



**NOTICE OF WORKSHOP MEETING
SEALY CITY COUNCIL
CITY COUNCIL CHAMBERS
415 MAIN STREET
SEALY, TX 77474
TUESDAY, MAY 6, 2025
4:30 P.M.**

Notice is hereby given of a Meeting of the City Council of Sealy to be held on the abovementioned date, time, and location for the purpose of considering the following agenda items.

The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by Title 5, Chapter 551, of the Texas Government Code.

A. Call to Order

B. Roll Call and Certification of a Quorum

C. Petition(s) and Public Comments

Individuals shall have three (3) minutes to speak.

D. Business

1. Discussion and Possible Action regarding Appointing the following Individuals to the HOT Funds Committee:

- City Manager
- Assistant City Manager
- Economic Development Director
- Finance Director
- City Secretary

E. Discussion and Possible Action regarding Hotel Occupancy Tax Funds Policy Workshop:

- Review Current HOT Funds Policy
- Evaluate any changes to Texas State Law (Chapter 351)
- Recommended changes to the HOT Funds Policy
- Review Prior Year Expenditures and Program outcomes to make recommendations for improvements

2. Request for future agenda items and comment(s)

F. Adjourn

CERTIFICATION

I, Sandra Vrabec, City Secretary of the City of Sealy, do hereby certify that the above notice of the City of Sealy, Texas, City Council, was posted in a place convenient to the general public in compliance with Chapter 551, of the Texas Government Code, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting as well as on required website(s).

Sandra Vrabec, City Secretary

Amended



SEALY CITY COUNCIL AGENDA ITEM NO: Discussion and possible action regarding any Amendments to the HOT Funds Policy.
SUBMITTED BY: Sealy EDC Staff
MEETING DATE: May 6, 2025

STAFF REPORT

DESCRIPTION

Staff is recommending that the City Council adopt the revised Hotel Occupancy Tax (HOT) Funds Policy and Procedures, Version 2.4 (Exhibit B). This revised policy provides updated guidelines and procedures for the administration of HOT funds, ensuring compliance with Texas Tax Code Chapter 351 and enhancing clarity for both the City and applicant organizations.

The City of Sealy collects Hotel Occupancy Taxes, which, according to state law, must be used to directly promote tourism and the hotel industry within the city. The City has established policies and procedures to govern the distribution of these funds to eligible organizations. Staff has reviewed the current policy and identified areas where consolidations and clarifications would improve the program's effectiveness and administration.

ANALYSIS

Provided in the packet is the current policy, a changes-marked revision, and a clean copy of the proposed policy. The proposed revision includes several key changes by streamlining the language through the use of tables and formatting.

These revisions are intended to provide greater clarity, ensure compliance with state law, and improve the overall efficiency and effectiveness of the City's HOT Funds Program.

This is being presented in a workshop setting to facilitate discussion.

RECOMMENDATION

Staff recommend that the City Council review the revised City of Sealy Hotel Occupancy Tax Funding Policy and Procedures and provide any questions or feedback.

FINANCIAL IMPACTS

There is no direct financial impact to the City associated with the adoption of the revised policy. The policy governs the distribution of existing HOT funds.

City of Sealy Hotel Occupancy Tax (HOT) Funds Program Policy

Effective Date: [Date of Approval] 05.02.25 edits green by kellis and blue by batkinson

1.0 Introduction and Purpose

The City of Sealy Hotel Occupancy Tax (HOT) Funds Program is established to provide funding to organizations for eligible events, projects, activities, and facilities as prescribed in this policy and Chapter 351 of the Texas Tax Code. This policy outlines the requirements, procedures, guidance, and criteria for qualified organizations and individuals making application, accessing these funds and spending these funds. Additionally, the policy defines the roles and responsibilities of City personnel involved in the program.

Municipal hotel occupancy taxes in Texas are governed by Chapter 351 of the Texas Tax Code. Under the Texas Tax Code Governing Hotel Occupancy Tax (HOT), the term "hotel" is broadly defined. Hotel owners, operators or managers must collect state hotel occupancy tax from their guests who rent a room or space in a hotel costing \$15 or more each day. The tax applies not only to hotels and motels, but also to bed and breakfasts, condominiums, apartments and houses. The City of Sealy collects a local hotel occupancy tax of six seven percent (7%) on each hotel room that is dedicated by statute to directly promote and develop tourism, the convention, and the hotel industry within the city limits by putting, "heads in beds". HOT funds are distinct from general property and sales tax revenues and can only be used for specific purchases and activities and cannot be used for general governmental purposes.

The goal of this program is to provide grants to organizations that directly promote tourism and the convention & hotel industry, resulting in overnight visitors to Sealy. Funding is awarded for qualified events or projects in the form of one-time reimbursement grants or annual programs, as deemed appropriate by the HOT Funds Committee & the Sealy City Council, as defined below on a case-by-case basis.

Internal Operations

2.0 Roles and Responsibilities

Effective administration of the HOT Funds Program involves specific roles within the City of Sealy:

2.1 City Council also referred to in the policy as (Serving as the HOT Funds Committee): Responsible for the oversight and final decision-making authority for the HOT Funds Program. Reviews applications, considers funding recommendations, approves or denies funding requests, awards specific amounts per category, and approves the method of HOT payment for approved funds. Ensures that HOT Fund expenditures comply with state-mandated category allocations and funding limitations as required by Texas Tax Code Chapter 351.

2.2 Finance Director referred to in the policy as (Serving as the HOT Funds Treasurer): Responsible for the financial administration and oversight and reconciliation of the HOT Funds. Duties include receiving HOT tax revenue, managing financial aspects of the program, ensuring proper accounting and record-keeping of

funds disbursed and received, and providing financial guidance to applicants and recipients regarding eligible expenditures and compliance with the policy and Texas Tax Code. Serves as the primary internal point of contact for financial inquiries and reporting of to the HOT Funds Committee. Oversees the financial reconciliation process.

2.3 Executive Director of Economic Development and Tourism referred to in this policy as (Serving as the HOT Funds Liaison): Responsible for the day-to-day grant inquiries and point of contact for grant applicants and recipients for with general questions or assistance regarding the HOT Funds program and ensuring the program aligns with policy objectives and state statute. administration and coordination of regarding the HOT Funds Program. This includes receiving submitted applications, and post-event reports and facilitating the flow of information between applicants / and awardees and the HOT Funds Committee and the HOT Funds Treasurer City Council/Finance Director. The HOT Funds Liaison serves as the primary City liaison for grant recipients, providing a point of contact for general questions or assistance regarding the HOT Funds program and working to ensure the program aligns with policy objectives and state statute. Additionally,

Application Information

3.0 Eligibility Requirements

To be eligible for HOT funding, applicants and their proposed events, projects, activities, or facilities must comply with all Federal, State, and local laws, including Texas Tax Code Chapter 351 and City of Sealy policies.

All eligible HOT Fund expenditures must meet two core requirements:

3.1 Requirement 1: Directly Promote Tourism AND the Convention and Hotel Industry:

The funded activity must be demonstrated to directly enhance and promote both tourism and the convention and hotel industry in Sealy. This means the activity should attract visitors from outside the immediate area who are likely to stay overnight in Sealy hotels.

3.2 Requirement 2: Fit into a Statutory Category: The expenditure must clearly fall within one of the eligible categories defined by the Texas Legislature and outlined in this policy.

3.3 Ineligible Entities and Events:

- 3.3.1 Applicants with outstanding financial obligations to the City or who have an ongoing lawsuit against the City are not eligible for HOT Funds.
- 3.3.2 Events that do not take place within the Sealy City limits are not eligible for funding.
- 3.3.3 Events or projects that will not generate meaningful hotel night activity are not eligible.
- 3.3.4 Expenditures for tokens of appreciation, volunteer recognition, and thank you cards/gifts do not qualify as eligible HOT Fund expenses.
- 3.3.5 HOT funds are designed to benefit hotels and tourism and are not intended to primarily support charitable causes, community organizations (unless their specific event meets the eligibility criteria), scholarships, or general education.

3.4 Permanent Residents and RV Parks:

The hotel occupancy tax does not apply to individuals who have the right to use or possess a room in a hotel for at least 30 consecutive days with no interruption of payment; these individuals are considered permanent residents. Overnight stays in recreational vehicles (RVs) and RV parks are generally not subject to the city HOT, as RV parks are typically not

considered "hotels" as defined by the Texas Tax Code. Therefore, these stays should not be included as "overnight stays" in your application or post-event reporting.

4.0 Eligible Expenditure Categories

Expenditures of HOT Funds must clearly fit into one of the following statutorily defined categories and must also meet the core requirement of directly promoting tourism and the convention and hotel industry:

- 4.1 CATEGORY A: Convention Centers and Visitor Information Centers:** Funding for 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. This includes facilities primarily used to host conventions and meetings that attract tourists and hotel guests. General civic buildings do not qualify unless they meet the primary use criteria. The Sealy Convention & Visitors Bureau qualifies as a visitor information center. Funding can include salary for staff directly engaged in tourism functions.
- 4.2 CATEGORY B: Registration of Convention Delegates:** Funding for furnishing facilities, personnel, and materials for the registration of convention delegates or registrants. This category covers administrative costs directly incurred for assisting in the registration of convention attendees, typically for larger conventions.
- 4.3 CATEGORY C: Advertising, Solicitations and Promotions:** Funding for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to Sealy or its vicinity. Marketing efforts must directly promote the hotel and convention industry. Event advertising should include promotion of hotel stays and can feature local hotel information or logos (of reasonable size). Examples include mentioning Sealy hotels in radio ads, including hotel information in paid news coverage, and displaying hotel logos on posters, flyers, and billboards.
- 4.4 CATEGORY D: Promotions of the Arts:** Funding for the encouragement, promotion, improvement, and application of the arts that have a direct impact on tourism and the hotel/convention industry. This impact should be demonstrated by attracting hotel guests or generating hotel nights. Eligible art forms are broad and include various visual, performing, and literary arts. Qualified funding may include costs to book entertainers/artists and their hotel accommodations. The creation of a permanent arts building is generally not eligible.
- 4.5 CATEGORY E: Historical Restoration and Preservation Activities:** Funding for historical restoration and preservation projects or activities, or advertising and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums that are likely to attract tourists and hotel guests. The activity must directly promote tourism and the hotel industry; simply being historical in nature is not sufficient. Historical markers are an example of a qualifying project.
- 4.6 CATEGORY F: Sporting Event Expenses:** Funding for promotional expenses directly related to a sporting event where the majority of participants are tourists, and the event substantially increases economic activity at hotels in Sealy or its vicinity. Funding is based on the number of tourist participants. This category does not include funding for local youth sports leagues unless they are regional, state, or national tournaments. Infrastructure items such as fencing or scoreboards are not eligible. Eligible expenses often include game-related costs present only during the event, such as umpire fees, tournament software, sanction fees, and award expenses. RV park stays do not count towards increased hotel activity.
- 4.7 CATEGORY G: Funding Tourist Transportation:** Funding for transportation systems that

transport tourists from hotels to attractions, convention centers, other hotels, or the commercial center within or near the city. This category specifically prohibits funding general city transit for the public. Funding may support transportation systems owned/operated by the city, or privately owned systems partially financed by the city, such as contracted shuttle services for hotel guests attending a major event. (Note: As of the last policy revision, the City of Sealy does not own or operate a transportation system, and donations to existing complimentary services like Colorado Valley Transit are not permitted under the statute).

4.8 CATEGORY H: Signage: Funding for signage directing tourists to sights and attractions frequently visited by hotel guests in Sealy. Examples include signs directing guests to shuttle pickup points at hotels or events, signs navigating event locations, and permanent highway signs to tourist attractions. Signs directing vendors, volunteers, or showing admission/product prices are not eligible. Weatherproof materials and generic verbiage for potential reuse are encouraged.

4.9 Due to category caps, funding shall be expended as directed by the City Council (found in the Notification of Funding document) and cannot be shifted from one category to another. Additionally, eligible projects that prioritize HOT funds for events have been proven to increase local tourism and hotel stays. Applicants must document past/projected overnight visitor numbers and room blocks, show marketing aimed at attracting overnight guests, and utilizing local businesses is encouraged.

5.0 Annual Funding Cycle

This table provides the key tasks, and the corresponding start and end dates in time.

Task Name	Start Date	Due Date	Notes
HOT Funds Liaison Available to applicants	Available First Business Day in June	Last day of Fiscal Year - September 30	HOT Funds Liaison is available to applicants and awardees throughout the entirety of the process.
HOT Funds Application Window	Available First Business Day in June	Submission Deadline First Business Day in July	HOT Funds Liaison Available
Funding Awards Approved and Awarded by City Council	First City Council Meeting in August		Funding will be awarded by a vote of the City Council.
Award/Denial Letters Sent to Applicants	Following Vote of City Council at the First Meeting in August	Letters sent no later than last day in August	City Staff will send award and denial letters to all applicants.
Complete Community-Wide Event Application		90 Days prior to the event	Awarded projects that include an event, must complete and submit at least 90 days prior to the event.
Funded Events/Projects Conducted			Project conducted on scheduled date.
Complete and submit Post Event Form		Within 60 days of conclusion of the funded event.	If funded activity covers more than 90 days, the recipient must submit Quarterly reports within 30 days from the last day of the quarter.

The City of Sealy's fiscal year runs from October 1st to September 30th. The annual HOT Funds cycle is as follows:

- **Ongoing (as needed):** The HOT Funds Liaison is available for general questions.
- **May:** The City Council, serving as the HOT Funds Committee, begins the process of reviewing applications, considering past performance, and formulating funding recommendations. The City Council meets to review applications and past performance,

conducts interviews, validates final numbers, and prepares a report that makes funding recommendations to City Council. The City Council ensures compliance with state mandated category allocations and funding limitations.

- ~~**Before Applying for HOT Funds:** For upcoming community-wide events, the City of Sealy's Community Wide Event Application must be completed and submitted, in accordance with the Citywide Planning Guide, for approval by the Chief of Police and City Council. The City may require event insurance.~~
- ~~**First Business Day in June:** Applications for the HOT Funds Program are made available by the City.~~
- ~~**First Business Day in July:** Deadline for submitting completed HOT Funds Applications to the HOT Funds Liaison. Applications can be submitted by mail (PO Box 517, Sealy, TX 77474), in person (City Hall, 415 Main Street, Sealy, TX 77474), or by email ([email address removed]).~~
- ~~**First Meeting in August:** Funding awards are determined by City Council.~~
- ~~**Upon award but not later than the last day in August:** City Staff, coordinated by the HOT Funds Liaison, sends official award or denial letters and any necessary compliance forms to applicants. Approval letters specify the awarded amounts per category and the payment method.~~
- ~~**Throughout the year:** HOT Fund recipients conduct their approved events/projects. Organizations are responsible for reconciling received funds as approved by the City Council, with payment of actual expenditures being a common method. The Finance Director oversees the financial reconciliation process.~~
- ~~**Within 60 days after event conclusion:** HOT fund recipients must submit a Post Event Form to the HOT Funds Liaison.~~
- ~~**For projects exceeding 90 days:** Recipients must submit Monthly Financial Reports and Quarterly Performance Reports to the HOT Funds Liaison instead of the Post Event Form.~~

6.0 Application and Funding Process (Numbering 6.1, 6.2, etc. Sections 6, 7 and 8).

- ~~Applications are available during June and due first business day in July. Submit applications via mail, in person, or email to the HOT Funds Liaison as noted in Section 5.~~
- ~~The HOT Funds Liaison is available to answer questions regarding the application process.~~
- ~~The City Council, serving as the HOT Funds Committee, may request that applicants present information and answer questions during the evaluation process. The authorized representative will be notified if their attendance is requested.~~
- ~~Ensure applications are complete and include all required documentation. Keep a copy of your application for reference during post-event reporting.~~
- ~~The City Council makes the final funding decisions.~~
- ~~Applicants receive a letter of approval or denial after City Council decisions, coordinated by the HOT Funds Liaison. Approval letters specify the awarded amounts per category and the payment method. Denial letters outline the reasons for denial.~~
- ~~Approved funds must be spent according to state statute, City policy, and City Council terms. Funding is approved by event, not organization, and funds cannot be commingled between events or shifted between approved categories.~~
- ~~Recipients receiving an approval letter will also receive the Request for Funding Form and Post Event Form from the HOT Funds Liaison. The Request for Funding Form is used for reconciling qualified expenses (one form per invoice).~~

7.0 Financial Management and Reporting

- Recipients of HOT funding must maintain financial records, including paid invoices/receipts, expenses, and documentation of funds received, for a period of three (3) years. ~~The Finance Director or their designee, or the City Council, reserves the right to request additional documentation and audit these records. Organizations shall make these records available for inspection upon request by authorized City representatives.~~
- ~~If an organization receives advance funding, they are required to set up a separate HOT Funds checking account, overseen by the Finance Director.~~
- Any unclaimed or unused grant money will be forfeited post-event. HOT Funds paid upfront but not used or used for ineligible expenses must be returned to the City, via the Finance Director, within 10 days of the event.
- If an event is canceled, the authorized representative must notify the HOT Funds Liaison and the Finance Director within 10 days and return unspent or ineligible funds to the Finance Director. Permission may be requested from the City Council to repurpose funds for another previously approved event within the same fiscal year.
- Any money refunded to the organization that originated from HOT funds (due to cancellations, discounts, etc.) must be reported to the HOT Funds Liaison and returned to the City, via the Finance Director. If advanced funding was received, return funds to the separate HOT checking account.
- Organizations have 60 days after the event concludes to complete their financial reporting by submitting the Post Event Form and supporting documentation to the HOT Funds Liaison and Finance Director. Uncleared checks expire in 180 days and will not be reissued.
- Projects lasting more than 90 days require **monthly financial reports** in a register format (e.g., spreadsheet) detailing each expenditure, including transaction date, check/EFT number, payee, purpose, amount, payment status, and applicable HOT fund category. Additionally, quarterly performance reports detailing the project's progress and impact on tourism and the convention/hotel industry are required. These reports are submitted to the HOT Funds Liaison and Finance Director.
- At least **25% of profits** portion of any event profit must be **channeled retained** to be used for **into the** future costs of operating that same event or the continued operation of the project. ~~At least 25% of the profit shall be channeled into the costs of conducting the next year's event.~~
- ~~Any mishandling of funds by the organization or the authorized representative will be presented to the City Council for determination of cure, or possible termination of event funding.~~
- **Expenditures for tokens of appreciation, volunteer recognition, and thank you cards/gifts do not qualify for project/event HOT Fund expenses.**

8.0 Compliance and Oversight

- The Authorized Representative of the funded organization is responsible for all communication with the City, primarily through the HOT Funds Liaison and Finance Director, ~~and~~ ensuring compliance with this policy. The HOT Funds Liaison serves as a liaison for general inquiries regarding compliance.
- Expenditure of HOT Funds does not grant approval for necessary permits, licenses, or adherence to Planning Department requirements. Organizations must obtain all required licenses and permits (e.g., for alcohol, fireworks, road closures) from the appropriate City departments (e.g., City Secretary Department) and may be required to provide a certificate of event insurance with specific coverage. Guidance on these requirements can be

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obtained from the [City-Wide Event Planning Guide of the City of Sealy](#) and the HOT Funds Liaison who may obtain the information for the applicant. ~~or Finance Director.~~

- Any mishandling of funds by the organization or the authorized representative will be presented to the City Council for determination of cure, or possible termination of event funding.
- ~~The Finance Director or their designee, or the City Council, reserves the right to request additional documentation and audit these records. Organizations shall make these records available for inspection upon request by authorized City representatives.~~
- The City Council **acting as the HOT Funds Committee**, Finance Director, or their designees have the right to call for an the audit of HOT fund expenses and financial records for a period of three (3) years to ensure compliance.
- In case of cancelations/discounts/overbilling, any money refunded to the organization which originated as HOT funds shall be reported and returned to the City of Sealy. If a recipient has received advanced HOT funding, they are required to return funds to their HOT checking account.
- No person is authorized to verbally override or modify this policy and procedures; changes require a vote of the City Council **HOT Funds Committee**. The City Council's **HOT Fund's Committee** decision and interpretation of the HOT statute regarding eligible expenditures is final.
- Organizations agree to collect and report to the City (via the HOT Funds Liaison and Finance Director) 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 visibly and comply with State of Texas laws regarding collection and reporting of sales tax.

9.0 Statement of Agreement

By accepting HOT funding, organizations agree to fully comply with the City of Sealy's HOT Funds Policy and Procedures. This includes using funds to directly promote tourism and support the convention and hotel industry by attracting visitors and overnight guests for the economic enhancement of the City. ~~Organizations agree to notify the City (via the HOT Funds Liaison and Finance Director) within 10 days and refund HOT funds where appropriate if an event is canceled or funds are otherwise unspent or ineligible. Funding cannot be rolled over or applied to events outside the approved fiscal year. This policy supersedes all previous City policies regarding HOT fund disbursement.~~

Statement of Agreement

I have read, understand, and agree to fully comply with the information provided to me within the City of Sealy HOT Funds Policy and Procedures. I agree to accept that the City's decision and interpretation of the (HOT) statute regarding what qualifies for HOT Funds expenditure/ reimbursement is final. I intend

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to use the funding for the event/project to directly promote tourism and support the convention and hotel industry by attracting visitors and overnight guests for the economic enhancement for the City of Sealy.

In situations including where an event is canceled or an amount is refunded that has already been reimbursed by the City, I agree to notify the City within 10 days and refund HOT funds where appropriate. I acknowledge that I am not able to rollover or otherwise take funding from one year and apply it to a prior or future event's expenses.

This policy replaces all previous policies adopted by the City regarding the disbursement of city HOT funds except as specifically noted in this policy.

Authorized Representative Signature

Date

Printed Name

Title and Organization

City of Sealy Hotel Occupancy Tax (HOT) Funds Program Policy

Effective Date: May 7, 2025

1.0 Introduction and Purpose

The City of Sealy Hotel Occupancy Tax (HOT) Funds Program is established to provide funding to organizations for eligible events, projects, activities, and facilities as prescribed in this policy and Chapter 351 of the Texas Tax Code. This policy outlines the requirements, procedures, guidance, and criteria for qualified organizations and individuals making application, accessing, and spending these funds. Additionally, the policy defines the roles and responsibilities of City personnel involved in the program.

Municipal hotel occupancy taxes in Texas are governed by Chapter 351 of the Texas Tax Code. Under the Texas Tax Code Governing Hotel Occupancy Tax (HOT), the term "hotel" is broadly defined. Hotel owners, operators or managers must collect *state* hotel occupancy tax from their guests who rent a room or space in a hotel costing \$15 or more each day. The tax applies not only to hotels and motels, but also to bed and breakfasts, condominiums, apartments, and houses. The City of Sealy collects a local hotel occupancy tax of seven percent (7%) on each hotel room that is dedicated by statute to directly promote and develop tourism, the convention, and the hotel industry within the city limits by putting "heads in beds". HOT funds are distinct from general property and sales tax revenues and can only be used for specific purchases and activities, and cannot be used for general governmental purposes.

The goal of this program is to provide grants to organizations that directly promote tourism and the convention & hotel industry, resulting in overnight visitors to Sealy. Funding is awarded for qualified events or projects in the form of one-time reimbursement grants or annual programs, as deemed appropriate by the HOT Funds Committee & the Sealy City Council, as defined below, on a case-by-case basis.

Internal Operations

2.0 Roles and Responsibilities

Effective administration of the HOT Funds Program involves specific roles within the City of Sealy:

2.1 City Council, also referred to in the policy as the HOT Funds Committee: Responsible for the oversight and final decision-making authority for the HOT Funds Program. Reviews applications, considers funding recommendations, approves or denies funding requests, awards specific amounts per category, and approves the method of HOT payment for approved funds. Ensures that HOT Fund expenditures comply with state-mandated category allocations and funding limitations as required by Texas Tax Code Chapter 351.

2.2 Finance Director referred to in the policy as HOT Funds Treasurer: Responsible for the financial administration, oversight, and reconciliation of the HOT Funds. Duties include

receiving HOT tax revenue, managing financial aspects of the program, ensuring proper accounting and record-keeping of funds disbursed and received, and providing financial guidance regarding eligible expenditures and compliance with the policy and Texas Tax Code. Serves as the primary internal point of contact for financial inquiries and reporting to the HOT Funds Committee.

2.3 Executive Director of Economic Development and Tourism referred to in this policy as the HOT Funds Liaison): Responsible for the day-to-day grant inquiries and point of contact for grant applicants and recipients with general questions or assistance regarding the HOT Funds program and ensuring the program aligns with policy objectives and state statute. This includes receiving submitted applications, post-event reports, and facilitating the flow of information between applicants and awardees, and the HOT Funds Committee and the HOT Funds Treasurer

Application Information

3.0 Eligibility Requirements

To be eligible for HOT funding, applicants and their proposed events, projects, activities, or facilities must comply with all Federal, State, and local laws, including Texas Tax Code Chapter 351 and City of Sealy policies.

All eligible HOT Fund expenditures must meet two core requirements:

- 3.1 Requirement 1: Directly Promote Tourism AND the Convention and Hotel Industry:** The funded activity must be demonstrated to directly enhance and promote both tourism and the convention and hotel industry in Sealy. This means the activity should attract visitors from outside the immediate area who are likely to stay overnight in Sealy hotels.
- 3.2 Requirement 2: Fit into a Statutory Category:** The expenditure must clearly fall within one of the eligible categories defined by the Texas Legislature and outlined in this policy.

3.3 Ineligible Entities and Events:

- 3.3.1** Applicants with outstanding financial obligations to the City or who have an ongoing lawsuit against the City are not eligible for HOT Funds.
- 3.3.2** Events that do not take place within the Sealy City limits are not eligible for funding.
- 3.3.3** Events or projects that will not generate meaningful hotel night activity are not eligible.
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- 3.3.5** HOT funds are designed to benefit hotels and tourism and are not intended to primarily support charitable causes, community organizations (unless their specific event meets the eligibility criteria), scholarships, or general education.

3.4 Permanent Residents and RV Parks:

- 3.4.1** The hotel occupancy tax does not apply to individuals who have the right to use or possess a room in a hotel for at least 30 consecutive days with no interruption of payment; these individuals are considered permanent residents. Overnight stays in recreational vehicles (RVs) and RV parks are generally not subject to the city HOT, as RV parks are typically not considered "hotels" as defined by the Texas Tax Code. Therefore, these stays should not be included as "overnight stays" in your application or post-event reporting.

4.0 Eligible Expenditure Categories

Expenditures of HOT Funds must clearly fit into one of the following statutorily defined categories and must also meet the core requirement of directly promoting tourism and the convention and hotel industry:

- 4.1 CATEGORY A: Convention Centers and Visitor Information Centers:** Funding for 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. This includes facilities primarily used to host conventions and meetings that attract tourists and hotel guests. General civic buildings do not qualify unless they meet the primary use criteria. The Sealy Convention & Visitors Bureau qualifies as a visitor information center. Funding can include salary for staff directly engaged in tourism functions.
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FINAL DRAFT FOR MAY 6 COUNCIL MEETING

- complimentary services like Colorado Valley Transit are not permitted under the statute).
- 4.8 CATEGORY H: Signage:** Funding for signage directing tourists to sights and attractions frequently visited by hotel guests in Sealy. Examples include signs directing guests to shuttle pickup points at hotels or events, signs navigating event locations, and permanent highway signs to tourist attractions. Signs directing vendors, volunteers, or showing admission/product prices are not eligible. Weatherproof materials and generic verbiage for potential reuse are encouraged.
- 4.9** Due to category caps, funding shall be expended as directed by the City Council (found in the Notification of Funding document) and cannot be shifted from one **category** to another. Additionally, eligible projects that prioritize HOT funds for events have been proven to increase local tourism and hotel stays. Applicants must document past/projected overnight visitor numbers and room blocks, show marketing aimed at attracting overnight guests, and utilizing local businesses is encouraged.

5.0 Annual Funding Cycle

This table provides the key tasks, and the corresponding start and end dates in time.

Task Name	Start Date	End Date	Notes
HOT Funds Liaison Available to applicants	Available First Business Day in June	Last day of Fiscal Year - September 30	HOT Funds Liaison is available to applicants and awardees throughout the entirety of the process.
HOT Funds Application Window	Available First Business Day in June	Submission Deadline: First Business Day in July	HOT Funds Liaison Available
Funding Awards Approved and Awarded by City Council	First City Council Meeting in August		Funding will be awarded by a vote of the City Council.
Award/Denial Letters Sent to Applicants	Following Vote of City Council at the First Meeting in August	Letters sent no later than last day in August	City Staff will send award and denial letters to all applicants.
Complete Community-Wide Event Application		90 Days prior to the event	Awarded projects that include an event, must be completed and submitted at least 90 days prior to the event.
Funded Events/Projects Conducted			Project conducted on scheduled date.
Complete and submit the Post Event Form		Within 60 days of the conclusion of the funded event.	If funded activity covers more than 90 days, the recipient must submit Quarterly reports within 30 days from the last day of the quarter.

6.0 Application and Funding Process

- 6.1** The HOT Funds Liaison is available to answer questions regarding the application process.
- 6.2** The City Council, serving as the HOT Funds Committee, may request that applicants present information and answer questions during the evaluation process. The authorized representative will be notified if their attendance is requested.
- 6.3** Ensure applications are complete and include all required documentation. Keep a copy of

your application for reference during post-event reporting.

6.4 The City Council makes the final funding decisions.

6.5 Approved funds must be spent according to state statute, City policy, and City Council terms. Funding is approved by event, not organization, and funds cannot be commingled between events or shifted between approved categories.

7.0 Financial Management and Reporting

7.1 Recipients of HOT funding must maintain financial records, including paid invoices/receipts, expenses, and documentation of funds received, for a period of three (3) years.

7.2 If an event is canceled, the authorized representative must notify the HOT Funds Liaison within 10 days and return unspent or ineligible funds. Permission must be requested from the City Council to repurpose funds for another approved event within the same fiscal year, request City Council approval in a public meeting.

7.3 Organizations have 60 days after the event concludes to complete their financial reporting by submitting the Post Event Form and supporting documentation to the HOT Funds Liaison and Finance Director. Uncleared checks expire in 180 days and will not be reissued.

7.4 Projects lasting more than 90 days require monthly financial reports in a register format (e.g., spreadsheet) detailing each expenditure, including transaction date, check/EFT number, payee, purpose, amount, payment status, and applicable HOT fund category. Additionally, quarterly performance reports detailing the project's progress and impact on tourism and the convention/hotel industry are required. These reports are submitted to the HOT Funds Liaison and Finance Director.

7.5 At least 25% of the profits of any event must be retained to be used for future costs of operating that same event or the continued operation of the project.

7.6 Any unclaimed or unused grant money will be forfeited post-event.

7.7 Expenditures for tokens of appreciation, volunteer recognition, and thank you cards/gifts do not qualify for project/event HOT Fund expenses.

8.0 Compliance and Oversight

8.1 The Authorized Representative of the funded organization is responsible for all communication with the City, primarily through the HOT Funds Liaison, ensuring compliance with this policy. The HOT Funds Liaison serves as a liaison for general inquiries regarding compliance.

8.2 Expenditure of HOT Funds does not grant approval for necessary permits, licenses, or adherence to Planning Department requirements. Organizations must obtain all required licenses and permits (e.g., for alcohol, fireworks, road closures) from the appropriate City departments (e.g., City Secretary Department) and may be required to provide a certificate of event insurance with specific coverage. Guidance on these requirements can be obtained from the City-Wide Event Planning Guide of the City of Sealy and the HOT Funds Liaison, who may obtain the information for the applicant.

8.3 Any mishandling of funds by the organization or the authorized representative will be presented to the City Council for determination of cure, or possible termination of event funding.

8.4 The HOT Funds Committee has the right to call for an audit of HOT fund expenses and financial records for a period of three (3) years to ensure compliance.

- 8.5 In case of cancelations/discounts/overbilling, any money refunded to the organization that originated as HOT funds shall be reported and returned to the City of Sealy. If a recipient has received advanced HOT funding, they are required to return funds to their HOT checking account.
- 8.6 No person is authorized to verbally override or modify this policy and procedures; changes require a vote of the HOT Funds Committee. The HOT Fund's decision and interpretation of the HOT statute regarding eligible expenditures is final.
- 8.7 Organizations agree to collect and report to the HOT Funds Liaison 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 visibly and comply with the State of Texas laws regarding the collection and reporting of sales tax.

9.0 Statement of Agreement

By accepting HOT funding, organizations agree to fully comply with the City of Sealy's HOT Funds Policy and Procedures. This includes using funds to directly promote tourism and support the convention and hotel industry by attracting visitors and overnight guests for the economic enhancement of the City. Funding cannot be rolled over or applied to events outside the approved fiscal year. This policy supersedes all previous City policies regarding HOT fund disbursement.

Statement of Agreement

I have read, understand, and agree to fully comply with the information provided to me within the City of Sealy HOT Funds Policy and Procedures. I agree to accept that the City's decision and interpretation of the (HOT) statute regarding what qualifies for HOT Funds expenditure/ reimbursement is final. I intend to use the funding for the event/project to directly promote tourism and support the convention and hotel industry by attracting visitors and overnight guests for the economic enhancement for the City of Sealy.

In situations including where an event is canceled or an amount is refunded that has already been reimbursed by the City, I agree to notify the City within 10 days and refund HOT funds where appropriate. I acknowledge that I am not able to rollover or otherwise take funding from one year and apply it to a prior or future event's expenses.

This policy replaces all previous policies adopted by the City regarding the disbursement of city HOT funds except as specifically noted in this policy.

Authorized Representative Signature

Date

Printed Name

Title and Organization

Summary of Changes: HOT Funds Policy Draft (Edits 05.02.25)
This table details the modifications made to the City of Seelye Hotel Occupancy Tax (HOT) Funds Program Policy draft, based on the edits dated May 2, 2025.

Section	Original Text/Context	Description of Change
1	Policy outlines requirements, procedures, criteria.	Added "guidance," specified "individuals making an application," and added "these funds" for clarity.
1	Local HOT tax rate: six percent (6%).	Updated/clarified the percentage notation for the tax rate.
1	Funding awarded as deemed appropriate by Committee & Council.	Added phrase "as defined below on a case-by-case basis" for context.
2	City Council: Oversight and final decision-making.	Explicitly defined the City Council's role as the HOT Funds Committee within the policy context.
2	Finance Director: Financial administration and oversight.	Explicitly defined the Finance Director's role as the HOT Funds Treasurer and added "reconciliation" to responsibilities.
2	Finance Director: Primary contact for financial inquiries.	Specified contact as "internal," clarified reporting to the Committee, and added oversight of reconciliation.
2	Exec. Director of ED&T: Day-to-day grant inquiries, applicant contact.	Explicitly defined the ED&T Director's role as the HOT Funds Liaison; minor grammatical adjustments ("for with").
2	Exec. Director of ED&T: Receives applications/reports, facilitates info flow.	Refocused role description, added "awardees," specified Committee Treasurer as points of interaction.
2	HOT Funds Liaison: Primary liaison for questions/assistance.	Added "City" for clarity and added responsibility for ensuring policy/statute alignment.
5	Annual Cycle Table: Liaison Availability Note	HOT Funds Liaison is available to applicants and awardees throughout the entirety of the process.
5	Annual Cycle Table: Application Window Note	Submission Deadline First Business Day in July
5	Annual Cycle Table: Award/Denial Letters Note	Letters sent no later than last day in August
5	Annual Cycle Table: Community-Wide App Note	submit at least 90 days prior
5	Annual Cycle Table: Post Event Form Note	If funded activity covers more than 90 days, the recipient must submit Quarterly reports within 30 days from the last day of the quarter.
5	May Activities: Committee reviews apps, formulates recommendations.	Clarified City Council acts as the Committee.
5	May Activities: Committee meets, reviews, interviews, prepares report.	Specified City Council performs these actions.
5	August Activities: Award/denial letters sent.	Added deadline constraint.
5	Post-Event Reporting: Submit Post Event Form within 60 days.	Introduced specific monthly/quarterly reporting for long projects, replacing the Post Event Form in those cases.
6	Applicant Presentations: Committee may request.	Clarified City Council acts as the Committee.
7	Audits: Finance Director or designee reserves right.	Added City Council to entities that can request documentation/audit.
7	Event Cancellation: Request repurposing from Committee.	Specified requests go to the City Council.
7	Refunds: Report to Liaison, return via Finance Director.	Added specific instruction for returning refunds when advance funding was involved.
7	Financial Reporting: Submit Post Event Form to Liaison.	Added Finance Director as a recipient of the Post Event Form.
7	Long Project Reporting: Submit reports to Liaison.	Added Finance Director as a recipient for long-project reports.
7	Predit Reinvestment: At least 25% of profits...	Rephrased the profit requirement, potentially broadening slightly while reiterating the 25% minimum for the subsequent event.
8	Communication: Authorized Rep communicates via Liaison.	Added Finance Director to the primary communication path.
8	Guidance: Obtain from Guide and Liaison.	Added clarification that the Liaison can actively obtain information for the applicant.
8	Audits: Right to audit by Finance Director, designee.	Clarified City Council (as Committee) has audit rights; corrected minor typo.
8	Policy Changes: Require vote of City Council.	Specified the vote is by the Committee (acting as Council).
8	Final Interpretation: City Council's decision is final.	Clarified the decision authority rests with the HOT Fund structure (Council/Committee).
8	Vendor Reporting: Report info to City via Liaison.	Added Finance Director as a recipient of vendor information.
9	Event Cancellation Notification: Notify Liaison.	Added Finance Director to the notification path for cancellations/refunds.

Current



City of Sealy

Hotel Occupancy Tax Funding

Policy and Procedures

VERSION 2.3

City of Sealy, Texas HOT Funds Policy and Procedures

Introduction & Goals

The intent of this document is to provide requirements, procedures, guidance, and criteria to organizations that wish to apply for funding from the City of Sealy Hotel Occupancy Tax (HOT) Funds Program.

Municipal hotel occupancy taxes are governed by Chapter 351 of the Texas Tax Code. Additional HOT Funds policies and procedures are established by the City of Sealy. The City wishes to make (HOT) funds available to qualified events/projects/activities/facilities in accordance with the State's Tax Code and the City's policy and procedures. The City of Sealy currently collects a Hotel Occupancy Tax. Contrary to 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 Sealy's tourism, convention and hotel industry.

Sealy Hotel occupancy tax (HOT) revenue is awarded in the form of one-time event/project grants and annual programs. The goal of the program is to provide grants to organizations that directly promote: tourism, the convention & hotel industry, and produce overnight visitors, while acting in the best interests of the City of Sealy within its city limits. HOT funding is meant to assist and support qualified events. City Council 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 Sealy's Hotel Occupancy Tax (HOT). The information has been divided into these sections:

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HOT Funds Annual Cycle

All Applicants are encouraged to meet with the City's Director of Finance as needed throughout the annual cycle to ensure the organization's expenses are in compliance with the terms of the program. The fiscal year starts October 1st and ends September 30th. The annual cycle is as follows:

- 1) For upcoming events, the City of Sealy's ***City-Wide Event Notification Form*** must be completed and submitted in compliance with the City-Wide Planning Guide. This application requires approval from the Chief of Police followed by City Council approval. The City of Sealy may require procuring and maintaining event insurance for the duration of the event.
- 2) **Beginning in the month of April:** The mayor appoints a City of Sealy HOT Funds Committee that is tasked with reviewing the current HOT Funds Policy and any changes to state law. The committee may also review prior years' experiences to make recommendations for improvements to the policy. A key responsibility of the committee is to ensure HOT Fund expenditures comply with state mandated category allocations and mandated funding ceiling and floor limits. Before participating, committee members will be required to familiarize themselves with the latest version of the Texas Tax Code Chapter 351 and the City of Sealy approved HOT Funds Policy to ensure proper execution of the program.
- 3) **No later than the last City Council meeting in May:** The HOT Funds Committee will present recommendations to City Council regarding the HOT Funds Policy and/or HOT Funds Application.
- 4) **The First (1st) Business Day in June:** Applications are available to organizations that wish to participate in the City of Sealy HOT Funds Program. Incomplete applications will not be accepted for review.
- 5) **The Second (2nd) Monday in July: Deadline to submit the City HOT Funds Application form.** All applications shall be completed and submitted via the below three options:
 - **By Mail:** City of Sealy- Attn. Director of Finance, PO Box 517, Sealy, TX 77474
 - **In person:** City Hall - 415 Main Street, Sealy, TX 77474
 - **By Email:** hotfund@ci.sealy.tx.us

To ask questions, please call 979-885-3511 and ask for the Director of Finance. The HOT Funds Committee is tasked with reviewing and making recommendations to City Council regarding budget and allocation of HOT Funds. The HOT Funds Committee meets and reviews applications and past performance of each event, conducts interviews, validates final numbers, and writes a report that makes funding recommendations to City Council.
- 6) **As part of the Budget Process:** City Council approves or denies HOT funding requests from Applicants, awards HOT funding amounts, and approves the method of HOT payment for the next fiscal year's event.
- 7) **During the month of October, upon City Council approval:** City Staff sends award/decline letters to applicants; as well as any other required forms, agreements or contracts needed to comply with the program.
- 8) **Throughout the year:** HOT Funds recipients conduct their approved event/project. Each event incurs expense and the hosting organization is responsible to reconcile any HOT funding received by that organization in the method approved by City Council. The city's preferred method of HOT Funds payments to recipients is reimbursement of actual expenditures.
- 9) **Within 60 days after the conclusion of the approved Event:** HOT fund recipients shall complete the Post Event Form. However, if the event/project period covers more than 90 days, recipients must submit Quarterly Reports to the Director of Finance within 30 days from the last date of the quarter.

(HOT) Program Information

- 1) By law of the State of Texas, the City of Sealy 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) The City of Sealy will accept applications from groups, non-profits and businesses whose programs or events qualify for use of hotel occupancy tax revenue funds. Applicants that have outstanding financial obligations to the City, or have an ongoing lawsuit against the City of Sealy are not eligible for HOT Funds.
- 3) Events will be considered for funding if the event takes place within the Sealy City limits. In order to be eligible for funding, the activity must directly promote tourism and the convention and hotel industry within Sealy City limits. A new event may not be eligible for HOT Funds.
- 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 the city 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 Sealy for items such as permitting or any Planning Department requirements, etc. The organization shall maintain all licenses, permits, as necessary, and the City of Sealy may require a certificate of insurance with specific coverage on events. Please inquire with the Director of Finance regarding licenses, permits, and event insurance. Also see page 14 for more details regarding insurance, permits, and licenses for alcohol, fireworks, RV or Circus event, 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 unspent or ineligible HOT Funds to the City of Sealy. Recipient may request permission from City Council in a public meeting to repurpose the money for another previously approved event taking place within the same fiscal year. Please email: hotfund@ci.sealy.tx.us or address letter to City of Sealy- Attn: Director of Finance, PO Box 517, Sealy, TX 77474.
- 7) Organization agrees to collect and report to the City of Sealy, 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 of Sealy, Texas. Event vendors are expected to post a sales tax permit in a manner that is visible to the public, as well as and comply with State of Texas laws regarding collection and reporting of sales tax.
- 8) Organization shall make efforts to minimize event parking and traffic impact, especially with regard to business parking lots and patronage. Such efforts may include arranging to transport hotel guest and others via shuttle from satellite parking locations to the event drop off/pickup points. (*Note) Category H signage funds (if approved) can be used to help fund signs that direct shuttle traffic. Organizations should demonstrate to City Council 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 from the conclusion of the event.** A Post Event Form is required for each funded event/project. The report will be reviewed by the City to determine how well the entity met its goals, and will be used in consideration of future hotel occupancy tax funding requests. If the event/project period covers more than 90 days, organizations must submit periodic and post event information in Quarterly Reports instead of the Post Event Form. Failure to complete said requirements will prohibit your organization from receiving HOT funds the following year.
- 10) **Projects lasting more than 90 days shall report to City Council quarterly.** These quarterly reports must be in a register-type format (i.e., spreadsheet), for both post event and periodic reporting, to account for the HOT funds, and in order to be eligible for future HOT funds. For each expenditure, the following information must be included with the report: Transaction Date, Check/EFT Number, Payee Name, Purpose of Expenditure, Dollar Amount Paid, if the payment has cleared or is outstanding, Applicable HOT Fund Category (A through H). If an organization receives advance funding, they are required to set up a separate HOT Funds checking account.
- 11) No person is authorized to act on behalf of the City to verbally override or modify the policies and procedures other than a vote of City Council.

Budgetary Items

- 12) Any unclaimed or unused grant money will be forfeited post event. HOT Funds that were paid upfront and were not used, or used for ineligible expenses shall be returned to the City of Sealy within 10 days of the event. Once an Event has concluded, the organization has 60 days to complete their request for funding. Any uncleared checks expire in 180 days, will not be reissued. However, the organization may make a **written** request to the City of Sealy to utilize the unexpended funds for another pre-approved HOT Fund related event within that same funding cycle. The request to City Council must then be approved by the City Council at a public meeting.
- 13) In case of cancelations/discounts/overbilling, any money refunded to the organization which originated as HOT funds shall be reported and returned to the City of Sealy. If a recipient has received advanced HOT funding, they are required to return funds to their HOT checking account.
- 14) 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 reserved
 - Number of hotel rooms actually booked
 - Event ticket prices (if fee was charged)
 - Event profit:
 - Calculation formula: Total sales/income – total event/project expenses = PROFIT.
- 15) 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 events. All paperwork shall be retained by the organization for a period of three years. The City reserves the right to ask for additional documentation and audit your HOT fund expense and reimbursement records. Upon the City's request, the organization shall make HOT fund expenditure-related records, including checks and invoices, available for inspection and review by City Council or any other authorized representative of the City.
- 16) 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 costs of conducting next year's event.

- 17) All event expenses are always subject to approval from the City of Sealy and are dispersed on a case-by-case basis. Details for funding eligibility can be reviewed on page 7.
- 18) Expenditures for tokens of appreciation, volunteer recognition, and thank you cards/gifts do not qualify for project/event HOT Fund expenses.
- 19) Any mishandling of funds by the organization or the authorized representative will be presented to City Council for determination of cure, or possible termination, of event funding.
- 20) In the case of an emergency disaster declaration by the State Governor or President of the United States in which they call for the suspension of the Hotel Tax collections the City Council reserves the right to make changes to the funding or application process in compliance with State law.

21) **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 Sealy. The following guidelines are provided to make applicants aware of the City's priorities when reviewing and evaluating the HOT Funds Application AND Post Event Form.

- Ability to provide a record of increased hotel or tourism and visitor's activity. Applicants should provide a record of the number of rooms nights used during previous years of the same event/activity/facility.
- Ability to provide projected and actual size of room blocks reserved at area hotels to accommodate overnight guests attending the funded event/activity/facility; room block must be differentiated between rooms for artist 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/project/facility. (Information can be found through surveys, guest directories, or other sources)
- Ability to quantify the projected and actual number of overnight stays at Sealy 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/project receiving funding from HOT funds was channeled back into the future costs of operating that same event or the continued operation of the project.
- Applicants are encouraged to utilize local businesses for materials, food, printing, etc.
- The City will prioritize funds to newer events which need seed money.

(HOT) Program Facts and Myths

HOT Fund Facts:

- FACT: This is tax revenue.
- FACT: The HOT Funds are designed to benefit HOTELS and tourism.
- FACT: The Legislature created approved funding categories.
- FACT: Every tax dollar awarded must be categorized—no LUMP Sums.
- FACT: Events and Projects are funded—NOT Organizations.
- FACT: The Legislature set the grant system up to favor CVB funding.
- FACT: The City has to distribute at least 14% to Advertising that promotes hotels.
- FACT: In 1977, the legislature started allowing up to 15% to go to the ARTS.
- FACT: In 2023, the legislature changed the maximum percentage to 15% for historical category.
- FACT: The City is required to report to the Texas Comptroller’s office an annual report showing to which categories the funding was distributed.

HOT Fund Misconceptions:

- MYTH: The City can distribute HOT Funds however it wants.
- MYTH: This is a grant program.
- MYTH: HOT Funds are designed to support charitable causes.
- MYTH: HOT Funds are designed to support community organizations.
- MYTH: HOT Funds are designed to provide scholarships & education.
- MYTH: Every applicant qualifies for HOT Funds.
- MYTH: The city has to spend all the money.
- MYTH: You can’t really spend it on anything other than events.
- MYTH: Organizations are awarded one lump sum.
- MYTH: HOT Funds are designed to fully fund events/projects.

HOT Fund’s 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 Policy. You should make yourself aware of the following criteria, restrictions and requirements.

Authorized Uses:

Eligible HOT Fund expenditures must meet the two requirements: **Requirement #1:** The State of Texas Tax Code Chapter 351 governs municipalities’ Hotel Occupancy Taxes. This tax code grant is not intended to help charities or noble causes. The authorized use of these funds is to **Directly** promote tourism **AND** the convention and hotel industry. Both aspects must be met.

Remember: “Heads in Beds”

The use of HOT Funds must meet Requirement #1 before being evaluated against Requirement #2.

Requirement #2: The Legislature has defined specific categories & criteria for qualified funding. The law requires the grant money to be allocated based on specific categories.

The Categories include:

- A. Convention Centers and Visitor Information Centers
- B. Convention Registrants
- C. Advertising and Promotions
- D. Promotions of the Arts
- E. Historical Uses
- F. Sports Facilities
- G. Funding Tourist Transportation/ Shuttles to Area Attractions
- H. Signage

When in doubt, you should consult with the City of Sealy’s Director of Finance to ensure the event’s expenditures meet the qualifications. The City’s determination of eligible expenditures will be final. If the event is awarded HOT Funds, all funding will be allocated into the following categories based on information reviewed in the organization’s application, post event reporting, media placements, and any follow-up questions/interviews.

Criteria for Each Category:

The list below provides detailed information of funding criteria, restrictions and requirements. This list is not exhaustive for your event/project/activity/facility.

CATEGORY A: 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.

CATEGORY A funds the establishment, improvement, or maintenance of a convention center or visitor information center. The Sealy Convention & Visitors Bureau is a visitor information center. This category includes salary for staffing the visitors center. If the staff performs both tourism functions, HOT should only be used proportionate to the percentage of time spent on tourism.

- The term “convention center” is defined to include civic centers, auditoriums, exhibition halls, and coliseums that are owned by the city or another governmental entity or that are managed in whole or in part by the city.

- To be eligible for HOT as a “convention center”, more than 50 percent of the bookings for the facility must have been to host conventions or meetings that directly promote tourism and the hotel and convention industry.
- A venue booked for weddings at least 50% of the year will bring in guests from out of town—thus it would qualify for HOT funds.
- Simply naming a facility a convention center or visitor information center does not automatically qualify the facility as a “convention center.”
- General civic buildings such as the city hall, local senior citizen centers or activity centers would not qualify as convention centers that could be funded by hotel tax.

CATEGORY B: Registration of Convention Delegates: the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;

Category B funds expenditures for administrative costs that are actually incurred for assisting in the registration of convention delegates or attendees. **This is generally an expenditure for larger cities that hold large conventions**, and includes covering the personnel costs and costs of materials for the registration of convention delegates or attendees.

CATEGORY C: 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;

Category C funds advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity. The marketing must directly promote the hotel & convention industry. This requirement includes all advertising formats. Event advertising must include promotion of hotel stay to be to be considered an eligible HOT Fund expense. Use of hotel chain logos will help tourists have an awareness of where they can stay. Hotel logos must be a reasonable size that the average person can notice and view. (No fine print) Suggestions to meet this requirement include: ensuring that area hotels are listed on tourism websites, radio ads which should include some phrasing such as: *"When the event is over, plan to stay with us. Make your reservation now at one of Sealy's hotels."*, paid “news coverage”/stories should include something like: *"The event organizer tells us that you'll definitely want to make a full day of it and get reservations to stay at one of Sealy's hotels."*, posters, flyers and billboards should include logos (contact Convention & Visitor’s Bureau if needed) and promotion of hotel stay such as the following (be sure to verify as current any contact info you use):



Newspaper ads must include promotion of hotel stay as noted above—unless the ad is so small that logos wouldn’t fit (1”x1”)—in which case the ad can simply say something like *"Book your hotel stay now"*.

CATEGORY D: Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:

Category D funds 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.

- Qualified funding includes but is not limited to:
 - Contract to book an entertainer/artist
 - Hotel accommodation costs for artist and/or crew
- The creation of an arts building would not qualify.

CATEGORY E: 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.

Category E funds enhance 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 that are likely to attract tourists* and hotel guests.

- It is not enough that a project or activity event merely be historical in nature; Texas law requires that the historical related expenditure also directly promote tourism and the hotel and convention industry.
- A project such as historical placards that describe historical objects/building qualifies as a historical preservation effort.

CATEGORY F: Sporting Event Expenses that Substantially Increase Economic Activity at Hotels:

Category F funds expenses include promotional expenses, directly related to a sporting event in which:

- The majority of participants are tourists* (see page 10 for definition). The total athletes and number of tourist athletes participating should be submitted based on registration data collected.
- The event must substantially increase economic activity at hotels within the city or its vicinity.
- RV park stays are not hotel stays
- CATEGORY F funding reimbursement may vary depending on the number of sporting event participants who show up. For this reason, some funds may remain unclaimed.
- CATEGORY F funding cannot be used for local sporting activity such as Little League, intramural sports, etc., except in the case of regional, state or national tournaments.
- CATEGORY F has very specific criteria and **does NOT** include infrastructure items such as fencing, scoreboards, etc. In general, the types of game-related items covered only exist during your event: *Examples include: Umpire Fees, Tournament Software and Coordinator Fees, Sanction Fees, Award Expenses*

CATEGORY G: Funding transportation of tourists* from hotels to attractions:

Originally enacted in 2007 and amended in 2023, the Texas Legislature authorized the use of city hotel occupancy tax revenue for any sized city to cover the costs for transporting tourists* from hotels to and near the city to any of the following destinations:

- the commercial center of the city
- a convention center in the city
- other hotels in or near the city
- or 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. In 2023 the Texas Legislature repealed Sec. 351.110(b) which had required that the transportation system that transports tourists be owned and operated by the municipality. Applicants can now request funds in Category G for the transport of hotel guests to and from an attraction. This would include a shuttle circuit that includes numerous hotel stops and only one (1) attraction stop. The transportation system must be primarily used by tourists*. The statute language describes travel from hotel to destination and **does not describe** variations such as:

- transporting event attendees from satellite parking lot to an event
- a shuttle circuit for event attendees that stops at multiple attractions and includes a hotel stop

CATEGORY H: Funds signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

- Examples of signs that qualify include:
 - Those that would be placed at Sealy hotels to direct guest to a shuttle pickup point
 - Those that would be placed at shuttle pickup/drop-off points at the event
 - Those that would direct hotel guest where parking is allowed and not allowed
 - Those that would help tourists navigate event locations- such as numbers or letters for booths that correlate to an event site map
 - Yard signs made of coroplast with wire stakes, such as those used for political campaigns are acceptable
 - A permanent highway sign along IH-10 which says *"State Historic Museum, 1 mile"*

External signs directing tourists, such as those near the street, should be made of weatherproof material, and use mounting mechanisms that are weather resistant. If possible, use generic verbiage so that signs could be used again for future events. For example: **Avoid** using specific dates, years, or pricing:

"ArtFest Parking \$20.00"

"ArtFest 2016 Shuttle Pickup"

Examples of signs that would **NOT** qualify include:

- Signage directing vendors, volunteers, delivery trucks or back-stage participants
- Signs showing the price of event admission or products

Do not use poster board and permanent marker and put the sign in a bucket with bricks

** Tourist is defined as "an individual who travels from the individual's residence to a different municipality, county, state, or country for business, pleasure, recreation, education, or culture".*

The table below demonstrates how an event's HOT Funds may be distributed by City Council and presented in the funding approval letter. Funds may not be commingled with other categories or other events.

Category	Summary Description	Grant Amount
A	Funding the establishment, improvement, or maintenance of a convention center or visitor information center .	\$
B	Paying the administrative costs for facilitating convention registration .	\$
C	Paying for advertising, solicitations, and promotions that attract tourists* and convention delegates to the city or its vicinity.	\$
D	Expenditures that promote a variety of art-related programs that also promote tourism and local hotel and convention activity.	\$
E	Enhance 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 that are likely to attract tourists* and hotel guests.	\$
F	Funding sporting events that substantially increase economic activity at hotels including promotional expenses, directly related to a sporting event in which the majority of participants are tourists*.	\$
G	Funding transportation of tourists* from hotels to attractions via transportation system	\$
H	Signage directing tourists* to sights and attractions that are visited frequently by hotel guests in the municipality.	\$

If in doubt, contact the City of Sealy's Director of Finance before making the expenditure. If you have any questions about this grant, please do not hesitate to contact us at hotfund@ci.sealy.tx.us or by phone at 979-885-3511.

The (HOT) Application Information

- 1) Applications are available from the City of Sealy on the first business day in June. Applications must be submitted no later than the second (2nd) Monday in July. Please request and submit applications:
 - By Mail: City of Sealy- Attn: Director of Finance, PO Box 517, Sealy, TX 77474
 - In person: City Hall 415 Main, Street Sealy, TX 77474
 - Email: hotfund@ci.sealy.tx.us
- 2) The City considers applications for events, projects, activities, or facilities which meet the State of Texas Statute regarding HOT Funds, which includes: the necessary **Requirement #1** of **Directly** promoting tourism **AND** the convention and hotel industry, as well as the **Requirement #2** of fitting into one or more of the listed categories (on page 7)
- 3) The consideration of HOT Funds requests will take place once a year through a formal process. During the evaluation process, applicants may be asked to present information and answer questions from the HOT Committee and/or City Council. If the organization's attendance is requested, the authorized representative will be notified one week prior to the meeting when practicable. Please ensure completeness of the Application and include all required documentation as listed.
- 4) The Event/project/activity/facility shall abide by the City of Sealy's HOT Funds Policy and Procedures and meet the General Eligibility requirements identified in the section: Eligibility (page 7). If an event will not generate any meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds.

Keep a copy of the application, it will be a reference when reporting post event information.

Please return completed application with necessary attachments and signature to the City of Sealy by the application deadline. If you have any application questions, please contact the Director of Finance at hotfund@ci.sealy.tx.us or 979-885-3511.

Notification of Funding Decision

- 1) Applicants receive notification of event funding after City Council makes determinations. City Staff 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 per category that may be expended. A letter of denial will outline the reason(s) HOT Funds were not awarded.
All HOT expenditures must meet **Requirements #1 and #2**: Please see page 7 for more information.

Approval Letter

- 2) The approved Event’s grant money must be spent according to the terms specified by the State Statute, the City of Sealy, and City Council. When in doubt, you should consult with the City of Sealy’s Director of Finance with questions to ensure your expenditures qualify. The City’s determination will be final. The law requires the grant money to be allocated based on specific categories. Your approved funding was allocated into categories based on information you provided in your Application, Post Event Report and follow-up questions/interviews.
- 3) Recipients who received an Approval of Funding Letter will also receive the **Request for Funding Form** and the **Post Event Form**.
 - Recipients shall submit one **Request for Funding Form** per invoice. The Request for Funding Form is used for the reconciliation of qualified HOT Funds expenses.
 - All entities that are approved for HOT Funds must complete and submit the **Post Event/Report Form** within 60 days of the conclusion for each funded event/project. The report will be reviewed by the City to determine how well the entity met its goals and will be used in consideration of future hotel occupancy tax funding requests. If the event/project period covers more than 90 days, projects must submit periodic and post event information in Quarterly Reports instead of the Post Event Form.
- 4) During Event progression please keep financial records available as outlined in the Sealy HOT Policy and Procedures (page 5)

Budget Items

- 5) Approvals for HOT Funds are by EVENT—not ORGANIZATION. If approved for more than one event, you cannot commingle expenses or funding between events.
- 6) Due to category caps, funding shall be expended as directed by City Council (found in the Notification of Funding document), and cannot be shifted from one category to another.

For any questions/concerns please contact email: hotfund@ci.sealy.tx.us or by phone 979-885-3511.

Event Insurance, Permits & Licenses

Event Insurance

The City of Sealy may require event insurance. Please check with the City of Sealy's Director of Finance regarding insurance coverage for all events, projects, and activities.

Permits & Licenses

Please contact the City Secretary Department for details regarding road closures permits and licenses and such as: Alcohol, Fireworks, Overnight RV Stays in City Parks, Circus and Event Permits. There may be additional fees for these items. hotfund@ci.sealy.tx.us PHONE: 979-885-3511

City of Sealy Hotel Occupancy Tax Policy and Procedures Version 2.3

Statement of Agreement

I have read, understand, and agree to fully comply with the information provided to me within the City of Sealy HOT Funds Policy and Procedures. I agree to accept that the City's decision and interpretation of the (HOT) statute regarding what qualifies for HOT Funds expenditure/ reimbursement is final. I intend to use the funding for the event/project to directly promote tourism and support the convention and hotel industry by attracting visitors and overnight guests for the economic enhancement for the City of Sealy.

In situations including where an event is canceled or an amount is refunded that has already been reimbursed by the City, I agree to notify the City within 10 days and refund HOT funds where appropriate. I acknowledge that I am not able to rollover or otherwise take funding from one year and apply it to a prior or future event's expenses.

This policy replaces all previous policies adopted by the City regarding the disbursement of city HOT funds except as specifically noted in this policy.

Authorized Representative Signature

Date

Printed Name

Title and Organization



Hotel Occupancy Tax Application for Funding

Please fill out Application clearly and completely; submit to the City of Sealy by the second (2nd) Monday in July. Be sure to keep a copy for your records.

Based on the application, previous year's Post Event Report, and any other information given to the City from questions and interviews, the HOT Funds Committee will make a recommendation regarding funding to the City Council. The Sealy City Council will make the final decision on your request.

Event Information

Name of Event or Project: _____

Date of Event or Project: _____

Primary Location of Event or Project: _____

Amount Requested: \$_____

Total projected cost of event \$_____

What is the total projected amount of funds that will be rolled over to fund next year's event? It must be at least 25% of the profit from the event. \$_____

If the event is awarded funds, how will the funds be used? What types of costs will be covered?

Primary Purpose of Funded Activity/Facility/Project:

Organization Information

Name of Organization: _____

Address: _____

City, State, Zip: _____

Contact Name: _____ Contact Phone Number: _____

Web Site Address for Event or Sponsoring Entity: _____

Non-Profit or For-Profit status*: _____ Tax ID #: _____

Entity's Creation Date: _____

Purpose of your organization: _____

* Non-Profit applicants must provide proof of current IRS 990 filing.

Which Category or Categories Apply to Funding Request, and Amount Requested Under Each Category: Please also refer to the HOT Funds Policy and Procedures for further detail on each category below.

- A) **Convention Center or Visitor Information Center:** construction, improvement, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both. Amount requested under this category: \$_____

- B) **Registration of Convention Delegates:** furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants. Amount requested under this category: \$_____

- C) **Advertising, Solicitations, Promotional programs to attract tourists and convention delegates** or registrants to the municipality or its vicinity.
Amount requested under this category: \$_____

- D) **Promotion of the Arts that Directly Enhance Tourism and the Hotel & 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. Amount requested under this category: \$_____

- E) **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.** Amount requested under this category: \$_____

- F) **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.**

Amount requested under this category: \$_____

How many individuals are expected to participate in the sporting related event? _____

How many of the participants at the sporting related event are expected to be from another city or county? _____

Quantify how the sporting related event will substantially increase economic activity at hotels within the city or its vicinity? _____

- G) Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations: 1) the commercial center of the city; 2) a convention center in the city; 3) other hotels in or near the city; and 4) tourist attractions in or near the city. Amount requested under this category: \$_____

What sites or attractions will tourists be taken to by this transportation?

Will members of the general public (non-tourists) be riding on this transportation? _____

What percentage of the ridership will be local citizens? _____

- H) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality. Amount requested under this category: \$_____

What tourist attractions will be the subject of the signs? _____

Questions for All Funding Request Categories:

**It should be noted that overnight stays within Recreational Vehicles and RV Parks are not counted as HOT.*

1. How many years have you held this Event or Project? _____
2. Number of days of Event _____ Timing for each day: _____
3. Expected Event Attendance: _____
4. How many people attending the Event or Project are anticipated to use Sealy hotels? _____
5. Total number of room nights attendees are anticipated to stay in Sealy hotels: _____
6. Do you reserve a room block for event attendees, (not artist/performers) at an area hotel?

YES NO

7. If so, for how many rooms and at which hotels (Event attendees only)? _____

8. Differentiate the numbers of hotel night stays between rooms for artists/performers and room blocks for event attendees.

- Number of hotel nights for artists/performers _____
- Number of hotel nights for event attendees _____

9. Project the percentage of those in event attendance that are staying at area hotels/lodging facilities? The percentage shall not include RV night stays. _____

10. List, over the last three years of the event’s history, the financial amount of assistance given from HOT Funds from the City of Sealy and the number of hotel room nights generated:

Month/Year Held	Assistance Amount	Total Number of Hotel Nights Generated
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. Will you negotiate a special rate or hotel/event package to attract overnight stays?

YES NO

12. How will you measure the impact of your event on area hotel activity (e.g.; room block usage information, survey of hoteliers, attendee survey, etc.)?

13. Please list other organizations, government entities, and grants that have offered financial support to your project:

14. Will the event charge admission? YES NO

15. Do you anticipate a net profit from the event? YES NO

16. If there is a net profit, what is the anticipated amount \$ _____

17. What is the anticipated use of the net profit from the event?

18. If the Event is applying for funds from Category C, please list all promotion efforts your organization is coordinating for this year's event and the amount financially committed to each media outlet.

Newspaper: \$ _____

Radio: \$ _____

TV: \$ _____

Other Paid Advertising: \$ _____

Number of Press Releases to Media: _____

Number Direct Mailings to out-of-town recipients: _____

Other Promotions

19. What marketing initiatives will you utilize to promote hotel and convention activity for this event?

20. What geographic areas does your advertising and promotion reach?

21. Will you include a link to the Convention and Visitor's Bureau or other source on your promotional handouts and in your website for booking hotel nights during this event? <https://discoversealy.com>

YES NO

Any other sources? _____

22. How many individuals will your proposed marketing reach who are located in another city or county (most media offerings can provide this information? _____)
23. If the funding requested is related to a permanent facility (e.g. museum, visitor center): Expected Attendance Monthly/Annually: _____ Monthly _____ Annually Percentage of those in attendance that are staying at area hotels/lodging facilities (number shall not include RV night stays): _____%
- 24.

Supplemental Information Required with Application:

- Community Event Form
- Proposed Marketing Plan for Funded Event
- Schedule of Activities or Events Relating to the Funded Project
- Submit a list of the event's agenda with all pricing documentation

Please Submit Application no later than the first Monday in June to:

CITY OF SEALY
ATTN: DIRECTOR OF FINANCE
PO BOX 517
415 MAIN STREET
SEALY, TEXAS 77474
hotfund@ci.sealy.tx.us
PHONE: 979-885-3511



**CITY OF SEALY
HOTEL OCCUPANCY TAX FUNDING**

Acknowledgement Form

City of Sealy Hotel Occupancy Tax Policy and Procedures

Statement of Agreement

1. I fully understand and agree with the Hotel Occupancy Tax Use Policy and Procedures, and HOT Fund's application process established by the City of Sealy; and acknowledge receipt of the Current Policy.
2. I intend to use the funds for the aforementioned event/project/facility to advance the efforts of the City of Sealy in directly enhancing and promoting tourism and the convention and hotel industry by attracting visitors and hotel guests from outside the area.
3. If the event reflects a profit, 25% of the profit must be retained as seed money for future events.
4. I have been provided the opportunity for training from the City of Sealy's Director of Finance regarding the HOT Funds policy and process.
5. I understand I must provide a designated point of contact person for the City of Sealy's Director of Finance to reach out to with any questions or financial information requests.
6. I understand that if awarded the reimbursement method, I will not receive any funding until the Post Event Form and all required paperwork are submitted.

I acknowledge that the information provided in this application is true and correct.

Authorized Signature

Date

Printed Name

Title and Organization



CITY OF SEALY
HOTEL OCCUPANCY TAX FUNDING

Post Event Form

All entities that are approved for HOT Funds must submit a Post Event Form within 60 days of the conclusion of each funded event. The report will be reviewed by the SEALY CITY COUNCIL to determine how well the entity met its goals and be used in consideration of future hotel occupancy tax funding requests.

Date: _____

Event Information

Name of Event or Project: _____

Date(s) of Event or Project: _____ (length of event)

Primary Location of Event or Project: _____

Event Contact Name: _____ Event Contact Phone Number: _____

Amount of HOT Funds Requested: \$ _____

Amount Received: \$ _____ Amount of HOT Funds expended for event: \$ _____

How were the funds used? What types of costs were covered? _____

How many years have you held this Event or Project? _____

Organization Information

Name of Organization: _____

Address: _____

City, State, Zip: _____

Contact Name: _____ Contact Phone Number: _____

Web-site address for event or organization _____

Event Funding Information

1. What was the total cost of the event? \$ _____

2. How much revenue came in from the event? \$ _____

3. Did the event charge admission? YES NO

4. If the event charged admission, what is the breakdown of the varying admission cost for the event, and how many admitted in each variation?

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

5. Was there a net profit from the event? YES NO

To be calculated as Total sales/income – total event/project expenses = PROFIT).

6. If there was a net profit, what was the amount and how is it being used?

Net Profit \$ _____

Dollar amount channeled into next year's event, must be at least 25% of profits _____

How will the remaining net profit be used? _____

7. Actual percentage of funded event costs covered by hotel occupancy tax: _____

8. Actual percentage of facility costs covered by hotel occupancy tax (if applicable): _____

9. Actual percentage of staff costs covered by hotel occupancy tax (if applicable): _____

10. If staff costs were covered, estimate of actual hours staff spent on funded event:

Total number of Staff _____

Total number of hours put toward tourism _____

Event Attendance Information (If applicable)

1. How many people did you predict would attend this event? (number submitted in application):

2. What would you estimate as the actual attendance at the event? _____

3. How many room nights were generated at Sealy hotels by attendees of this event (not including artist or performers)?

Total Room nights generated _____ X \$150.00 per night = HOT Funds
generated \$ _____

What hotels/motels were the room nights generated by event attendees (not artist/performers)?

4. How many nights did event attendees stay? _____

5. What method did you use to determine the number of people who booked rooms at Sealy hotels (e.g.; room block usage information, survey of hoteliers, attendee survey, etc.)?

6. Was a room block established for this Event at an area hotel (hotels), and if so, did the room block fill? _____

7. If the room block did not fill, how many rooms were picked up? _____

8. Did you negotiate a special rate or hotel/event package to attract overnight stays? YES NO

9. If this Event has been funded by hotel occupancy tax in the last three years, how many room nights were generated at Sealy hotels by attendees of this Event or Project?

Last Year _____

Two Years Ago _____

Three Years Ago _____

Event Promotion Information

1. Please document all efforts your organization actually used to promote this Event by indicating how much was actually spent in each media outlet:

Newspaper: \$ _____

Radio: \$ _____

TV: \$ _____

Other Paid Advertising: \$ _____

Number of Press Releases _____

Number Direct Mailings to out-of-town recipients _____

Other Promotions _____

2. Did you include a link to the Convention and Visitor's Bureau or other source on your promotional handouts and in your website for booking hotel nights during this event? _____
3. What new marketing initiatives did you utilize to promote hotel and convention activity for this Event?

Additional Event Information

1. Did your event require vendors to turn in a tax identification number? YES NO
2. Did the Vendors who participated in the event collect sales tax? YES NO
3. What Sealy businesses did you utilize for food, supplies, materials, printing, etc.?

Sporting Related Events

1. If the Event funded by hotel occupancy tax was a sporting-related function/facility, how many individuals actually participated in this event? _____
2. If the event was a sporting-related function/facility, how many of the participants were from another city or county? _____
3. Attach data collected from the sports event criteria: a count of the registered players from out of town, and cities they traveled from.
4. If the event was a sporting-related function/facility, quantify how the activity substantially increased economic activity at hotels within the city or its vicinity?

Please attach the following to this form:

- Ensure that unused or ineligible HOT Funds were submitted by check to the City of Sealy 10 days after the conclusion of the event. If the organization wishes to utilize the unexpended funds for another HOT Fund related event/project that has already been approved for funding in the current fiscal year (Sept. 30 - Oct. 1) provide a written, signed request to the City of Sealy for City Council consideration.
- Attach data collected from the sports event criteria: a count of the registered players from out of town, and cities they traveled from.
- Please attach samples of documents showing how Sealy, Sealy hotels, and the Convention and Visitor's Bureau was recognized in your advertising/promotional campaign.
- Please attach samples 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.

I acknowledge that the information provided in this form and on the attachment(s) is true and correct.

Authorized Signature

Date

Printed Name

Title and Organization

This must be submitted no later than 60 days after the conclusion of event or project to:

CITY OF SEALY
ATTENTION: DIRECTOR OF FINANCE
PO BOX 517
415 MAIN STREET
SEALY, TEXAS 77474
hotfund@ci.sealy.tx.us
PHONE: 979-885-3511