINUED FUNDING (IF APPLICABLE)** – Projects that have received funding for five (5) consecutive years must provide documentation of the need for continued funding. Specifically describe how the use of funds has helped the event develop and expand; identify other sources of funding available; and how the absence of funds would place the continuation of the event in jeopardy.

Tourism Staff will review applications upon receipt for eligibility and completion. Incomplete applications will be returned and applicants must provide missing information within five (5) business days. Failure to provide requested information in the time allotted will result in your application being rejected.

Completed applications and supporting documentation should be submitted to:

[cedarparktourism@cedarparktexas.gov](mailto:cedarparktourism@cedarparktexas.gov)

**STEP 2: PRESENTATION TO TOURISM ADVISORY BOARD (MANDATORY)** – Once an application is accepted, tourism staff will coordinate a date with the applicant to make a formal presentation of the request for HOT Funds at a regular called meeting of the Tourism Advisory Board. This presentation is ***mandatory***. Application for HOT funds will be rejected if applicant or designated representative is not present at this meeting.

The City of Cedar Park Tourism Advisory Board meetings are held at 6:30p.m. on the fourth Tuesday of each month at the Cedar Park Council Chambers, 450 Cypress Creek Road, Building 4.

**INTERNAL CITY ACTION (NO ACTION NEEDED BY APPLICANT)**

- Using an internal scale, Tourism staff will calculate a recommended funding amount to present to the Tourism Advisory Board. Recommendations will be provided to the Board prior to the applicant's presentation so there is adequate time to review. ***NOTE: The maximum amount that can be recommended by Tourism staff is \$50,000. Any higher amount requires action by City Council.***
- Taking the application, applicant presentation, and Tourism staff funding recommendation into consideration, the Tourism Advisory Board will vote at a regularly scheduled meeting of the Tourism Advisory Board on whether or not to approve/reject funding. ***NOTE: This may not be done at the same Tourism Advisory Board meeting in which the applicant presents, as the Board may require an additional meeting for deliberation and voting.***
- Once the Tourism Advisory Board votes, Cedar Park Tourism staff will notify the applicant via e-mail of the Board's decision. If approved, Funding Agreement, lodging directory, and Final Report Form will follow (see Step 3 below).

**STEP 3: FUNDING AGREEMENT** – Once an application is approved for funding Tourism staff will provide the applicant with a funding agreement. ***NOTE: The funding agreement denotes the specific criteria that must be met to receive funding. Failure to meet all requirements outlined in the agreement can result in termination of the agreement and denial of funds.***

The Funding Agreement will need to be completed and signed by the applicant. Signed agreements can be e-mailed to [cedarparktourism@cedarparktexas.gov](mailto:cedarparktourism@cedarparktexas.gov) or mailed/delivered to the following address:

City of Cedar Park  
Attn: Tourism Office

**STEP 4: FINAL REPORT AND SUPPORTING DOCUMENTATION** – Funds are not distributed until after the completion of the event/project. To receive funds, applicants must submit the following documentation to [cedarparktourism@cedarparktexas.gov](mailto:cedarparktourism@cedarparktexas.gov) no later than sixty (60) days after the event. **Failure to submit this information within 60 days of the event can result in termination of the funding agreement and denial of funds.**

1. **FINAL REPORT FORM** – Completed and signed by applicant. This will be provided to you by Tourism staff, but also as an appendix to the Funding Agreement.
2. **HOTEL ROOM NIGHT TRACKING (to be included with Final Report Form)** – It is the responsibility of the applicant to monitor the number of out of town guests who stay in Cedar Park lodging properties. A lodging directory is included with these guidelines and also as an appendix to the Funding Agreement. **Failure to submit this information can result in termination of the Funding Agreement and denial of funds.**

*Applicants can document the generation of overnight hotel stays the following ways:*

**NOTE: Tourism staff will work with applicants to secure hotel room blocks prior to the applicant opening registration for the event. It is recommended to utilize this option, as it is the most accurate way to track room night stays.**

- Working with Hotels to ensure proper credit and tracking;
  - Providing written confirmation on the size of a room block that has been reserved at area hotels to accommodate anticipated overnight guests attending the funded event and written confirmation from the hotel that those blocks were filled;
  - Distributing a survey to attendees showing what Cedar Park Hotel they stayed at and the number of days they stayed.
3. **SUPPORTING DOCUMENTATION (to be included with Final Report Form)**
    - Attendee zip code listing;
    - At least one sample of all forms of advertising/promoting used in your campaign. If the sample itself does not indicate the medium (radio, TV, print, or mail) used or where the advertising took place (e.g. a city's newspaper, or a radio spot that does not indicate the city where the spot was played), please include other information that would show location of the advertising and medium utilized. All advertising/promotional campaigns must recognize CedarParkFun.com per the Funding Agreement;
    - Itemized breakdown of budget expenses;
    - Proof of payment for budget expenses in which HOT Funds were used (e.g. copies of invoices, receipts, contracts, etc.).

**STEP 5: PAYMENT OF FUNDS** – Final Payment of funds will be determined by the amount of proven hotel room stays. The amount cannot exceed the recommended funding amount approved by the Tourism Advisory Board, but the amount can be less if proven hotel room stays are lower than what was originally anticipated in the application. The room nights required and the corresponding funding amounts will be specified in the Funding Agreement. If you produce under 20% of approximated room nights as specified in the approved application and Funding Agreement you will not receive funding.

The City shall remit payment to the Applicant upon acceptance by the Tourism Manager of the Final Report form with all supporting documentation per the requirements laid out in the Funding Agreement.

Tourism staff will notify applicant once reimbursement is being processed.

**By signing below, you acknowledge that you have read and accept the Guidelines For Hotel Occupancy Tax Grant and agree to adhere to all requirements contained within. This signed document must be submitted with your application form.**

Signature:

Date:

Printed name:

Title:

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