



HOTEL OCCUPANCY TAX (HOT)



Local HOT Funds

- Must meet the following criteria:
 - directly enhance and promote tourism and the convention and hotel industry AND
 - fit into one of nine applicable statutory categories in Texas Local Tax Code - Chapter 351
 1. The acquisition of sites for, construction and maintenance of convention center or visitor information facilities
 2. The furnishing of facilities, personnel and materials for registration of convention delegates
 3. Advertising and solicitation of conventions
 4. Encouragement, promotion or improvement of the arts
 5. Upgrading of sports facilities or fields
 6. Historical restoration/preservation or activities, solicitation or promotion to encourage tourist or delegates to visit historic sites or museums
 7. Upgrade existing sports facilities or fields that promote tourism
 8. Promotion of sports events that substantially increase economic activity
 9. Signage directing public to sights and attractions
 - OR according to Code 351.101 (b) Clean or maintain public beaches bordering the Gulf of Mexico as defined by the Texas Natural Resources Code (Chapter 61)
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Local HOT Funds – FY2017

- FY 2017 Local HOT Fund Budget
 - Beginning Unreserved Fund Balance: \$5,923,114
 - Revenue: \$15,510,668
 - Expenditures: \$18,766,418
 - Estimated Ending Unreserved Fund Balance: \$2,667,364



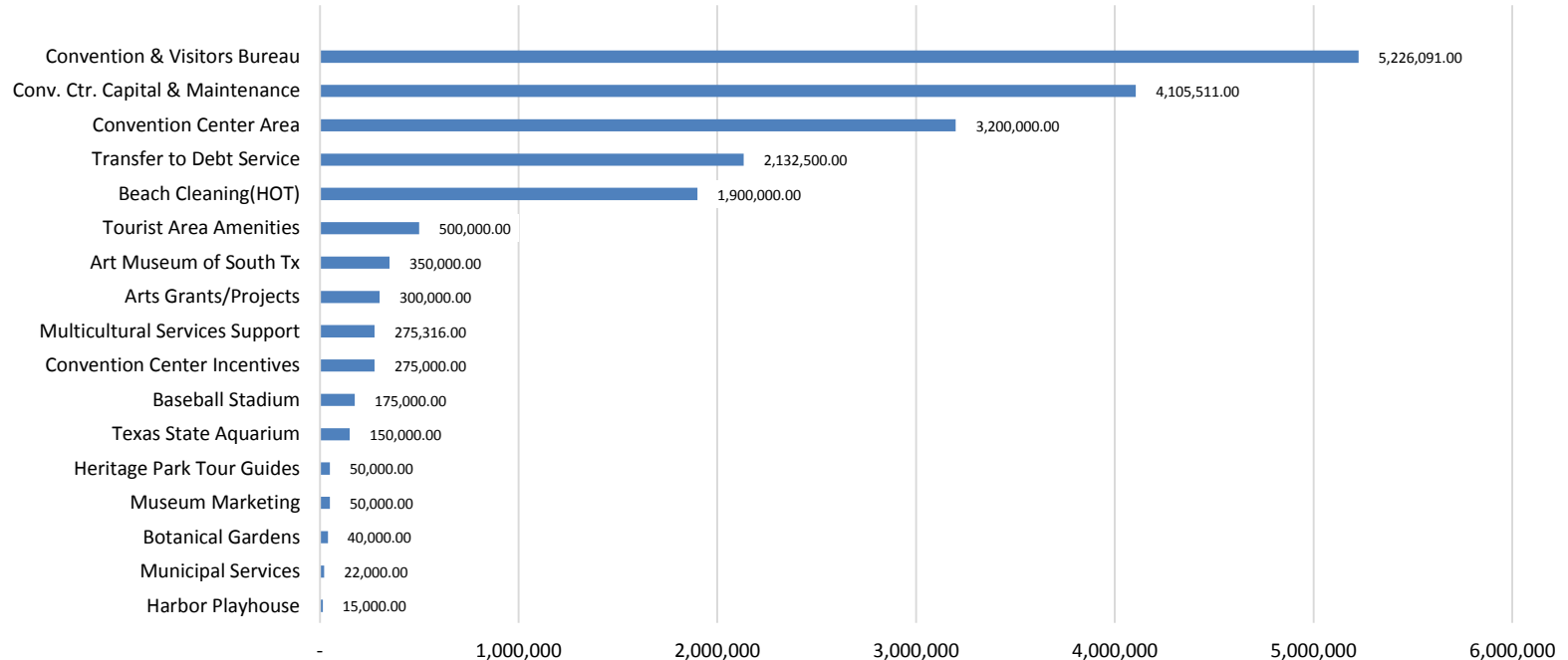
Local HOT Funds – FY2017

Expense	Amount
Municipal Services	22,000
Convention Center Operations, Maintenance and Capital	7,305,511
Tourist Area Amenities	500,000
Department Expenditures Subtotal	\$7,827,511
Museum Marketing	50,000
Art Museum of South Tx	350,000
Botanical Gardens Contract	40,000
Convention Center Incentives	275,000
Harbor Playhouse	15,000
Heritage Park Tour Guides	50,000
Convention and Visitors Bureau Contract	5,226,091
Texas State Aquarium	150,000
Arts Grants/Projects **	300,000
Multicultural Services Support **	275,316
Baseball Stadium Operating Contract	175,000
Gulf Beach Cleaning **	1,900,000
Transfer to Debt Service	2,132,500
Non Department Expenditures Subtotal	\$10,938,907
TOTAL HOTEL OCCUPANCY TAX FUND (1030)	\$18,766,418



Local HOT Funds – FY2017

Local HOT Expenses





State HOT Fund History

- In 2015 House Bill 1915 was passed. It related to the allocation of State Hotel Occupancy Tax revenue to certain barrier island coastal municipalities. We receive 2% of the 7% collected by the State.
 - Funds can be used for: 1) Cleaning and maintaining public beaches
2) An erosion response project 3) Cleaning and maintaining bay shores owned or leased from the State
 - Our Financial Policies state that expenditures cannot be used to offset expenditures for Gulf Beach maintenance from the Local HOT Fund. Gulf Beach maintenance in the Local HOT Fund cannot fall below \$1,825,088 or 15% of HOT revenue
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State HOT Funds Spending Plan

- Estimated \$2.9 million in revenues
- Spending plan approved by the Water shore and Beach Advisory Committee
 - 1/3 for annual operations and safety (\$900-\$975,000)
 - Gulf Beach Operations and Safety: \$477,000
 - Bay Beach Operations and Safety: \$450,000
 - 2/3 for shoreline protection and nourishment projects (\$1.925-\$2 million)



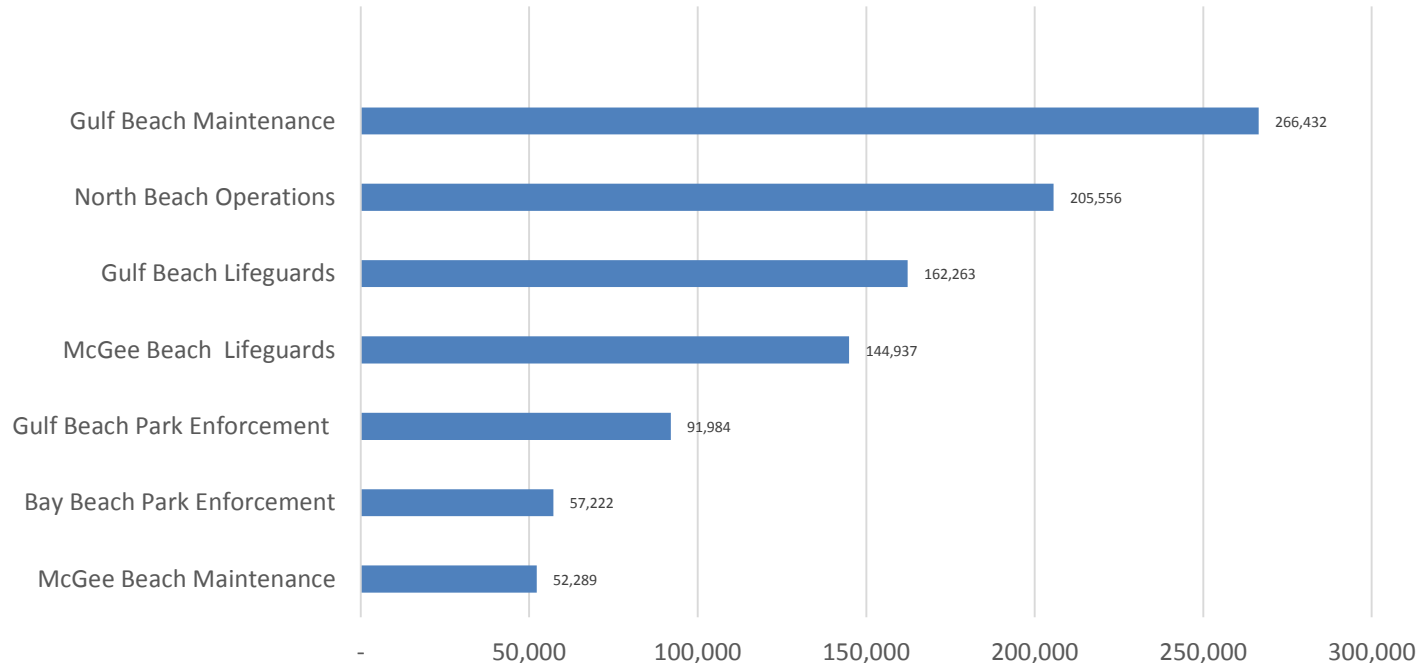
State HOT Funds Spending Plan

Enhancement	Amount	Percentage
Gulf Beach Maintenance	\$ 266,432	9%
Gulf Beach Lifeguards	\$ 162,263	6%
Gulf Beach Park Enforcement	\$ 91,984	3%
McGee Beach Maintenance	\$ 52,289	2%
McGee Beach Lifeguards	\$ 144,937	5%
North Beach Maintenance	\$ 205,556	7%
Bay Beach Park Enforcement	\$ 57,222	2%
Operational Subtotal	\$ 980,683	34%
Shoreline Protection and Shoreline (Future)	\$ 1,919,317	66%
Total	\$ 2,900,000	100%



State HOT Funds – FY2017

State HOT Expenses





QUESTIONS
