



## CITY OF DRIPPING SPRINGS

### LOCAL HOTEL OCCUPANCY TAX GRANT FUNDING PROGRAM

---

By law of the State of Texas, the City of Dripping Springs, Texas, collects a Hotel Occupancy Tax (HOT) from hotels, bed & breakfasts, and other lodging facilities. Under state law, HOT revenue may be used only to directly promote tourism and the hotel and convention industry. **Chapter 351 of the Tax Code states that the use of HOT funds is limited to:**

- 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;
- b) **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- 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;
- d) **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.
- 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.
- f) **Sporting Event Expenses that Substantially Increase Economic Activity at Hotels:** Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity.
- 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; or
  - 4. 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

- h) **Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.**
- i) **Promotion and preservation of dark skies:** Construction and maintenance of infrastructure and the purchase and installation of hardware that reduces light pollution and sky glow.

The City of Dripping Springs, Texas, accepts applications from organizations and businesses whose program fits into one or more of the above categories. All requests for funds should be submitted in writing accompanied by the official application by **April 7th, 2023**. The application will be reviewed by the Hotel Occupancy Tax Grant Program Application Review Committee at the earliest possible regularly scheduled meeting. The applicant may be asked to be present at the meeting to answer any questions regarding the application. Applicants will be notified one week prior to the meeting of the time and place for the review.

Based on the application, the Hotel Occupancy Tax Grant Program Application Review Committee will make a recommendation to the City Council. The City Council will make the final decision on your request.

Priority will be given to projects and events based on their ability to generate overnight visitors to Dripping Springs. The requested amount should not exceed more than 50 percent of the gross amount of hotel night revenue predicted to be created by your event. Events can demonstrate this potential to generate overnight visitors by:

- a) **historic information on the number of room nights used during previous years of the same events;**
- b) **current information on the size of a room block that has been reserved at area hotels** to accommodate anticipated overnight guests attending the funded event;
- c) **historical information on the number of guests at hotel or other lodging facilities that attended the event (through surveys, guest directories, or other sources); and/or**
- d) **examples of the planned marketing of the programs and activities that will likely generate overnight visitors** to local lodging properties from this event.

Along with the application, please submit the following:

- Proposed Marketing Plan for Funded Event/Project
- Schedule of Activities Relating to the Funded Event/Project
- Board of Directors Contact Information
- Proof of Non-Profit Status (if applicable)
- Proof of Registered Business (obtained through Secretary of State)

**Submit Completed Applications to:**

**By Mail:**

City of Dripping Springs  
Attn: City Administrator  
PO Box 384  
Dripping Springs, TX 78620

**In Person to:**

City of Dripping Springs  
City Hall  
511 Mercer Street  
Dripping Springs, TX 78620

**By Electronic Submission:**

[mfischer@cityofdrippingsprings.com](mailto:mfischer@cityofdrippingsprings.com)

### **Grant Application Timeline:**

- Mar 3rd Application submission open.
- Apr 7th Application submission deadline at 5:00 p.m.
- Apr 10th - 28th City staff review of applications for administrative completeness and basic requirements.
- May 1st - 31st HOT Grant Funding Program Application Review Committee discuss and provide funding allocation recommendations for City Council.
- Aug 11th City Council discuss HOT Grant Program funding requests.
- Sep 19th City Council consider approval of funding recommendations in Fiscal Year Budget.
- Oct 1st Executed agreements due for disbursement of funds from City Treasurer.

*The City deadlines are only an estimate based on optimum circumstances related to the review, approval, and execution of the program and its agreements. These items could be delayed based on a variety of factors. Please call (512) 858-4725 or email [kcampbell@cityofdrippingsprings.com](mailto:kcampbell@cityofdrippingsprings.com) if you have any questions about this program.*



**DRIPPING SPRINGS**  
Texas

# Hotel Occupation Tax Application

<b>Organizational Information</b>	
Name of Organization	Website Address
Address	Type of Business
Contact Name & Position	Non-Profit Status
Contact Phone #	Tax Id #
Contact Email	Entity's Creation Date
Purpose of Organization/Business	
<b>Event/Project Information</b>	
Name of Event/Project	How Funds will be used, including itemized list of expenditures. <i>Check if Attached Separately</i>
Date of Event/Project	
Location of Event/Project	
Funding Amount Requested	
\$	
Percentage of Total Event/Project Cost Covered by HOT Funds	
%	
Description of Event/ Project	
Please indicate which Category or Categories apply to the Funding Request, and list the amount requested under each category (See HOT Guidelines for full descriptions of categories):	
Convention Center or Visitor Information Center	\$
Registration of Convention Delegates	\$
Advertising, Solicitation, Promotional programs	\$
Promotion of the Arts	\$
Historical restoration and preservation	\$
Sporting event promotional Expenses	\$
Funding transportation systems for transporting tourists	\$
Signage directing tourists to sights and attractions	\$

Promotion and preservation for dark skies	\$			
<b>Sporting Event</b>				
Total Participants				
Visitors attending				
Quantify the increase economic activity at hotels within the City	\$			
<b>Transportation Funding</b>				
What sites/attractions will tourist be taken to				
Will general public be riding on this transportation				
Percentage of local citizens	%			
<b>Signage</b>				
What tourist attractions will be the subject of the signs?				
<b>Dark Skies</b>				
Describe Construction or Maintenance project? Include: Location, Type of infrastructure, Type of hardware to be installed?				
<b>Funding Request</b>				
<i>Section must be completed for City to evaluate this application. Incomplete applications are subject to automatic denial.</i>				
How man years have you held this event/Project?				
What is the expected attendance of the Event/Project?				
How many visitors will use Dripping Springs Hotels?				
How many nights will attendees be staying for the Event/Project?				
Did you reserve a room block and how many?				
How many rooms did you reserve?				
What hotels did you use for reservations?				
<b>Event History</b>				
	Month/Year Held	Grant Amount	# of Hotel Rooms	
1				
2				
3				
<b>Event Details</b>				
How will you measure the impact of your event on area hotel activity?				
List organizations, government entities and grants that have offered financial suport to your event/Project.				
Admission Fee		\$		
Anticipated Net Profit		\$		
<b>Media Promotion Efforts</b>				
Newspaper		\$		
Internet		\$		
Radio		\$		
Tv		\$		
Other Paid Advertisement		\$		
Number of Press Releases to media				
Number of Direct Mailings to out of town recipients				

Other Promotion				
Link to Dripping Springs Visitors Bureau for Hotel Booking		Yes		No
Link to other source for Hotel Booking		Yes		No
Negotiated special rate to attract overnight stays		Yes		No
What new marketing initiatives will you utilize to promote hotel and convention activity fo this event/project?				
What geographical areas does your advertising and promotion reach?				
How many individuals will your proposed marketing reach who are located in another city or county?				
<b>Permanent Facility Funding</b>				
Expected Monthly attendance				
Expected yearly attendance				
Percentage staying in hotels/lodging	%			
<b>Acknowledgement</b>				

I fully understand the Local HOT Grant Program Application and Guidelines established by the City of Dripping Springs. I intend to use this grant for the aforementioned Event/Project expenditure to forward the efforts of the City in directly enhancing and promoting tourism and the convention and hotel industry by attracting visitors from outside Dripping Springs into the city or its vicinity. I have attached to this application:

- proposed marketing plan for event/project
- schedule of activities for event/project
- a list of the organization/business board of directors
- proof of non-profit status (if applicable)
- proof of registered business with the State of Texas (if applicable), and

I understand that if I am awarded a Local HOT Grant by the City of Dripping Springs, I will be required to enter into a Local HOT Grant Program Agreement with the City and any deviation from the approved project and the Agreement may result in the partial or total withdrawal of the Local HOT Grant Program funds.

Business/Organization Name

Applicant's Signature Date