



## CITY OF MANSFIELD GUIDELINES FOR REQUESTING HOTEL/MOTEL OCCUPANCY TAX FUNDS

### **PURPOSE**

The City of Mansfield is calling for proposals for tourism-related projects that are specifically designed to *attract overnight visitors* to the area. The City will provide grants from the Hotel/Motel Occupancy Tax revenue generated within the Mansfield city limits. The City accepts applications from organizations seeking funds to be used in the development and promotion of tourism-related activities that are designed to promote tourism and attract overnight visitors in the City of Mansfield.

### **GENERAL INFORMATION**

The City's use of funds collected through the Hotel/Motel Occupancy Tax is governed by Chapter 351 of the Tax Code. The funds primary use is intended to benefit the convention and hotel industries through the promotion of tourism to the City. The allocation of funding is premised on the City's population and the existence of funds for the acquisition of sites for convention center facilities and/or visitor information centers. The following determinations and definitions apply to the application of Hotel/Motel Occupancy Tax funds as of the date of this document.

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

There is a two-part test that each expenditure of local Hotel/Motel Occupancy Tax must meet to be valid:

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

Part Two: Each expenditure of the Hotel/Motel Occupancy Tax must clearly fit into one of the statutorily provided categories for expenditure of local Hotel/Motel Occupancy Tax revenues, which are defined below.

Use of the approved Hotel/Motel Occupancy Tax funds, **MUST** by law, directly enhance and promote tourism and the convention and hotel industry, **AND** fall within one of the statutorily provided categories.

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

**Visitor Information Center.** Funds may be used 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.

**Furnishing of Facilities and Registration of Visitor.** Funds may be used for the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants.

**Advertising, Promotional Programs and Activities.** Funds may be expended for advertising, conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity.

**Arts Promotion.** Occupancy tax funds may be used for the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.

**Historical Restoration and Preservation.** Funds may be used for 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. (As of the date of this document the City has not dedicated any reserve funding to the acquisition of a convention center or visitor facilities and as such may not allocate more than 50% of the occupancy tax revenue).

**Tourist Transportation Systems.** Funds may be used to transport the attendees to different tourism venues. In 2007, the legislature authorized the use of city hotel tax 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
- tourist attractions in or near the city

## **ELIGIBILITY**

As required by State statute all projects must encourage and promote use of Mansfield hotels and motels through the enhancement and promotion of tourism, convention and the hotel industry. (Tax Code 351.1033).

## **SELECTION GUIDELINES**

The guidelines below will be considered when making award determinations. The weight given to each of these guidelines will be determined by the selection committee which consists of three (3) current City Council members as appointed by the Mayor. The selection committee will decide whether the proposed request and its associated event or activity:

- meets the standards of the law, with advisement of the city attorney;
- is a high quality event;
- attracts overnight visitors to Mansfield;
- promotes tourism and a positive local economic benefit to the efforts of this program;
- is a Special Event or a Sporting Event.

The selection committee will make a recommendation to City Council for final approval. In making such recommendation, the Council sub-committee should attempt to make its award with the following percentages as a guideline for each category:

Special Event	20%
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Sporting Event	12%
Arts Promotion	3%
Tourism	40%
Historical Preservation	10%
Reserve	15%

## **DEFINITIONS**

1. Special Event – for the purpose of Hotel/Motel Occupancy Tax (“HOT”) funds is a one-time event that promotes tourism and the hotel industry in Mansfield in other words, the ability to generate overnight visitors to the city.
2. Sporting Event – for the purpose of Hotel/Motel Occupancy Tax (“HOT”) funds is defined as a one-time event which substantially increases economic activity at hotels; includes promotion expenses directly related to a sporting event in which the majority of participants are tourists.

## **HOW TO FILE**

To be considered by the selection committee, each application must follow the filing requirements below:

1. The deadline for applications is 5:00 pm on the last business day of July. Applications shall be received by the City Secretary’s Office at 1200 East Broad Street, Mansfield, Texas 76063.
2. A point of contact for each application must be clearly identified.
3. Organizations will receive official notification of awards by mail or e-mail.
4. Organizations must submit one (1) original and ~~ten~~ **twelve** ~~(10)~~ **(12)** complete copies of each grant application.
5. Each organization must submit the following documents to be included with the application:
  - list of current board of directors and officers (if applicable)
  - a statement of long range goals (for the organization)
  - a statement of long range goals for the activity to be funded
  - a current budget for the organization
  - a current budget for the tourism-related activity for which funding is sought

## **REQUIREMENTS FOR GRANT RECIPIENTS**

### **1. Limitations**

Each organization is required to show a cash/in-kind contribution for the amount awarded. Each applicant may apply for no more than three (3) projects in any one year. Each project must be submitted separately. A project is 1) a single event, performance and/or activity; or 2) a series of events, performances or activities that are related; which are ***promoted, marketed and/or perceived by the selection committee*** to be a single, integrated event, performance or activity for the purpose of bringing outside visitors to Mansfield hotels.

All grant monies must go directly to the activities associated with the project. Projects must be completed and all funds expended within the City’s fiscal year ending September 30, unless prior written authorization from the City Manager and the Director of Business Services.

All funds disbursed under the Act must have a direct correlation to the event and must be clearly established within the agreement between the agency and the City.

Any payment of administrative costs must be directly related to the event or authorized expenditure and must be set forth in the initial application to the City Council, approved by the City Council and incorporated into the written agreement with the recipient agency.

All expenses approved by the City Council for an event will be considered on the basis of the City's fiscal year and must be incurred and encumbered by the applicant within the City's fiscal year. All requests for reimbursement must be presented to the City not later than 45 days after the conclusion of the event.

The application includes

- Post Event Tracking Form
- Hotel Tracking Form
- Each applicant shall submit a Request for Projects (RFP) on the Tourism webpage ([www.mansfieldsgotgame.com](http://www.mansfieldsgotgame.com)) and is required at the time of the application. Failure to do so may result in disqualification for the following year and/or a reduction in any amount approved.

Failure to turn in these forms within 45 days may result in disqualification for the following year and/or a reduction in any amount approved. Any request for an extension must be accompanied with an adequate explanation for the delay and a date certain when said form shall be submitted. Such request should be submitted to the City Secretary's Office for approval.

The Tourism Department Manager is available to assist you and can guide you to optimize the effectiveness of your event as it relates to the purpose of increasing tourism.

All applicants are required to attend **mandatory** pre-application training with the Tourism Department to learn about the optimal use of the funding timelines and legal requirements for use of the funds.

**It is mandatory that all applicants make a presentation before the City Council during the public hearing process. The presentation can be made at either the 1<sup>st</sup> or 2<sup>nd</sup> public hearings by the applicant or their designee.**

Special Event funding events have a three year cap, unless hotel stays increase, or otherwise approved by the selection committee. The event should be producing growth in hotel stays within three years. If the event does not increase hotel stays in three years, it may be considered a community event and become ineligible for funding.

Funds will only be disbursed in compliance with the written agreement with the agency receiving the funds that the agency is in agreement and accountable to all provisions of the act and State law.

## **2. Reporting & Records**

In order to receive reimbursement for the allocated monies awarded to your organization, the following four (4) forms are required documentation and must be submitted to the City Secretary's Office:

- Post Event Summary Form

- Reimbursement Request
- Visitor Impact Statement
- Hotel Tracking Form

No reimbursement will be honored by the City without an invoice or receipt along with acceptable proof of payment which shall be in the form of a canceled check(s), bank statement, or other proof of payment as required by the City of Mansfield.

All reimbursement requests will be reviewed in strict adherence to the Tax Code of the State of Texas, Chapter 351 (the “Act”), dealing with legally eligible expenses and the contract between the City and the recipient agency.

Payment and determination by the City of the validity of an expense will be the sole right of the City and is not considered “authorized” until a reimbursement request has been submitted and approved.

Keep separate accounting records and do not commingle funds.

By signing this agreement, you are granting permission for City auditors to review your accounting records of this organization’s event. **In order to be eligible to receive funds, Applicant must execute and return the signed Agreement to the City Secretary’s Office no later than thirty (30) days upon receipt of same from the City Secretary’s Office.**

*Pursuant to Tax Code § 351.108.*

#### **RECORDS.**

*(a) A municipality shall maintain a record that accurately identifies the receipt and expenditure of all revenue derived from the tax imposed under this chapter.*

*(b) A municipality or entity that spends revenue derived from the tax imposed under this chapter shall, before making an expenditure, specify in a list each scheduled activity, program, or event that:*

- (1) is directly funded by the tax or has its administrative costs funded in whole or in part by the tax; and*
- (2) is directly enhancing and promoting tourism and the convention and hotel industry.*

### **3. Modification of Projects**

Any modifications or alterations in the projects must be submitted in writing to the City of Mansfield for approval.

### **4. Acknowledgements**

The Hotel/Motel Funds are administered by the City of Mansfield.

**If your project is selected, the City of Mansfield may require to be listed as an EVENT SPONSOR of your event or activity. Organizations shall comply with the following request for acknowledgement of sponsorship:**

1. Include the line “This project was made possible, in part, by a grant from the City of Mansfield” in press releases and other literature;
2. All use of city logos shall be submitted in writing to the City of Mansfield for approval;

3. Promotional pieces submitted to media outlets shall be submitted simultaneously to the City of Mansfield;
4. Each promotional piece must have an organization telephone number that can be called for more information;
5. Provide a website address for those seeking more information;
6. Follow other/additional requirements as put forth in the award notification letter;
7. Advertise Mansfield hotel properties and have a Group Code listed on all advertisements.

Note: If an event/activity is being funded retroactively, acknowledgement should be included on any follow up press releases, websites or e-mails.

## **5. Liability**

Award recipients agree to indemnify and hold harmless the City of Mansfield staff, volunteers, its employees and its agents, and City Council, in connection with any action, claim, lawsuit, charge, or proceeding, including but not limited to any civil action, based upon and/or arising out of the recipient's use of the funds provided by the City of Mansfield pursuant to this contract. Any recipient of funds shall carry liability insurance for the event or activity, for which they are receiving funding from hotel-motel funds, and shall include the city, employees and officers as additional insured.

All funds received from the City under the Act or authorization of the City Council are subject to the Texas Public Information Act and audit rights of the City of Mansfield.

## **6. Penalty**

Failure to comply with these requirements may result in forfeiture of final payments, required reimbursements and/or disqualification from consideration of future applications. If you have any questions regarding any aspect of the City of Mansfield Hotel/Motel Funds Program, call 817-276-4204.

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Amended \_\_\_\_\_