

Use of Municipal Hotel Occupancy Tax Revenue



- May be used only to promote tourism, conventions, and the hotel industry.



- Revenue may not be used for general revenue purposes or general governmental operations of a municipality.



Use of municipal hotel occupancy tax (HOT) revenue is limited to the following:



- 1. The acquisition of sites for the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers;**
- 2. Furnishing facilities, personnel and materials for convention registration;**

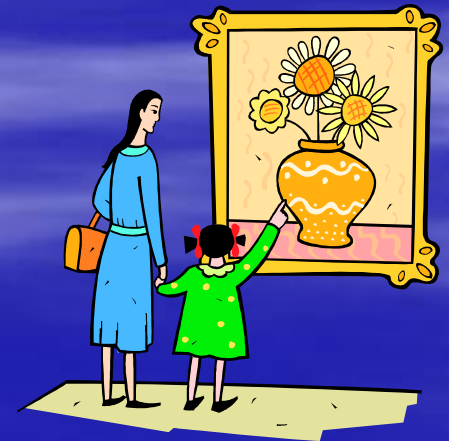
3. Advertising and solicitation and promotional programs to attract tourists and/or convention delegates. At least 15% of HOT revenue must be allocated for this purpose;



4. Encourage, promote, improve the arts, including presentation, performance, execution, and exhibition of major art forms. Not more than 15% of HOT revenue may be used for this purpose;



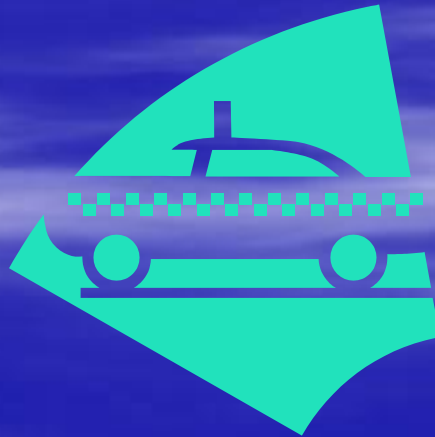
5. Historical restoration and preservation projects or activities, or advertising, solicitation, and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.



6. Expenses, including promotion expenses, directly related to a sporting event, in which a majority of participants are tourists, to increase economic activity at hotels; and



7. Transportation Systems. A City may use the revenue for a transportation system (public or private) to transport tourists from hotels within and near the City to:



- a.** The commercial center of the City;
- b.** A convention center within the City;
- c.** Other hotels within or near the City; and
- d.** Tourist attractions within or near the City.

Does not authorize the use of HOT revenue for a transportation system that serves the general public, other than for a system that transports tourists.



City may, only by contract, delegate to persons, including other governmental entities or private organizations, the management or supervision of programs and activities funded with HOT funds, and only if:

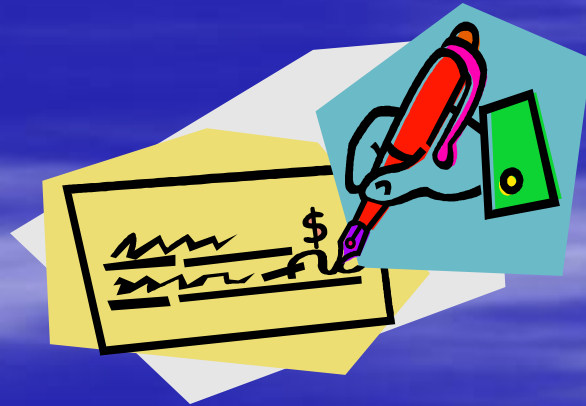


- a.** an annual budget is approved in advance by the City;
- b.** such person or entity is required to make reports to the City on a quarterly basis;
- c.** the revenue from HOT funds are maintained in a separate account and not commingled with other money;

d. the person or entity with whom the City contracts shall maintain complete and accurate financial records and shall make such records available for inspection and review by the City; and



e. approval of the annual budget creates a fiduciary duty in the person or entity with respect to such HOT revenue.



HOT revenue may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses and other administrative costs only if such costs are directly related to promotion and servicing of authorized expenditures;

If a City or other entity conducts an activity not authorized, the portion of the total administrative costs of the entity for which HOT revenue may be used may not exceed the portion of those administrative costs actually incurred.

HOT revenue may not be spent for a person to travel to an event or conduct an activity unless it is directly related to promoting tourism, conventions, or the hotel industry, or to increasing such person's job efficiency and professionalism.

Records

- 1.** A municipality shall maintain a record that accurately identifies the receipt and expenditure of HOT revenue;
- 2.** A municipality or entity that spends revenue, or another entity that has been delegated to the management or supervision of an activity or event funded shall, before making an expenditure, specify in a list each scheduled activity, program, or event that:

a. is indirectly funded by the tax or has its administrative costs funded in whole or in part by the tax; and

b. is directly enhancing and promoting tourism and the convention and hotel industry.

This requirement does not prevent a municipality or entity from setting aside tax revenue in a designated reserve fund for use in supporting planned activities, future events, and facility improvements that are directly enhancing and promoting tourism and the convention and hotel industry.