



**SEAGOVILLE CITY COUNCIL  
MEETING AGENDA  
MONDAY, AUGUST 15, 2016**

**WORK SESSION – 6:30 P.M.**  
Council Chambers, City Hall  
702 N. Hwy 175

**AGENDA**

1. Staff updates
2. Discussion of agenda item(s)
3. Adjourn

**REGULAR MEETING – 7:00 P.M.**  
Council Chambers, City Hall  
702 N. Hwy 175

**AGENDA**

Invocation  
Pledge of Allegiance  
Mayor's Report  
Recognition of Visitors / Proclamations / Presentations  
Citizens Public Comment Period

**[Each speaker will be allowed six (6) minutes to address the council on any item on the agenda except for Public Hearing items]**

## **AGENDA (cont'd)**

### **CONSENT AGENDA**

- 1C. Approval of minutes.
- 2C. Approval of a an Ordinance amending the Code of Ordinances by amending Chapter 21, Building Regulations, Article 21.01, General Regulations, Division 2. "Administrative Provisions", by repealing Section 21.01.059, "Repair, Demolition or Removal of Dangerous Buildings", to repealing the provisions which conflict with Article 21.03, concerning dangerous and substandard buildings; providing a severability clause; providing a savings clause; and providing an effective date.
- 3C. Approval of a Resolution authorizing the City Manager to execute a contract with Dallas Area Agency on Aging (DAAA) for the reimbursement of congregate meals and a program grant for the Seagoville Senior Citizens Activities and Transportation (SSCAT) program; providing for the repeal of any and all resolutions in conflict; providing for a severability clause; and providing an effective date.

### **REPORTS/RECOMMENDATIONS/REQUESTS**

4. Conduct a public hearing to receive citizen input on the proposed tax rate of \$0.743800 per \$100 valuation, which exceeds the effective tax rate calculated by the Dallas County Tax Assessor/Collector of \$0.678387 or 11.94%. This rate will raise more revenue from property taxes than last year's budget by an amount of \$390,972.
5. Conduct a public hearing to receive citizen input on the proposed FY 2016-2017 budget for all City funds. This budget will raise more property taxes than last year's budget by \$390,972 or 11.94%, and of that amount, \$80,009 is tax revenue to be raised from new property added to the tax roll this year.
6. Conduct public hearing to receive citizen input on the proposed FY 2016-2017 hotel/motel tax budget; and direct staff on proposed FY 2016-2017 hotel/motel tax budget.
7. Conduct public hearing to receive citizen input on the proposed increase of water and sewer rates.
8. Discuss and consider First Reading of an Ordinance amending Chapter 19, Division 2, Rates and Charges, by amending section 19.03.061, Water Rates and Section 19.03.062, Sewer Rates, to provide new rates for water and sewer services within the city; providing for a penalty clause; repealing conflicting ordinances; providing for the publication of the caption hereof; and providing an effective date.
9. Receive presentation on the Seagoville Economic Development Corporation proposed FY 2016-2017 budget.

## AGENDA (cont'd)

10. Receive Councilmember Reports – Items of community interest regarding which no action will be taken, as authorized by Section 551.0415 of the Government Code.
11. Receive Citizen Comments – Citizens may speak 6 minutes each on any matter, other than personnel matters, or matters under litigation.
12. Receive Future Agenda Items – Items to be placed on a future agenda which no action or discussion will be taken at this meeting.
13. Recess into Executive Session in compliance with Texas Government Code Section 551.074, Personnel, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee to wit: City Manager and City Secretary.
14. Discuss any item and/or take any action necessary as a result of the Executive Session.
15. Adjourn.

Posted Thursday, August 11, 2016 by 5:00 P.M.



Dara Crabtree, City Secretary

---

As authorized by Section 551.071(2) of the Texas Government Code, this meeting may be convened into closed executive session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.

The City of Seagoville does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. If you have a request for services that will make this program accessible to you, please contact the City of Seagoville at least 72 hours in advance at (972) 287-6819. (TDD access 1-800-RELAY-TX)

### **DATES TO REMEMBER**

- Monday, August 29, 2016 @ 7:00 p.m., City Council meeting, if needed.
- Monday, September 12, 2016 @ 7:00 p.m., City Council meeting.

## *Agenda Item 1C*

*Approval of minutes.*

### **BACKGROUND OF ISSUE:**

Approval of minutes for meetings held on August 01, 2016.

### **FINANICIAL IMPACT:**

N/A

**CITY COUNCIL  
WORK SESSION  
AUGUST 01, 2016**

The City Council held a work session on Monday, August 01, 2016 at 6:30 p.m. with a quorum present, to wit:

Dennis Childress	Mayor
Jose Hernandez	Mayor Pro Tem
Rick Howard	Councilmember
Harold Magill	Councilmember
Mike Fruin	Councilmember, absent
Jon Epps	Councilmember

The following staff members were also present: City Manager Pat Stallings, Community Development Director Ladis Barr, Finance Director Patrick Harvey, City Attorney Alexis Allen and City Secretary Dara Crabtree.

**ITEM 1. STAFF UPDATES.**

Following a discussion, the consensus of the City Council was to cancel the August 8<sup>th</sup> budget workshop.

City Manager Stallings announced the City Council has received their FY 2016-2017 proposed budget books.

**ITEM 2. DISCUSSION OF AGENDA ITEMS.**

ITEMS 4C/5C. Following an inquiry, Community Development Director Barr stated both no parking ordinances pertained to commercial and private vehicles and would be enforced by the police department.

The work session was adjourned at 6:40 p.m.

APPROVED:

---

MAYOR

ATTEST:

---

CITY SECRETARY

**CITY COUNCIL  
REGULAR MEETING  
AUGUST 01, 2016**

The City Council held a regular meeting on Monday, August 01, 2016 at 7:01 p.m. with a quorum present, to wit:

Dennis Childress	Mayor
Jose Hernandez	Mayor Pro Tem
Rick Howard	Councilmember
Harold Magill	Councilmember
Mike Fruin	Councilmember
Jon Epps	Councilmember

Phil Greenawalt provided the invocation and Mayor Childress led the Pledge of Allegiance.

**MAYOR'S REPORT.** Mayor Childress reported he and Police Chief Calverley attended the 100 Men in Black event at Faith Tabernacle on Sunday, July 31<sup>st</sup> at the invitation of Charles Sowels.

Mayor Childress presented a proclamation to *STAAR* recognizing the volunteers.

Mayor Childress presented a proclamation recognizing August 1, 2016 as *A-T Awareness Day*.

**CITIZENS PUBLIC COMMENT PERIOD (items on the agenda).** No one spoke.

**CONSENT AGENDA.**

Councilmember Howard made a motion, seconded by Councilmember Magill, to approve Consent Agenda Items 1C through 5C. A vote was cast 5 in favor, 0 against.

**ITEM 1C.** Approve minutes for meetings held on July 18, 2016 and July 25, 2016.

**ITEM 2C.** Approve Resolution No. 44-R-16 of the City Council of the City of Seagoville, Texas authorizing County of Dallas to resell tax foreclosed property by public or private sale located at 801 Netherland Drive, Seagoville, Texas, and 1010 Netherland Drive, Seagoville, Texas, to the highest qualified purchaser, as provided by Section 34.05 of the Texas Property Tax Code.

**ITEM 3C.** Approve Ordinance No. 23-16 amending the Code of Ordinances, Chapter 3, Administration and Personnel, Article 3.04, Boards and Commission, Division 3. "Keep Seagoville Beautiful Commission", Section 3.04.072(b) by repealing the provision limiting the Commission Members to serving no

more than three (3) successive terms as provided therein; providing a severability clause; providing a savings clause; and providing an effective date.

**ITEM 4C.** Approve Ordinance No. 24-16 amending Chapter 17 of the Code of Ordinances, Division 2. "Parking Regulations on Specific Streets", by adding Subsection 17.04.063 to provide for no parking on either side of Tunnell Street, for the entire distance between U.S. Highway 175 and the dead end; authorizing the City Manager or designee to erect the appropriate signage; providing a savings clause; providing for a severability clause; providing a penalty of fine not to exceed the sum of Two Hundred Dollars (\$200.00) for each offense; providing for publication; and providing an effective date.

**ITEM 5C.** Approve Ordinance No. 25-16 amending Chapter 17 of the Code of Ordinances, Division 2. "Parking Regulations on Specific Streets", by adding Subsection 17.04.062 to provide for no parking on either side of Elizabeth Lane, for the entire distance between Simonds Road and Tunnell Street; authorizing the City Manager or designee to erect the appropriate signage; providing a savings clause; providing for a severability clause; providing a penalty of fine not to exceed the sum of Two Hundred Dollars (\$200.00) for each offense; providing for publication; and providing an effective date.

**ITEM 6.** Received Storm Water Permit update presentation from Jayson Melcher with Half Associates, Inc.

**ITEM 7.** The conducting of interview and consideration of appointment to the Keep Seagoville Beautiful was pulled from the agenda due to the applicant was not available to attend.

**ITEM 8.** Mayor Pro Tem Hernandez made a motion, seconded by Councilmember Epps, to approve Resolution No. 45-R-16 accepting the Certified Tax Roll of Dallas County and Kaufman County Appraisal Districts. A vote was cast 5 for, 0 against.

**ITEM 9.** Following an inquiry, Mayor Pro Tem Hernandez made a motion, seconded by Councilmember Howard to approve Resolution No. 46-R-16 determining the proposed property tax rate to be \$0.743800 for Fiscal Year 2016-2017; accepting the calculation of the effective tax rate; and providing for the publication as provided by the Texas Property Tax Code. A vote was cast 5 for (Hernandez, Howard, Magill, Fruin and Epps), 0 against.

**ITEM 10.** Mayor Pro Tem Hernandez made a motion, seconded by Councilmember Magill to call the two public hearing(s) on August 15, 2016 and August 29, 2016 to receive citizen input on the proposed Fiscal Year 2016-2017 budget. A vote was cast 5 for, 0 against.

**ITEM 11. COUNCILMEMBER REPORTS.**

Jose Hernandez – reported Central Elementary had recently hired a new principal and assistant principal for the upcoming school year.

**ITEM 12. CITIZEN COMMENTS.**

Phil Greenawalt, 512 Highland Drive – on behalf of Chamber of Commerce thanked the City Manager and Staff for help with recent event; thanked City Council for their participation at recent events and ribbon cutting ceremonies; greatest participation have had; park looked great with all the preparation work done prior to fireworks event; the help was greatly appreciated; and STAR Transit ribbon cutting event was well attended and great time.

**ITEM 13. FUTURE AGENDA ITEMS.** No items were provided.

**ITEM 14.** The City Council recessed into Executive Session at 7:42 p.m. in compliance with Texas Government Code Section 551.074, Personnel, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee to wit: City Manager. The City Council reconvened into open session at 8:00 p.m.

**ITEM 15.** Mayor Pro Tem Hernandez made a motion, seconded by Councilmember Magill, to amend the Section 11.4 of the City Manager’s contract to read as reflected below and to waive Section 3.3 for Fiscal Year 2016-2017.

11.4 Each year, City shall determine the value of benefits provided by Section 5.2 and shall ensure sufficient funds are available within the City’s Fund Balance to pay for said benefits.

A vote was cast 5 for, 0 against.

**ITEM 16.** The meeting adjourned at 8:02 p.m.

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY SECRETARY

## ***Agenda Item 2C***

***Approval of a an Ordinance amending the Code of Ordinances by amending Chapter 21, Building Regulations, Article 21.01, General Regulations, Division 2. “Administrative Provisions”, by repealing Section 21.01.059, “Repair, Demolition or Removal of Dangerous Buildings”, to repealing the provisions which conflict with Article 21.03, concerning dangerous and substandard buildings; providing a severability clause; providing a savings clause; and providing an effective date.***

### **BACKGROUND OF ISSUE:**

*This item has been placed on the agenda at the request of City Attorney Allen.*

During preparation for the presentation for Boards/Council training, it was realized that there was a conflict in the code. In 2012 Article 21.03 was adopted, to provide dangerous building procedures that comply with recent court opinions. In doing so, Section 21.01.059 should have been repealed, because it conflicts with Article 21.03. These procedures need to be brought to the court, not the BOA, so Section 21.01.059 needs to be repealed.

The attached Ordinance repeals this section.

### **FINANICIAL IMPACT:**

N/A

**AN ORDINANCE OF THE CITY OF SEAGOVILLE, TEXAS**

**ORDINANCE NO. 26-16**

**AN ORDINANCE OF THE CITY OF SEAGOVILLE, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING CHAPTER 21, BUILDING REGULATIONS, ARTICLE 21.01, GENERAL REGULATIONS, DIVISION 2. "ADMINISTRATIVE PROVISIONS", BY REPEALING SECTION 21.01.059, "REPAIR, DEMOLITION OR REMOVAL OF DANGEROUS BUILDINGS", TO REPEALING THE PROVISIONS WHICH CONFLICT WITH ARTICLE 21.03, CONCERNING DANGEROUS AND SUBSTANDARD BUILDINGS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, a review of the City's ordinances applicable to Dangerous and Substandard Buildings revealed conflicting provisions; and

**WHEREAS**, the Code of Ordinances was amended in 2012 to include Article 21.03, which provides procedural guidelines concerning dangerous and substandard buildings in accordance with common law and statutory regulations; and

**WHEREAS**, Section 21.01.059, which existed prior to Article 21.03, conflicts with Article 21.03 of the Code of Ordinances; and

**WHEREAS**, it is the desire of the City Council to repeal Section 21.01.059 to ensure that the procedure outlined in Article 21.03 is controlling;

**WHEREAS**, based on the foregoing, the City Council of the City of Seagoville, Texas herein amends the Code of Ordinances by amending Article 21.01, Division 2. "Administrative Provisions", by repealing Section 21.01.059, as provided herein.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:**

**SECTION 1.** That the Code of Ordinances of the City of Seagoville, Texas be, and the same is, hereby amended by amending CHAPTER 21, BUILDING REGULATIONS, ARTICLE 21.01, GENERAL PROVISIONS, Division 2. "Administrative Provisions," Section 21.01.059 by repealing the provision authorizing the Board of Adjustments to make a determination of whether a building is dangerous or substandard, which shall read as follows:

**"CHAPTER 21. BUILDING REGULATIONS**

.....

**ARTICLE 21.01 GENERAL PROVISIONS**

.....

**DIVISION 2. Administrative Provisions**

.....

**Sec. 21.01.059      Reserved”**

**SECTION 2.** If any section, article paragraph, sentence, clause, phrase or word in this ordinance, or application thereto any persons or circumstances is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

**SECTION 3.** That all provisions of the Ordinances of the City of Seagoville, Texas, in conflict with the provisions of this ordinance be, and the same are hereby amended, repealed, and all other provisions of the Ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 4.** This Ordinance shall become effective from and after its date of passage in accordance with law.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS THIS 15<sup>th</sup> day of AUGUST, 2016.**

**APPROVED:**

\_\_\_\_\_  
MAYOR

**ATTEST:**

\_\_\_\_\_  
CITY SECRETARY

**APPROVED AS TO FORM:**

\_\_\_\_\_  
CITY ATTORNEY

**Sec. 21.01.059 ~~Repair, demolition or removal of dangerous buildings~~ Reserved.**

~~(a) — Whenever the fire marshal, fire chief or building official, shall find any building or other structure, or any portion thereof, which, for want of repair or by reason of age or dilapidated condition or by abandonment, is liable to endanger persons or property or which renders such building or structure liable to fire or fire hazard, or which building or structure is so situated or occupied or is in such condition, either from the exterior or interior, as to endanger other buildings or property or human life from a fire in such building, the fire marshal, fire chief or building official shall cause to be served written notice upon the owner or other person responsible therefor, by personal delivery or by certified mail with return receipt requested, or by delivery by the United States Postal Service using signature confirmation service, ordering such person to appear before the board of adjustment at a time and date specified in the notice to show cause, if any he has, why the building or structure or any part thereof should not be repaired, demolished or removed. In the event that the owner is a nonresident, and his address is unknown, the notice shall be given by posting a copy thereof on the building or other structure and by publishing the notice one (1) time in a newspaper of general circulation in the city.~~

~~(b) — At the time of the hearing provided for in subsection (a), the fire marshal, fire chief or building official shall present such evidence as he may have concerning the condition of building or structure, and make such recommendations as he may feel proper to the board of adjustment. The owner or other person ordered to appear may offer such evidence concerning the condition of the building or structure as he may desire to do. At the conclusion of the hearing, the board of adjustment may order the building or structure repaired, demolished or removed as the board of adjustment may deem necessary. In no event, however, shall the time fixed for such repair, demolition or removal be less than thirty (30) days from the date of the board of adjustment order.~~

~~(c) — If the owner or other person responsible for such building or structure shall violate the order of the board of adjustment, the board of adjustment may order the fire marshal, fire chief or building official to close the building or structure or to demolish or remove the same. Expenses incurred under this subsection shall be assessed against the property owner. Notice of the amount of the assessment shall be given the owner, and upon his failure to pay the same within thirty (30) days after notice, the city may proceed to collect the same in a court of competent jurisdiction as in other cases involving a debt owed to the city.~~

~~(d) — In the event the city demolishes or removes a building or structure pursuant to subsection (c), the city may sell the same or the materials salvaged therefrom, and if the amount exceeds the expense of removal or demolition, the balance shall be paid over to the owner thereof.~~

~~(e) — Any person who shall violate an order of the board of adjustment issued pursuant to subsection (b) above shall be guilty of a misdemeanor and each day of such violation shall constitute a separate offense.~~

~~(f) — In addition to the other remedies provided for herein, the city shall have the power to authorize the city attorney to file suit in a court of competent jurisdiction against the owner or other person responsible for any building or structure which is the subject of an order issued~~

~~under this section, and who shall have failed to comply with such order, and obtain the necessary orders for an injunction to enforce the actions and orders of the city council, either directing the owner or person responsible therefor to repair the building or structure or remove or demolish the same, and also for an order of the court requiring the owner or person responsible therefor to destroy the building or structure.~~

~~(g) — In addition to the other remedies provided for herein, in the event the owner fails or refuses to pay the expenses referred to in subsection (c) hereof within thirty (30) days after the first day of the month following the one in which the demolition or removal of the building or structure is completed, the mayor shall execute a statement of such expenses and cause the same to be filed with the clerk of the county in which the property is located. When such statement is filed, the city shall have a privileged lien on such property, second only to tax liens and liens for street improvements, to secure the payment of the amount so expended. Such amount shall bear interest at the rate of ten (10) per cent per annum from the date the city incurs the expense. For any such expenditures and interest, suit may be instituted and recovery and foreclosure had by the city. The statement of expense filed with the county clerk, or a certified copy thereof, shall be prima facie proof of the amount expended in such work, improvement or correction of the property, all as more particularly specified in article 4436, Vernon's Annotated Texas Civil Statutes, which is hereby adopted.~~

(Ordinance adopting Code)

## ***Agenda Item 3C***

***Approval of a Resolution authorizing the City Manager to execute a contract with Dallas Area Agency on Aging (DAAA) for the reimbursement of congregate meals and a program grant for the Seagoville Senior Citizens Activities and Transportation (SSCAT) program; providing for the repeal of any and all resolutions in conflict; providing for a severability clause; and providing an effective date.***

### **BACKGROUND OF ISSUE:**

As in previous years, the City will be providing congregate meals to Seagoville seniors at our Community Center. Once again the Dallas Area Agency on Aging (DAAA) has and will help support the Senior Citizen Program in FY 2016 with a grant that provides for a portion of our operating costs including staff salaries. Additionally, this year DAAA will provide meal reimbursements to the City for all eligible seniors. The City Council will consider approval of a contract to renew the grant contract with DAAA for a period of one (1) year, from October 1, 2015 through September 30, 2016. The contract will also include the requirements for the meal reimbursement.

The City has received this grant on an annual basis since 1974 and it allows us to hire part-time staff to assist our full-time staff. It also provides funds for supplies. Visiting Nurses Association will provide the congregate meals for our seniors and we are prepared to serve approximately fifty-two senior citizens 60 years old and over on a daily basis. The amount of reimbursement will allow the program to operate on a break even or better basis. The full cost of the meals for eligible seniors is reimbursed through DAAA grant funds and participant contributions. Other non-eligible seniors may lunch as long as they pay full price for their lunch.

### **FINANCIAL IMPACT:**

Of the total Congregate Meal Program expense, the Seagoville Senior Services Program will be responsible for \$5,209.00 in expenditures and indirect costs. The Senior Services Grant will provide \$20,000 or approximately ten percent of the City's Senior Center operating budget.

STATE OF TEXAS

COUNTY OF DALLAS

CONTRACT ADDENDUM

This Contract Addendum dated the 26<sup>th</sup> day of July, 2016 is made to the FY16 Service Contract (hereinafter referred to as the Contract) executed the 26<sup>th</sup> day of July, 2016, entered into, by and between the Dallas Area Agency on Aging (hereinafter referred to as DAAA) and **The City of Seagoville**, a governmental entity, on behalf of **Dallas County Older Adult Services Program** (hereinafter referred to as the Contractor) located at 702 N. Highway 175, Seagoville, Texas 75159 for the **Congregate Meals** project.

The Contractor shall provide the services and activities necessary to comply with the FY16 proposal, which for all purposes is incorporated by reference into this Contract Addendum, except as modified herein.

The Contractor will provide Congregate Meals to eligible participants in accordance with Texas Administrative Code 85.302. A unit of service is defined as one meal. The number of units of service under this project for the contract period shall be approximately **11,040** meals. The Contractor will serve approximately **300** unduplicated eligible participants through this project during the contract period. Title III compensation for the provision of these services shall not exceed **\$52,815.88**. The unit rate for Title III meals will be **\$6.13**.

The Contractor shall provide a match of at least **\$5,209.40**. The unit rate for meals to be purchased with match funds shall be **\$6.74**. Any language in the original Contract or a **subsequent** Contract Addendum not expressly modified by this Contract Addendum remains in full force and effect.

**IN WITNESS THEREOF**, this Contract Addendum is executed the day and year first dated above.

Jacqueline West, Interim Executive Director

Typed Name and Title of Authorized Official



Signature of Official

Date

7/26/16

**A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS**

**RESOLUTION NO. 47-R-16**

**A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH DALLAS AREA AGENCY ON AGING (DAAA) FOR THE REIMBURSEMENT OF CONGREGATE MEALS AND A PROGRAM GRANT FOR THE SEAGOVILLE SENIOR CITIZENS ACTIVITIES AND TRANSPORTATION (SSCAT) PROGRAM; PROVIDING FOR THE REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** the City Council is desirous of continuing the City's Congregate Meal Program for Seagoville Seniors; and

**WHEREAS,** the cost to the City for the congregate meals will be reimbursed; and

**WHEREAS,** DAAA is willing to continue providing grant funding to support the Seagoville Senior Citizens Programs; and

**WHEREAS,** the City Council has reviewed the attached Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:**

**SECTION 1.** The City Council hereby authorizes the City Manager to execute a contract, attached hereto as Exhibit A and made a part hereof for all purposes, with Dallas Area Agency on Aging (DAAA) for the reimbursement of congregate meals for the SSCAT program and for grant funds that support the Senior Citizens programs.

**SECTION 2.** All resolutions of the City of Seagoville heretofore adopted which are in conflict with the provisions of this resolution be, and the same are hereby repealed, and all resolutions of the City of Seagoville not in conflict with the provisions hereof shall remain in full force and effect.

**SECTION 3.** If any article, paragraph, subdivision, clause or provision of this resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

**SECTION 4.** This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

**DULY ORDERED** by the City Council of the City of Seagoville, Texas, this the 15<sup>th</sup> day of August, 2016.

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

**DALLAS AREA AGENCY ON AGING**  
**CONTRACT FOR**  
**OLDER AMERICANS ACT PROGRAM**

**STATE OF TEXAS**

**COUNTY OF DALLAS**

**I. AUTHORITY TO CONTRACT**

The authority on which this contract is based derives from the Older Americans Act (OAA), as amended, and its regulations; HHS regulations on Administration of Grants; Title 45 Code of Federal Regulations (CFR) Parts 74, 91, 92, and 1321, et seq.; the Uniform Grant Management Standards (UGMS), Governor's Office of Budget and Planning, January 2001; and all applicable Texas Department of Aging and Disability Services (DADS) and Area Agencies on Aging (AAA) Rules as published in the Texas Administrative Code (TAC) under Chapters 81, 83, and 85 (Title 40 Part 1, Texas Administrative Code); and, all state and local laws as pertains to this contract and its attachments.

**II. CONTRACTING PARTIES**

This contract is between the Dallas Area Agency on Aging, hereinafter referred to as DAAA, and **City of Seagoville**, hereinafter referred to as CONTRACTOR. Whereas the State of Texas, acting through DADS, has designated the Community Council of Greater Dallas to act as grantee for the area agency on aging (AAA), to be known as the Dallas Area Agency on Aging; and whereas the AAA is the designated authority under the OAA to administer OAA funds, DAAA and CONTRACTOR hereto have severally and collectively agreed and by execution hereof are bound to the mutual obligations set forth herein and to performance and accomplishment of the tasks hereinafter described.

**III. CONTRACT PERIOD**

This agreement will become binding on the date of the signature by both parties. Notwithstanding this date, the term of the contract will begin on October 1, 2015, and end on September 30, 2016.

**IV. CONTRACT EXTENSIONS**

The parties to this contract may, by mutual agreement, extend this contract for a specified period. Any extension shall be in writing, with specific reference to this contract, and shall be subject to all of the terms and conditions of this contract and made a part thereof for all purposes.

**V. AMENDMENTS TO THE CONTRACT**

This agreement may be amended in writing upon mutual agreement by both parties or when dictated by implementation of laws and rules becoming effective within the contract period as pertains to the scope of this contract and its attachments. Amendment to this contract is also made upon submission to and approval by DAAA of an amended budget.

**VI. SCOPE AND PROVISION OF SERVICES**

EXHIBIT "A"

CONTRACTOR agrees to provide the services and activities necessary to comply with their approved FY 2016 Proposal for Services. CONTRACTOR'S approved FY 2016 Proposal for Services is incorporated by reference into this Agreement as if set forth fully herein. The last approved budget, whether original or amended, shall be deemed applicable to this contract from the date of approval.

CONTRACTOR assures compliance with the following provisions relating to the services covered by this contract.

- a. Eligibility – The services covered by this contract serve only those individuals and groups eligible under the provisions of the Older Americans Act, as amended.
- b. Residency – No requirements as to duration of residence or citizenship as a condition of participation in the provision of services will be imposed on persons requesting services.
- c. Prohibition of Means Test for Services – CONTRACTOR shall provide all services funded by the Older Americans Act, as amended, without the use of any means test to determine eligibility for services.
- d. Services to Private Membership Prohibited – CONTRACTOR shall ensure that participation in nutrition site, senior center, adult day care or other support services under the Older Americans Act is not limited to membership in a specific private organization, group, association, or fraternal organization, nor show discriminating preference for such membership. Membership is never a prerequisite to receive an Older Americans Act funded service.

## **VII. TARGETING, OUTREACH AND COORDINATION**

CONTRACTOR shall, in accordance with 42 U.S. Code (U.S.C.) Section 3026, and as addressed in the approved FY 2016 Proposal for Services, assure it will use outreach efforts to identify individuals eligible for assistance under this contract, with special emphasis on: (1) older individuals with greatest economic need (with particular attention to low-income minority individuals); (2) older individuals who have greatest social need (with particular attention to low-income minority individuals); (3) older individuals with severe disabilities; (4) older individuals with limited English proficiency; (5) older individuals with Alzheimer's Disease and related disorders with neurological and organic brain dysfunction and the caretakers of such individuals; and (6) older individuals at risk for institutional placement.

CONTRACTOR shall establish procedures and mechanisms necessary to assure effective outreach and coordination within the local aging network to assure that various activities and programs operate pursuant to the Older Americans Act and 42 U.S.C. 3001 et seq. Outreach activities must be documented and must include, at a minimum, the type of outreach activities conducted and the number of contacts made.

CONTRACTOR shall be actively involved in the local aging network through coordination with other Title III contractors and social service agencies to plan, identify and assess the need for services. Where appropriate and feasible, CONTRACTOR will work cooperatively with other entities to develop collaborative programs. The DAAA is responsible for identifying focal points within the region and these facilities are established to encourage the maximum collocation and coordination of services for older individuals. A list of the DAAA focal points is attached.

## **VIII. PERFORMANCE MEASURES**

CONTRACTOR shall provide **Congregate Meals** to eligible participants. A unit of service is defined as **one meal**. The number of units of service under this project for the contract period shall be approximately **11,040 meals**. The number of unduplicated persons receiving services shall be approximately **300** eligible participants,

CONTRACTOR shall notify and request approval from DAAA for service delivery to vary from the number of contracted units of service or the number of unduplicated persons receiving the service by five percent or more (+/-5%)

## **IX. FUNDING OBLIGATIONS**

CONTRACTOR acknowledges DAAA obligation hereunder for payment, in consideration of full and satisfactory performance of activities described in this contract, is limited to monies received from the Administration on Aging (AoA), the State of Texas, and any other originating funding source.

CONTRACTOR understands that the Texas Department of Aging and Disability Services operates on a reimbursement basis. Therefore, CONTRACTOR must have sufficient financial solvency to sustain said contract performance until adequate funds are received by DAAA to compensate said CONTRACTOR.

DAAA shall not be liable to CONTRACTOR for costs incurred or performance rendered unless such costs and performances are strictly in accordance with the terms of this contract, including but not limited to, terms governing CONTRACTOR'S promised performance and unit rates and/or reimbursement capitations specified.

DAAA shall not be liable to CONTRACTOR for any expenditures which are not allowable costs as defined in the C.F.R., Title 45, Parts 74 and 92, as amended, or which expenditures have not been made in accordance with the fiscal guidelines and requirements outlined by DADS.

DAAA shall not be liable to CONTRACTOR for expenditures made in violation of regulations promulgated under the OAA, as amended, or in violation of DADS rules, UGMS, or this contract.

De-obligation of funds shall occur based on year-to-date expenses. CONTRACTOR shall incur 50% of the projected expenses identified in the project budget by March 31, 2016, and at the monthly incremental equivalent percentages thereafter, through 100% by September 30, 2016. Otherwise, the DAAA may de-obligate those funds, making them no longer available for use by CONTRACTOR. If necessary, a notification shall be issued by the DAAA reducing the allocation by the amount in question and requiring submission of a budget amendment.

## **X. COMPENSATION AND ACKNOWLEDGEMENT**

DAAA agrees to make payment to CONTRACTOR in the amounts and upon the terms and provisions as set forth in CONTRACTOR'S budget, and all attachments to this contract, and CONTRACTOR agrees to accept such payments as full compensation for services performed hereunder. All payments shall be based on the performance information reported in the approved budget, reimbursement requests, and programmatic reports.

DAAA will pay CONTRACTOR on a **unit rate** basis for services rendered at a unite rate of **\$6.13** for Title III units. Title III compensation for the provision of services shall not exceed **\$52,350.20**. CONTRACTOR will provide a match of at least **\$5,209.40**. The unit rate for meals purchased with match funds shall be **\$6.74**. CONTRACTOR agrees to provide services under an "at risk" unit rate or cost reimbursement methodology in accordance with the rules and program instructions of DADS and DAAA.

CONTRACTOR shall acknowledge funding and support by DAAA and DADS in all publicity and promotions relating to this project. The credit line should read:

"This (project, program, service) is supported, in part, by the Community Council of Greater Dallas/Dallas Area Agency on Aging and the Texas Department of Aging and Disability Services."

## **XI. PAYMENT METHODOLOGY**

DAAA has no obligation to remit funds under the terms of this contract for services provided on a reimbursement basis, as defined in Section X, COMPENSATION, until CONTRACTOR has provided the service and reported such provision in a request for reimbursement. In the absence of written agreement to the contrary, DAAA will remit funds to CONTRACTOR subject to the appropriate administrative procedures and contingent upon receipt of funds from DADS and/or other funding sources.

CONTRACTOR shall report eligible units of service and actual allowable expenses to DAAA in the frequency and in such manner, using any and all prescribed forms, as may be prescribed by DAAA.

Final payment shall be based on the information contained in the reimbursement system 45 days following termination of this contract. This payment provision shall apply to final payment whether at completion of the contract period or in the event of early contract termination.

## **XII. REPORTING REQUIREMENTS**

CONTRACTOR agrees to compile and submit all required fiscal and programmatic reports utilizing information management software provided by DAAA by the 6<sup>th</sup> day of the month following the month in which services were provided. CONTRACTOR agrees to maintain fiscal records to support reimbursement in conformity with the procedures established by DADS and DAAA. All fiscal and programmatic reports shall continue to be due throughout the entire contract period even though no additional services may be reimbursable under this contract.

CONTRACTOR shall complete and submit to DAAA, all requests for funds on a DAAA-prescribed form in accordance with the rules and policies of DAAA. A final program report shall be submitted to DAAA on or before the date established by DAAA with not less than 45 days advance notice to CONTRACTOR. The total of all program reports including the final program report shall support and be reconciled to all funds received during the contract period. Under no circumstances shall requests for funds be submitted later than October 31, for the previous fiscal year, or after the final program report is submitted unless indicated otherwise by a funding source.

## **XIII. MATCH REQUIREMENTS**

CONTRACTOR shall provide a minimum match of ten percent (10%) of the total project costs, as required by the OAA, as amended, and DADS rules.

Match shall be in accordance with 40 TAC §85.202. All match contributions shall be expended for goods and services necessary for and specifically identifiable in the approved FY 2016 Proposal for Services.

Match shall conform to the OAA regulations, 45 CFR Parts 74 and 92, and DADS rules regarding match requirements or as required in requests for proposals issued by DAAA.

#### **XIV. PROGRAM INCOME**

Program income shall be administered in accordance with 40 TAC §85.202, UGMS Subpart C \_\_\_\_. 25 and all applicable DADS rules. CONTRACTOR shall use all program income and participant contributions collected under the approved FY 2016 Proposal for Services to further eligible program outcomes. All program income and participant contributions collected and expended shall be documented and managed according to DADS Rules and Regulations.

Program income received as contributions will be accounted for and deposited in accordance with the written policies and procedures established by CONTRACTOR in accordance with DADS rules and regulations. Units of service will be purchased with program income at a unit rate of **\$6.74** per unit. The goal for program income shall be **\$5,392**.

#### **XV. CONTRIBUTION POLICY**

CONTRACTOR shall provide a voluntary opportunity for each eligible participant to contribute to the cost of services while protecting the individual's privacy. CONTRACTOR shall safeguard and account for such contributions, and use such contributions to expand and/or enhance program outcomes.

#### **XVI. MAINTENANCE OF RECORDS**

CONTRACTOR shall retain all financial records, supporting documents, statistical records, and all other records relating to its performance of this contract. CONTRACTOR shall use any and all standard forms promulgated by DAAA, as applicable. The DAAA shall require the use of all such forms for all subcontractors and/or vendors, as applicable.

All of the aforesaid records shall be made available, with reasonable notice, at CONTRACTOR'S office, and shall be maintained for at least five (5) years after the termination of this agreement, or five years after any audit findings and other disputes or litigation relating to this agreement, if any, have been resolved. Multi-site CONTRACTORS may maintain all records at a designated central location (i.e., administrative headquarters) for purposes of this section.

#### **XVII. ACCESSIBILITY OF RECORDS**

CONTRACTOR shall give DAAA, the AOA, the Comptroller General of the United States, and the State of Texas, through any authorized representatives, the access to and right to examine all records, books, papers, contracts, or other documents related to this contract. Such right of access shall continue as long as such records, or any of them, are in existence, but shall not be less than five (5) years following the end of this contract term or the resolution of any disputes relating to this contract, whichever is later. CONTRACTOR shall include the substance of this provision in all subcontracts.

CONTRACTOR agrees the state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. CONTRACTOR understands acceptance of funds directly under the contract or indirectly through a subcontract under the contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. CONTRACTOR understands under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to: (1) evaluating the entity's performance under the contract or subcontract; (2) determining the state's rights or remedies under the contract; or (3) evaluating whether the entity has acted in the best interest of the state.

#### **XVIII. SERVICE PROVIDER REVIEW**

In accordance with DADS rules, DAAA shall conduct reviews of CONTRACTOR programmatic and fiscal activities on a regular and systematic basis to ensure compliance with established policies and regulations.

#### **XIX. AUDIT REQUIREMENTS**

CONTRACTOR shall have an independent audit for any fiscal year in which it receives \$750,000 or more in Federal funds combined. CONTRACTOR shall submit a copy of an annual audit of CONTRACTOR, performed by an independent certified public accounting firm within nine months after the end of CONTRACTOR'S fiscal year, to DAAA. The audit shall cover CONTRACTOR'S entire organization and be conducted in accordance with generally accepted auditing standards. Audits performed under this Section are subject to review and resolution by DAAA or its authorized representative.

The audit shall be conducted and submitted in accordance with the standards for financial and compliance audits contained in the Standards for Audits of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments, and Nonprofit Organizations; and UGMS.

CONTRACTOR understands and agrees CONTRACTOR shall be liable to DAAA for any costs disallowed as a result of unresolved questioned costs revealed during the audit. All questioned costs relating to a DAAA program shall be resolved within one hundred eighty (180) calendar days following receipt of CONTRACTOR'S audit by DAAA, otherwise disallowance of questioned costs shall be implemented, and CONTRACTOR shall be liable to DAAA for such disallowed costs.

CONTRACTOR shall have the right to appeal any such disallowance of costs in accordance with 40 TAC §81.15, Appeal Procedures for Area Agency on Aging Contractors.

CONTRACTOR shall procure audit services no less frequently than every five years. In the event the same audit firm is utilized for more than five consecutive years, CONTRACTOR shall request the audit firm assign a different audit manager to the project. The ability to assign a different audit manager shall be a consideration in the procurement for audit services.

CONTRACTORS receiving funding under the \$750,000 threshold are required to have an accounting of the previous year's operations on file during the annual review process.

## **XX. IDENTIFICATION OF HIGH RISK**

DAAA may identify a contractor as high risk in accordance with the UGMS, Grant Administration, Section III, Subpart B, paragraph .12, Office of Budget and Management Circular A-110, Subpart B, paragraph .14, and DADS policies. DAAA may inform CONTRACTOR of the identification as high risk in writing. DAAA may state the effective date of the identification as high risk, the nature of the issues that led to the identification as high risk, and any special conditions or restrictions. The identification as high risk may remain in effect until DAAA determines CONTRACTOR has taken corrective action sufficient to resolve the issues that led to the identification as high risk.

## **XXI. PAYMENT SUSPENSION, PENALTIES AND CONTRACT TERMINATION**

In the event monitoring/evaluation activities by DADS, DAAA or its agents disclose deficiencies in CONTRACTOR'S performance or its service providers supported under provisions of this contract, DAAA shall take appropriate remedial steps to resolve such non-compliance. Remedies such as a corrective action plan, training or other actions based on the identified risk may be required of CONTRACTOR by DAAA. Continued non-compliance or identification of unallowable or disallowable activities/actions/processes will result in sanctions or penalties or both in accordance with 40 TAC §81.13.

DAAA or CONTRACTOR may elect to terminate this contract upon ten (10) calendar days' written notice from the terminating party to the other party. CONTRACTOR, upon notification of termination, shall have the right to appeal such termination following procedures outlined by DAAA.

This contract also may be terminated upon the occurrence of any of the following events:

- a. Discontinuance of funding to DAAA from DADS;
- b. Failure of CONTRACTOR to comply with any or all of the terms and conditions of this contract and any attachments thereto; or
- c. Mutual agreement between DAAA and CONTRACTOR.

In the event of termination, CONTRACTOR shall submit final billings for units of service delivered pursuant to the contract. Final billings will be submitted to DAAA within fifteen calendar days after date of termination. DAAA shall reimburse those units of service, delivered in accordance with the contract, prior to termination.

At the date of termination, DAAA may require CONTRACTOR to transfer title and deliver to DAAA or to another authorized contractor any property acquired by Federal or State funds or assigned to CONTRACTOR by DAAA for the purposes of this contract.

CONTRACTOR may dispose of property having a current value, at the time of termination, of less than \$500, in any manner, and DAAA shall make no recovery. DAAA shall provide instructions to CONTRACTOR regarding disposition of all property having a current value, at the time of termination, of \$1,000 or more, within fifteen (15) days following notice of termination.

## **XXII. RECAPTURE OF PAYMENTS**

If CONTRACTOR has failed to comply with the terms of this contract that govern the use of monies pursuant to this contract, or if CONTRACTOR has received funds in excess of those actually earned, DAAA may take appropriate action including the recapture of payment and/or withholding of funds.

## **XXIII. ASSURANCES & CERTIFICATIONS (Attachment A)**

CONTRACTOR hereby provides all assurances required by law as set forth in Attachment A of this contract. All assurances and certifications contained in Attachment A are hereby incorporated by reference into this contract for all purposes as if set forth fully herein. CONTRACTOR must certify compliance with assurances and certifications will be accomplished.

CONTRACTOR shall use due diligence to ensure reasonable steps have been taken to meet the criteria or standards stated within each assurance. Failure to comply with an assurance shall subject CONTRACTOR to penalties, disallowance of funds, and other action, up to and including termination.

## **XXIV. DEBARMENT & SUSPENSION (Attachment B)**

As required by Federal Executive Order 12549, Debarment and Suspension and implemented at 45 CFR Part 92.35, for prospective participants in Federal assistance programs:

CONTRACTOR certifies Attachment B to the best of his or her knowledge and belief, on behalf of the organization, defined as the primary participant in accordance with 45 CFR Part 76, and its principals.

CONTRACTOR also agrees by signing and submitting Attachment B, that it will include, without modification, the clause titled "Certification Regarding Debarment, Suspension, in eligibility, and Voluntary Exclusion--Lower Tier Covered Transactions" in all lower tier covered transactions (i.e., transactions with sub- grantees and/or contractors) and in all solicitations for lower tier covered transactions in accordance with 45 CFR Part 76.

## **XXV. LIABILITY TO THIRD PARTIES**

DAAA does not assume any liability to third persons, nor will DAAA reimburse CONTRACTOR for its liability to third persons, with respect to loss due to death, bodily injury, or damage to property resulting in any way from the performance of this contract or any subcontract hereunder.

CONTRACTOR shall give DAAA or its representative immediate notice of any suit or action filed, or prompt notice of any claim made against CONTRACTOR arising out of the performance of this contract. CONTRACTOR shall furnish immediately to DAAA copies of all pertinent papers received by CONTRACTOR in connection with any such suit, action or claim. DAAA or DADS shall have the option to intervene in such actions to represent their interests.

the undertaking or carrying out of this project, shall participate in any decision relating to this Contract which affects his personal or pecuniary interest, direct or indirect, in the Contract or the proceeds thereof.

## **XXVII. INSURANCE AND LICENSING**

CONTRACTOR shall secure licensing when appropriate, and shall maintain adequate liability

insurance to protect health and safety of clients and employees that comply with all applicable state and federal statutes. Proof of licensing and insurance shall be made available to monitoring agents upon request.

**XXVIII. FORCE MAJEURE**

To the extent that either party to this contract shall be wholly or partially prevented from the performance within the terms of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, invasion, insurrection, accident, order of court, judge, or civil authority, an act of God, or any cause reasonably beyond the party's control and not attributable to its neglect, that in such event the service delivery shall be provided according to emergency management plans.

**XXIX. CONTRACT NOTICES**

Any notice required to be given pursuant to the provisions of this contract shall be in writing and shall be deemed given upon actual receipt or upon deposit in the United States Postal Service Post Office with the proper postage affixed and addressed to the parties indicated on Page 1 of the opening statement of this contract until due notice has been given of a change of address.

For DAAA:

Jacqueline West  
Interim Executive Director  
Community Council of Greater Dallas/  
Dallas Area Agency on Aging  
1341 W. Mockingbird Lane, Suite 1000W  
Dallas, TX 75247

For CONTRACTOR:

\_\_\_\_\_  
Name & Title  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
City, State, Zip

**XXX. POLITICAL ACTIVITY**

No funds provided under this Agreement may be used in any way to attempt to influence in any manner a member of Congress to favor or oppose any legislation or appropriation by Congress, or for lobbying with State or local legislators. CONTRACTOR, if a recipient of Federal assistance exceeding \$100,000 through DADS, will comply with 31 U.S.C. Section 1352.

**XXXI. SECTARIAN INVOLVEMENT**

CONTRACTOR shall ensure that no funds under this contract are used, either directly or indirectly, in the support of any religious or anti-religious activity, worship, or instruction. This clause shall be interpreted in light of DADS rule 40 TAC §69.16 and 45 CFR Chapter 87.

**XXXII. RIGHT TO APPEAL**

Any applicant to provide services whose application or Proposal for Services is denied or whose contract is terminated or not renewed (except as provided in 45 CFR Part 74, Subpart M) has a right to appeal such action. The applicant shall give notice of appeal to DAAA within 10 days after it receives DAAA' action letter. Appeals Procedures adopted by DADS and codified at 40 TAC §81.15 will be used as the appeals process.

### **XXXIII. INDEPENDENT CONTRACTOR**

In performance of obligations under this contract, CONTRACTOR shall act as an independent contractor and not as an agent, representative or employee of DAAA. No employee, agent, or representative of CONTRACTOR shall be considered an employee of DAAA nor be eligible for any benefits, rights or privileges afforded to DAAA employees.

CONTRACTOR shall not subcontract or assign work to be performed under the terms of this contract to a third party without prior written notification to DAAA and prior written consent from the DAAA Director. CONTRACTOR, in subcontracting any of the performance herein, understands and assures that its subcontractor shall comply with the terms and conditions of the contract.

### **XXXIV. ORAL AND WRITTEN AGREEMENT**

All oral or written agreements made prior to this contract have been reduced to writing and are contained herein by the execution of this contract including any proposals submitted by CONTRACTOR. CONTRACTOR evidences its understanding and agrees that any prior agreement is terminated as of the effective date of this contract. Both parties agree that DAAA shall not be liable for any costs incurred by CONTRACTOR except to the extent provided in this contract. When 45 CFR, or its appendices, provide that a cost is allowable only when authorized in writing, the cost will not be allowable unless written approval from DAAA is obtained prior to the expenditure.

### **XXXV. EMERGENCY MANAGEMENT**

CONTRACTOR shall coordinate with the DAAA, the Texas Department of Public Safety, the Federal Emergency Management Agency (FEMA), county and local government entities and engage in those activities that meet the needs of the elderly during and after natural, civil defense, and/or man-made disasters.

In the event of a disaster, whether man-made, natural or of a civil defense nature, CONTRACTOR will provide and coordinate appropriate resources to federal disaster relief agencies and may provide equipment and resources for the following activities: temporary shelter; nutrition services; food preparation; transportation and volunteers.

### **XXXVI. SEVERABILITY**

The invalidity or unenforceability of any provision of this contract will not affect the validity or enforceability of any other provision of this contract shall be filed in Dallas County.

In the case of claims requiring federal jurisdiction, filing shall be within the Federal court district in which alleged events occur or in which the DAAA administrative office resides.

### **XXXVIII. SURVIVAL OF TERMS**

The following portions of this Agreement shall survive termination: XI, XII, VI, XVII, XIX, XXII, XXIII, XXVI, XXX, XXXV to XXXVIII, and XXXIX.

**XXXIX. ACCEPTANCE OF CONTRACT**

I, the undersigned, certify that I have read and understand the terms of this contract and that this agency will abide by them. I further certify that I am authorized to sign for CONTRACTOR agency.

**FOR CONTRACTOR:**

\_\_\_\_\_  
Typed Name and Title of  
Authorized Official

\_\_\_\_\_  
Signature of Official

\_\_\_\_\_  
Date

**FOR THE COMMUNITY COUNCIL OF  
GREATER DALLAS/DALLAS AREA AGENCY  
ON AGING:**

Jacqueline West  
Interim Executive Director

  
\_\_\_\_\_  
Signature

7/26/16  
\_\_\_\_\_  
Date

**DALLAS AREA AGENCY ON AGING  
FOCAL POINTS.**

<p><b>Brady Senior Center</b> Beatrice Carter, Senior Case Manager 537 S. Hall St.; 75226 (214) 826-8330 ext. 4 \ FAX: (214) 826-8579 <a href="mailto:bcarter@ccdallas.org">bcarter@ccdallas.org</a></p>	<p><b>Good Street Senior Center</b> Lynn Bradshaw, Manager 3110 Bonnie View; 75216 (214) 819-1860</p>	<p><b>Pleasant Grove Senior Center</b> Joyce Edwards, Manager 7224 Umphress; 75217 (214) 398-5215</p>
<p><b>Concord Senior Center</b> Princess Lacy, Center Assistant 6808 Pastor Bailey Dr.; 75237 (214) 331-8522 ext. 260</p>	<p><b>Hutchins Senior Center</b> Vivian Rawlins, Manager 500 W. Hickman; 75141 (MAIL: P.O. Box 754) (972) 225-0439 \ FAX: (972) 225-5559 <a href="mailto:hutchinsctr@sbcglobal.net">hutchinsctr@sbcglobal.net</a></p>	<p><b>Roseland Garden Fellowship</b> Jeanette Manzano, Manager 2255 N. Washington Ave.; 75204 (214) 819-1860</p>
<p><b>Deaf Action Center</b> Heather Hughes, Executive Director 5910 Cedar Springs Rd.; 75235 (214) 521-0407 \ FAX: (214) 521-3658 <a href="mailto:heather.hughes@dactexas.org">heather.hughes@dactexas.org</a></p>	<p><b>Irving-Heritage Senior Activity Center</b> Ann Gillespie, Supervisor 200 S. Jefferson; Irving, TX 75060 (972) 721-2496 \ FAX: (972) 721-3744 <a href="mailto:agillespie@cityofirving.org">agillespie@cityofirving.org</a></p>	<p><b>Seagoville Senior Center</b> April Smigielski, Manager Seagoville Community Center 304 E. Farmers Rd. Seagoville, TX 75159 (972) 287-4113 \ FAX: (972) 287-9587 <a href="mailto:seniors@seagoville.us">seniors@seagoville.us</a></p>
<p><b>DeSoto Senior Activity Center</b> Nathan Busby, Center Manager 204 Lion St.; DeSoto, TX 75115 (972) 230-5825 \ FAX: (972) 230-5827 <a href="mailto:nbusby@ci.desoto.tx.us">nbusby@ci.desoto.tx.us</a></p>	<p><b>Jefferson Senior Center</b> Miriam Medina, Manager 1617 W. Jefferson Blvd.; 75208 (214) 943-3304</p>	<p><b>Sunshine Senior Center</b> Karen Caldwell, Center Manager 8341 Elam Road; 75217 (214) 398-6619 x 7 <a href="mailto:Karen.caldwell@dallascounty.org">Karen.caldwell@dallascounty.org</a></p>
<p><b>Duncanville Hopkins Senior Center</b> Rashidah Madyun, Manager 206 James Collins Blvd; Duncanville, TX 75116 (972) 780-5073 <a href="mailto:rmadyun@ci.duncanville.tx.us">rmadyun@ci.duncanville.tx.us</a></p>	<p><b>Jewish Community Center</b> Anna Angorina, Manager 7900 Northaven Rd.; 75230 (214) 239-3780 \ FAX: (214) 368-4709 <a href="mailto:aangorina@jccdallas.org">aangorina@jccdallas.org</a></p>	<p><b>The Summit</b> Amanda Alms, Manager 2975 Esplanade; Grand Prairie, TX 75052 (972) 237-4141 / FAX: (972) 237-4122 <a href="mailto:llong@gptx.org">llong@gptx.org</a></p>
<p><b>Elite Senior Center</b> Shirley Fu, Manager 902 St. Paul Dr.; Richardson, TX 75081 (214) 575-9888</p>	<p><b>Lancaster Senior Life Center</b> Theodora Walker, Manager 240 Veterans Memorial Parkway; Lancaster, TX 75134 (972) 218-3780 \ FAX: (972) 218-3694 <a href="mailto:twalker@lancaster-tx.com">twalker@lancaster-tx.com</a></p>	<p><b>West Dallas-North Dallas Senior Center</b> Trepasco Cox, Manager 2828 Fish Trap Road; 75212 (214) 670-6350</p>
<p><b>Emeritus Senior Center at Mountain View College</b> Jeanette Manzano, Manager 4849 W. Illinois Ave., Room W-124; 75211 (214) 819-1860</p>	<p><b>M.L.K. Senior Center</b> Arnell Munn, Manager 2901 Pennsylvania; 75215 (214) 670-8169</p>	<p><b>OTHER DESIGNATED AGENCIES</b></p> <p><b>Metrocrest Services</b> Tracy Eubanks, Chief Executive Officer 13801 Hutton Dr., Suite 150; Farmers Branch, TX 75234 (972) 446-2100</p>
<p><b>Garland-Carver Senior Center</b> Shannon Stephens, Recreation Specialist 222 Carver; Garland, TX 75040 (972) 205-3305 \ FAX: (972) 205-3327 <a href="mailto:sstephen@ci.garland.tx.us">sstephen@ci.garland.tx.us</a></p>	<p><b>Mesquite-Evans Senior Center</b> Heidi Lyon, Center Manager 1116 Hillcrest; Mesquite, TX 75149 (MAIL: PO Box 850137; 75185) (972) 285-6761 \ FAX: (972) 216-6397 <a href="mailto:hlyon@cityofmesquite.com">hlyon@cityofmesquite.com</a></p>	<p><b>The Senior Source</b> Renae Perry, Operations Officer 3910 Harry Hines Blvd., 75219 (214) 823-5700 ext. 6159 <a href="mailto:rperry@theseniorsource.org">rperry@theseniorsource.org</a></p>
<p><b>Garland Senior Activity Center</b> D'Aun Muhlinghaus, Senior Services Specialist 600 W. Ave. A; Garland, TX 75040 (972) 205-2769 \ FAX: (972) 487-2417 <a href="mailto:DMuhling@garlandtx.gov">DMuhling@garlandtx.gov</a></p>	<p><b>Mesquite-Goodbar Senior Center</b> Sally Jo Parise, Supervisor 3000 Concord; Mesquite, TX 75150 (972) 279-6881 \ FAX: (972) 216-6397 <a href="mailto:sparise@cityofmesquite.com">sparise@cityofmesquite.com</a></p>	

## *Agenda Item 4*

*Conduct a public hearing to receive citizen input on the proposed tax rate of \$0.743800 per \$100 valuation, which exceeds the effective tax rate calculated by the Dallas County Tax Assessor/Collector of \$0.678387 or 11.94%. This rate will raise more revenue from property taxes than last year's budget by an amount of \$390,972.*

### **BACKGROUND OF ISSUE:**

Conduct a public hearing to receive citizen input on the proposed tax rate of \$0.743800 per \$100 valuation, which exceeds the effective tax rate calculated by the Dallas County Tax Assessor/Collector of \$0.678387 or 11.94%.

### **FINANCIAL IMPACT:**

## *Agenda Item 5*

*Conduct a public hearing to receive citizen input on the proposed FY 2016-2017 budget for all City funds. This budget will raise more property taxes than last year's budget by \$390,972 or 11.94%, and of that amount, \$80,009 is tax revenue to be raised from new property added to the tax roll this year.*

### **BACKGROUND OF ISSUE:**

This public hearing allows the Council to receive public input on the proposed FY 2017 budget.

### **FINANCIAL IMPACT:**

None

## *Agenda Item 6*

*Conduct public hearing to receive citizen input on the proposed FY 2016-2017 hotel/motel tax budget; and direct staff on proposed FY 2016-2017 hotel/motel tax budget.*

### **BACKGROUND OF ISSUE:**

Hotel/Motel tax expenditures for FY 2016-2017 are estimated at \$24,000.00.

The Chamber of Commerce has submitted three (3) grant applications requesting funding in the amount of \$24,000.00 for the following:

Mayfest / Cinco de Mayo	\$8,000.00
Seagofest	\$8,000.00
4 <sup>th</sup> of July Celebration	\$8,000.00

As part of the public hearing, Phil Greenwalt, on behalf of the Chamber of Commerce, will present a brief presentation on his request(s).

Included with this Agenda Communication is an article from the April 16, 2016, Texas Town and City Magazine published by the Texas Municipal League concerning the use of Hotel/Motel Tax Funds for fireworks shows. Staff has asked the City Attorney to provide an opinion related to the Chamber's request to use Hotel/Motel Funds for the 4<sup>th</sup> of July fireworks show. I have asked the City Attorney to present her interpretation of the law as it relates to the use of Hotel Motel Tax Funds so that you will be able to make an informed decision in this matter.

Following all presentations, Staff seeks Council direction on the preparation of Hotel/Motel Fund Grant(s) to be considered at the September 12, 2016, Council Meeting.

### **FINANCIAL IMPACT:**

None

## Application

Date: August 10, 2016

### ***Organization Information***

Name of Organization: **Seagoville Chamber of Commerce Information and Tourism Bureau**

Address: **107 Hall Road**

City, State, Zip: **Seagoville, Texas 75159**

Contact Name: **Phil Greenawalt**

Contact Phone Number: **(214) 405-2203**

Web Site Address for Event or Sponsoring Entity: **www.seagovillecoc.org**

Non-Profit or For-Profit status: **Non-Profit** Tax ID #: **47-2234629**

Entity's Creation Date: **December 10, 1979**

Purpose of your organization: **To promote local businesses and tourism for Seagoville, Texas.**

### ***Event Information***

Name of Event or Project: **Mayfest**

Date of Event or Project: **May 4, 5, 6 & 7**

Primary Location of Event or Project: **C.O. Bruce Central Park**

Amount Requested: **\$8,000.00**

How will the funds be used: **Planning, promoting, and advertisement for the event. Securing live entertainment, lighting, staging, and sound. Secure signs, barriers, port-a-potty's. Acquire carnival, craft and food vendors. Three nights and four days of fun for our community and surrounding areas.**

Primary Purpose of Funded Activity/Facility:

**To promote tourism for Seagoville and our area.**

**Percentage of Hotel Tax Support of Related Costs**

**30%** Percentage of Total **Event Costs** Covered by Hotel Occupancy Tax

**N/A** Percentage of Total **Facility Costs** Covered by Hotel Occupancy Tax for the Funded Event

**35%** Percentage of **Staff Costs** Covered by Hotel Occupancy Tax for the Funded Event

If staff costs are covered, estimate percentage of time staff spends annually on the funded event(s) compared to other activities **30%**

***Which Category or Categories Apply to Funding Request, and Amount Requested Under Each Category:***

- 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: **\$3,000.00**
- 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 : \$3000.00

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: **\$2,000.00**

**What tourist attractions will be the subject of the signs? Carnival, vendors, live music, car show, and motorcycle show. Local restaurants will be promoted**

**Questions for All Funding Request Categories:**

1. How many years have you held this Event or Project: **7**
2. Expected Attendance: **18,000 to 20,000 over four days**
3. How many people attending the Event or Project will use Seagoville hotels? **75-100**  
Number of the people many nights will they stay: **3**
4. Do you reserve a room block for this event at an area hotel and if so, for how many rooms and at which hotels: **New owner is open and negotiations are ongoing.**
5. List other years (over the last three years) that you have hosted your Event or Project with amount of assistance given from HOT and the number of hotel rooms used:

<b>Month/Year Held</b>	<b>Assistance Amount</b>	<b>Number of Hotel Rooms Used</b>
<b>2014</b>	<b>\$5,000.00</b>	
<b>2015</b>	<b>\$6,000.00</b>	
<b>2016</b>	<b>\$6,000.00</b>	

6. How will you measure the impact of your event on area hotel activity (e.g.; room block usage information, survey of hoteliers, etc.)? **Survey Hoteliers and restaurants. Interview attendees and live remotes with 95.5 FM radio**
7. Please list other organization, government entities, and grants that have offered financial support to your project: **None**
8. Will the event charge admission? Do you anticipate a net profit from the event? If there is a net profit, what is the anticipated amount and how will it be used?

**No admission charged. If there is profit it will be used for the next event.**

9. Please list all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Newspaper:   X    
Radio:   X    
TV: \_\_\_\_\_  
Other Paid Advertising:   X  

Number of Press Releases to Media: **25**

Number Direct Mailings to out-of-town recipients': **19,000**

Other Promotions: **Flyers, Posters, direct mailings, P.S.A. from 95.5 FM and possible billboard.**

10. Will you include a link to the CVB or other source on your promotional handouts and in your website for booking hotel nights during this event? **Yes**

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

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

**Our own radio station and possible billboard**

13. What geographic areas does your advertising and promotion reach: **Mesquite, Forney, Crandall,**

**Kaufman, Pleasant Grove, Hutchins, Ferris, Balch Springs, South and Southeast Dallas.**

14. How many individuals will your proposed marketing reach who are located in another city or county? **The broadcast radius is to include 500,000 potential listeners.**

15. If the funding requested is related to a permanent facility (e.g. museum, visitor center):

Expected Attendance Monthly/Annually: **N/A**

Percentage of those in attendance that are staying at area hotels/lodging facilities: \_\_\_\_\_%

**Please Submit no later than August 15<sup>th</sup> to:**

City of Seagoville  
City Secretary's Office  
702 N. Highway 175  
Seagoville, TX 75159  
(P) (972) 287-2819 (F) (972) 287-3891  
dcrabtree@seagoville.us

Seagoville Chamber of Commerce  
Information and Tourism Bureau  
Hotel Occupancy Tax Grant Funds

**2017  
MAYFEST**

Entertainment	\$2200.00
Staff Costs	\$2000.00
Printing and Signs	\$600.00
Advertising	\$700.00
Supplies/Postage	\$300.00
Event Insurance	\$700.00
Barriers	\$750.00
Port a Potty's	\$750.00

**\$8,000.00**

## Application

Date: August 10, 2016

### ***Organization Information***

Name of Organization: **Seagoville Chamber of Commerce Information and Tourism Bureau**

Address: **107 Hall Road**

City, State, Zip: **Seagoville, Texas 75159**

Contact Name: **Phil Greenawalt**

Contact Phone Number: **(214) 405-2203**

Web Site Address for Event or Sponsoring Entity: **www.seagovillecoc.org**

Non-Profit or For-Profit status: **Non-Profit** Tax ID #: **47-2234629**

Entity's Creation Date: **December 10, 1979**

Purpose of your organization: **To promote local businesses and tourism for Seagoville, Texas.**

### ***Event Information***

Name of Event or Project: **Seagofest**

Date of Event or Project: **October 1, 2, 3 & 4**

Primary Location of Event or Project: **C.O. Bruce Central Park**

Amount Requested: **\$8,000.00**

How will the funds be used: **Securing live entertainment, lighting, staging, and sound. Promoting the event within a 20 mile radius with flyers, posters and P.S.A's from 95.5 FM. Use of a portable stage.**

**Securing carnival, food and craft vendors and a Car and Motorcycle Show.**

Primary Purpose of Funded Activity/Facility:

To promote tourism for Seagoville and the surrounding areas.

**Percentage of Hotel Tax Support of Related Costs**

30% Percentage of Total **Event Costs** Covered by Hotel Occupancy Tax

N/A Percentage of Total **Facility Costs** Covered by Hotel Occupancy Tax for the Funded Event

30% Percentage of **Staff Costs** Covered by Hotel Occupancy Tax for the Funded Event

If staff costs are covered, estimate percentage of time staff spends annually on the funded event(s) compared to other activities 30%

***Which Category or Categories Apply to Funding Request, and Amount Requested Under Each Category:***

- 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: \$\_\_\_\_\_
- X c) **Advertising, Solicitations, Promotional programs to attract tourists and convention delegates** or registrants to the municipality or its vicinity. Amount requested under this category: **\$3,000.00**
- X 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 : **\$3,000.00**

**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: **\$2,000.00**

Carnival, live music, Car and Motorcycle Show along with food and craft vendors. Local restaurants will be promoted along with local attractions.

**Questions for All Funding Request Categories:**

1. How many years have you held this Event or Project: **23**
2. Expected Attendance: **20,000 to 25,000 over three nights four days**
3. How many people attending the Event or Project will use Seagoville hotels? **75-100**  
Number of the people many nights will they stay: **3**
4. Do you reserve a room block for this event at an area hotel and if so, for how many rooms and at which hotels: **Negotiating now**
5. List other years (over the last three years) that you have hosted your Event or Project with amount of assistance given from HOT and the number of hotel rooms used:

<b>Month/Year Held</b>	<b>Assistance Amount</b>	<b>Number of Hotel Rooms Used</b>
<b>10/2014</b>	<b>\$4,000.00</b>	
<b>10/2015</b>	<b>\$5,000.00</b>	
<b>10/2016</b>	<b>\$6,000.00</b>	

6. How will you measure the impact of your event on area hotel activity (e.g.; room block usage information, survey of hoteliers, etc.)? **Interview hoteliers, restaurants, attendees, and live remotes done by 95.5 FM**
7. Please list other organization, government entities, and grants that have offered financial support to your project: **None**

8. Will the event charge admission? Do you anticipate a net profit from the event? If there is a net profit, what is the anticipated amount and how will it be used?

**No admission charged. Profits vary and will be used for the next event.**

9. Please list all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Newspaper:   X    
Radio:   X    
TV: \_\_\_\_\_  
Other Paid Advertising:   X  

Number of Press Releases to Media: **25**

Number Direct Mailings to out-of-town recipients': **19,000**

Other Promotions: **Flyers, Posters, P.S.A. from 95.5 FM and Festivals of Texas ads.**

10. Will you include a link to the CVB or other source on your promotional handouts and in your website for booking hotel nights during this event? **Yes**

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

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

**There will be announcements on 95.5 FM, live remotes from the event, and possible billboard.**

13. What geographic areas does your advertising and promotion reach: **20 mile radius**

14. How many individuals will your proposed marketing reach who are located in another city or county? **20 mile broadcast radius is to include 500,000 potential listeners.**

15. If the funding requested is related to a permanent facility (e.g. museum, visitor center):

Expected Attendance Monthly/Annually: **N/A**

Percentage of those in attendance that are staying at area hotels/lodging facilities: \_\_\_\_\_%

**Please Submit no later than August 15<sup>th</sup> to:**

City of Seagoville  
City Secretary's Office  
702 N. Highway 175  
Seagoville, TX 75159  
(P) (972) 287-2819 (F) (972) 287-3891  
dcrabtree@seagoville.us

Seagoville Chamber of Commerce  
Information and Tourism Bureau  
Hotel Occupancy Tax Grant Funds

**2017  
SEAGOFEST**

Entertainment	\$2500.00
Staff Costs	\$2300.00
Printing and Signs	\$1000.00
Tables and Chairs	\$175.00
Advertising	\$500.00
Supplies	\$150.00
Car Show	\$300.00
Event Insurance	\$735.00
Trophies	\$150.00
Postage and Mailing	\$190.00

**\$8,000.00**

## Application

Date: **August 10, 2016**

### ***Organization Information***

Name of Organization: **Seagoville Chamber of Commerce Information and Tourism Bureau**

Address: **107 Hall Road**

City, State, Zip: **Seagoville, Texas 75159**

Contact Name: **Phil Greenawalt**

Contact Phone Number: **(214) 405-2203**

Web Site Address for Event or Sponsoring Entity: **[www.seagovillecoc.org](http://www.seagovillecoc.org)**

Non-Profit or For-Profit status: **Non-Profit** Tax ID #: **47-2234629**

Entity's Creation Date: **December 10, 1979**

Purpose of your organization: **To promote local businesses and tourism for Seagoville, Texas.**

### ***Event Information***

Name of Event or Project: **4<sup>th</sup> of July Celebration**

Date of Event or Project: **July 1<sup>st</sup>**

Primary Location of Event or Project: **C.O. Bruce Central Park**

Amount Requested: **\$8,000.00**

How will the funds be used: **Planning, promoting, and advertising the event. Paying for the waterslides. Help to pay for the fireworks show. Secure staging, lighting, and sound. Portable stage and radio station.**

Primary Purpose of Funded Activity/Facility:

**To promote tourism for Seagoville. To spend money in order to bring people to our event that will spend money at our hotels/motels, our restaurants and buy their gas in Seagoville!**

**Percentage of Hotel Tax Support of Related Costs**

**30%** Percentage of Total **Event Costs** Covered by Hotel Occupancy Tax

**N/A** Percentage of Total **Facility Costs** Covered by Hotel Occupancy Tax for the Funded Event

**40%** Percentage of **Staff Costs** Covered by Hotel Occupancy Tax for the Funded Event

If staff costs are covered, estimate percentage of time staff spends annually on the funded event(s) compared to other activities **30%**

***Which Category or Categories Apply to Funding Request, and Amount Requested Under Each Category:***

- 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: **\$3,000.00**
- 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 : **\$3,000.00**

**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: **\$2,000.00****

**Expanded waterpark. Giant fireworks show. Live entertainment that includes a patriotic program. Tourist will also receive information about local attractions.**

**Questions for All Funding Request Categories:**

- 1. How many years have you held this Event or Project: **5**
- 2. Expected Attendance: **18,000 to 20,000**
- 3. How many people attending the Event or Project will use Seagoville hotels? **50-75**  
 Number of the people many nights will they stay: **1**
- 4. Do you reserve a room block for this event at an area hotel and if so, for how many rooms and at which hotels: **Not yet but continue to dialogue with hoteliers about how this benefits them.**
- 5. List other years (over the last three years) that you have hosted your Event or Project with amount of assistance given from HOT and the number of hotel rooms used:

<b>Month/Year Held</b>	<b>Assistance Amount</b>	<b>Number of Hotel Rooms Used</b>
<b>7/14</b>	<b>\$3,000.00</b>	
<b>7/15</b>	<b>\$3,000.00</b>	
<b>7/16</b>	<b>\$3,000.00</b>	

- 6. How will you measure the impact of your event on area hotel activity (e.g.; room block usage information, survey of hoteliers, etc.)? **Survey Hoteliers and restaurants. Interview attendees and live remotes with 95.5 FM radio**
- 7. Please list other organization, government entities, and grants that have offered financial support to your project: **None**

8. Will the event charge admission? Do you anticipate a net profit from the event? If there is a net profit, what is the anticipated amount and how will it be used?

**No admission charged. This event has never produced net profit it is done as a service and if there were profit it would go to the next event.**

9. Please list all promotion efforts your organization is coordinating and the amount financially committed to each media outlet:

Newspaper:   X    
Radio:   X    
TV: \_\_\_\_\_  
Other Paid Advertising:   X  

Number of Press Releases to Media: **30**

Number Direct Mailings to out-of-town recipients': **19,000**

Other Promotions: **Flyers, Posters, Festivals of Texas ads, P.S.A. on Radio.**

10. Will you include a link to the CVB or other source on your promotional handouts and in your website for booking hotel nights during this event? **Yes**

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

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

**95.5 FM will be running hourly ads and information. More and better website information.**

**Possible billboard.**

13. What geographic areas does your advertising and promotion reach: **Mesquite, Forney, Crandall,**

**Kaufman, Pleasant Grove, Hutchins and Ferris. 20 mile radius.**

**14.** How many individuals will your proposed marketing reach who are located in another city or county? **The broadcast radius is to include 500,000 potential listeners.**

15. If the funding requested is related to a permanent facility (e.g. museum, visitor center):

Expected Attendance Monthly/Annually: **N/A**

Percentage of those in attendance that are staying at area hotels/lodging facilities: \_\_\_\_\_%

**Please Submit no later than August 15<sup>th</sup> to:**

City of Seagoville  
City Secretary's Office  
702 N. Highway 175  
Seagoville, TX 75159  
(P) (972) 287-2819 (F) (972) 287-3891  
dcrabtree@seagoville.us

Seagoville Chamber of Commerce  
Information and Tourism Bureau  
Hotel Occupancy Tax Grant Funds

**2017**  
**FIREWORKS IN THE PARK**

Entertainment	\$700.00
Staff Costs	\$800.00
Fireworks	\$3000.00
Advertising	\$100.00
Supplies	\$100.00
Waterpark	\$3300.00

**\$8,000.00**



**Q What are hotel occupancy taxes?**

**A** Cities may levy a tax on a person who—under a lease, concession, permit, right of access, license, contract, or agreement—pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs \$2 or more each day, and is ordinarily used for sleeping. TEX. TAX CODE § 351.002(a).

**Q How much hotel occupancy taxes may a city levy?**

**A** Generally speaking, a city may levy a hotel occupancy tax in any amount up to, and including, seven percent of the price paid for the room. Id. § 351.003. Select cities are authorized to levy up to eight-and-a-half or nine percent of the price of the room, so long as a portion of the revenue generated by the increased rate goes toward certain specified projects. Id. §§ 351.003, 351.1055, 351.1065, and 351.107. The price of the room does not include food and drink. Id. § 351.002(b).

**Q What is the definition of a hotel for purposes of hotel occupancy taxes?**

**A** A hotel is defined as a building in which members of the public obtain sleeping accommodations in return for money. It includes motels, lodging houses, inns, rooming houses, and bed and breakfasts. Id. § 156.001. It

does not include, and thus no tax is due for, dormitories, hospitals, nursing homes, and oilfield portable units. Id. § 156.001(a). In 2015, legislation passed clarifying that the definition of "hotel" includes a residential short-term rental property for purposes of the imposition of hotel occupancy taxes. Id. § 156.001(b).

**Q Is the hotel occupancy tax limited to hotels within the city limits?**

**A** Ordinarily yes, except that a city with a population under 35,000 may extend the application of its hotel occupancy tax by ordinance to the extraterritorial jurisdiction (ETJ) of the city. Id. § 351.0025(a). However, a city under 35,000 population may not apply its hotel occupancy tax in the ETJ if, as a result of the adoption of the city tax, the combined rate of state, county, and city hotel taxes would exceed fifteen percent at hotels in the ETJ. TEX. Id. § 351.0025(b). Provided the combined tax does not exceed fifteen percent at the time the city levies its tax, the city's tax is unaffected by future taxes levied by counties or other entities that might have the effect of imposing a combined rate in excess of fifteen percent. Op. Tex. Att'y Gen. No. GA-408 (2006).

A city may extend its hotel occupancy tax to the ETJ by a provision in its hotel occupancy tax ordinance specifying that the tax extends to the ETJ.

**Q How does a city levy a hotel occupancy tax?**

**A** A hotel occupancy tax must be levied by ordinance. TEX. TAX CODE § 351.002(a). No election or other approval of the citizens is required. Sample hotel occupancy tax ordinances can be obtained from the TML Legal Department at (512) 231-7400 or legalinfo@tml.org.

**Q How may hotel occupancy tax revenues be spent by a city?**

**A** Hotel occupancy tax revenues are known as "dedicated revenues," as distinguished from general tax revenues such as property taxes and some sales taxes. General revenues may be spent on nearly any lawful pursuit of a city. Dedicated revenues, however, may only be spent on certain, statutorily-defined purposes.

Very generally speaking, all expenditures of city hotel tax revenue must promote tourism within the city. This general rule can be further broken down into two parts (often referred to as the "two-part test"):

- (a) all expenditures must promote tourism and the convention and hotel industry; and
- (b) all expenditures must further fall into one of nine statutory categories:
  - (1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities and visitor information centers;

- (2) expenses associated with registration of convention delegates;
- (3) advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity;
- (4) promotion of the arts;
- (5) historical restoration or preservation projects;
- (6) sporting events that promote tourism in counties of less than one million population;
- (7) enhancing or upgrading existing sports facilities or sports fields (only in certain cities);
- (8) transportation systems that transport tourists from hotels to the commercial center of the city, a convention center, other hotels, or tourist attractions, provided the system doesn't serve the general public; and
- (9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the city.

**Q Can a city fund a fireworks show using hotel occupancy taxes?**

**A** The prototype hotel tax controversy involves an event like a fireworks show or a parade. City officials frequently ask if they can fund a fireworks show with hotel tax money.

All expenditures must be subjected to the "two-part test" spelled out in the previous question. In the first place, a fireworks show must be shown to promote tourism and the convention and hotel industry. Put another way, does the expenditure "put heads in beds"? The answer is likely not.

Even if a fireworks show attracted

Id. § 351.101. Further, the Tax Code has some fairly specific provisions relating to how the expenditures within the nine statutory categories should be allocated, depending on the population of the city. Generally speaking, funding of the arts is limited to no more than fifteen percent of total tax revenues, and a certain portion must be spent on promoting the city and on convention facilities, again depending on the size of the city. Id. § 351.103.

overnight tourists to the city, hotel tax expenditures on such an event don't fit neatly into one of the nine statutory categories. Some may argue that such shows "advertise" the city, but this is likely not what that category means. "Advertising the city" literally means some sort of print or other media that explicitly promotes the city. Thus, direct funding of fireworks displays and the like is usually not a proper hotel tax expenditure.

**A** May a city delegate the expenditure of hotel taxes to another entity?

**Q** Yes. A city may delegate expenditures of hotel taxes to another entity such as a chamber of commerce or convention and visitors bureau. So long as the chamber or other entity spends the money on projects that otherwise meet the two-part test mentioned above, such entities are legal agents to spend the city's hotel tax funds. There must be a written

contract laying out the duties of the entity, and the entity must keep the hotel tax funds in an account separate from the general operating fund. Id. § 351.101(c).

**A** What is the relationship between city and state hotel occupancy taxes?

**Q** The state collects its own hotel occupancy tax at the rate of six percent. Id. § 156.052. The state plays no part in collecting or enforcing the city's hotel occupancy tax, however. A city is responsible for its own levy, collection, and enforcement. Legislation passed in 2015 provides that a city may spend up to one percent of the revenue derived from the tax for the creation, maintenance, operation, and administration of an electronic tax administration system. Id. § 351.1012(a). A city may contract with a third party to assist in the creation, maintenance, operation, or administration of the electronic tax administration system. Id. § 351.1012(b).

**A** What can a city do if a hotel is delinquent or refuses to pay hotel occupancy taxes?

**Q** Cities have all of the following remedies available against hotels that don't collect the tax or are delinquent in collecting the tax: civil lawsuit, injunction against operation of the hotel until taxes are paid, a fifteen-percent civil penalty against the hotel when suit is necessary (if the tax has been delinquent for one complete municipal fiscal quarter), reasonable attorney's fees, misdemeanor prosecution against the hotel (assuming the city's ordinance provides for an offense), and audit powers. Id. § 351.004. If an audit conducted by the city shows a concurrent delinquency is state hotel occupancy taxes, the city must notify the comptroller of the delinquency, and if the state proceeds with collection and enforcement efforts, the comptroller must distribute an amount to the city to defray the costs of the audit. Id. § 351.008. ★



*Catch*  
OUR SHOOTING STARS!

**Looking for the perfect way to get in on the action?**

Head over to the Cedar Park Center and watch our Stars on ice defend their rink. Watching the puck fly isn't the only way to catch the fun in Cedar Park. From zip-lining across Lake Travis and riding the rails of an Austin Steam Train to stargazing at the planetarium, the goodtimes are never hard to find. You'll just need to decide if you want to stay indoors to Spur on your favorite team or lace up your sneakers to explore the great outdoors.

  
CedarParkfun  
.COM

 CEDAR PARK

# **What Cities Need to Know to Administer Municipal Hotel Occupancy Taxes**

Texas Hotel & Lodging Association

**REVISED 2015**

**Table of Contents**

<b>INTRODUCTION</b>	<b>3</b>
<b>AUTHORIZED ENTITIES</b>	<b>3</b>
<b>COLLECTING THE TAX</b>	<b>4</b>
<b>EXEMPTIONS FROM THE LOCAL TAX</b>	<b>5</b>
THLA's Simplified Hotel Occupancy Tax Exemption Rules	8
<b>HOW THE CITY RECEIVES THE TAX</b>	<b>10</b>
<b>REIMBURSEMENT OF HOTEL FOR COLLECTION EXPENSES</b>	<b>10</b>
<b>PENALTIES FOR FAILURE TO REPORT OR COLLECT THE TAX</b>	<b>11</b>
<b>ENFORCEMENT AUTHORITY OF A CITY</b>	<b>12</b>
<b>USE OF LOCAL HOTEL OCCUPANCY TAX REVENUES</b>	<b>13</b>
Criteria #1: First, every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.	13
Criteria #2: Every expenditure of the hotel occupancy tax must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues.	15
1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center.	15
2) Paying the administrative costs for facilitating convention registration.	15
3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.	16
4) Expenditures that promote the arts.	16
5) Funding historical restoration or preservation programs.	18
6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million.	18
7) Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities.	19
8) Funding transportation systems for tourists	20
9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.	21
Summary of the Nine Uses for the Local Hotel Occupancy Tax	21
<b>ADMINISTERING HOTEL OCCUPANCY TAX REVENUE EXPENDITURES</b>	<b>22</b>
Duty of funded entities to provide a list of activities.	22
Delegating management of funded activities.	22
Use of hotel occupancy tax revenues to cover administrative expenses.	23
<b>SPECIAL RULES FOR SELECTED MUNICIPALITIES</b>	<b>24</b>
<b>ADDITIONAL INFORMATION</b>	<b>34</b>
<b>INDEX</b>	<b>35</b>

## **Introduction**

Since the 1960s, hotel occupancy taxes have been an important tool for promoting growth in communities' tourism and hotel industries. Today, over 500 Texas cities levy a local hotel occupancy tax.<sup>1</sup> Hotel guests generate economic activity for local businesses and contribute over \$1 billion in revenues annually for local governments. If a hotel guest is motivated to come to an area or to extend his or her stay due to activities or facilities funded with hotel tax revenues, the local and state economies benefit. In turn, the hotel tax revenues generated from additional room night activity funds future programs and tourism-related facilities, providing an economic engine for prosperity for the area.

Unlike property tax and sales tax revenues, which cities can use for most public purposes, local hotel occupancy tax revenues fall under a more structured statutory mandate. Municipal hotel occupancy taxes are primarily governed by Chapter 351 of the Texas Tax Code. This guide assists local governments, hotel tax revenue grant applicants, and lodging operators in all aspects of the municipal hotel tax process, including the rules on allowable expenditures of these funds by cities that fall within certain population and geographic brackets.

## **Authorized Entities**

All incorporated Texas municipalities, including general law and home rule cities, may enact a hotel occupancy tax within the city limits.<sup>2</sup> A city with a population of under 35,000 may also adopt the hotel occupancy tax within that city's extraterritorial jurisdiction (ETJ).<sup>3</sup> Most cities are eligible to adopt a hotel occupancy tax at a rate of up to 7 percent of the price paid for the use of a hotel room.<sup>4</sup> Additionally, a city or county may not propose a hotel occupancy tax rate that would result in a combined hotel occupancy tax rate imposed from all sources that would exceed 17 percent of the price paid for the room.<sup>5</sup> If a city adopts the hotel occupancy tax within its ETJ, the combined state, county, and municipal hotel occupancy tax rate may not exceed 15 percent.<sup>6</sup> Texas has among the highest combined hotel occupancy tax rates of any major metropolitan areas in the nation, with El Paso at 17 ½ percent, Houston at 17 percent, and San Antonio at 16 ¾ percent.<sup>7</sup>

In addition to local hotel occupancy taxes, all lodging properties operating in Texas are subject to a six percent state hotel occupancy tax.<sup>8</sup> Governed under Chapter 156 of the Texas Tax Code, the state hotel occupancy tax is administered by the Texas Comptroller. Funds from the state six percent hotel occupancy tax flow directly to the Texas Comptroller's office and are largely used for the general governmental operations of the State. A portion of the state hotel occupancy tax revenue also goes toward funding tourism promotion through Texas's ad campaign. Most Texans know this successful ad campaign by its famous tagline, "Texas, it's like a whole other country."

---

<sup>1</sup> Texas Hotel & Lodging Association (THLA) maintains a listing of most city and county hotel tax rates, accessible upon request to THLA members.

<sup>2</sup> Tex. Tax Code Ann. § 351.002(a) (Vernon 2015).

<sup>3</sup> § 351.0025(a).

<sup>4</sup> § 351.003(a).

<sup>5</sup> Tex. Loc. Gov't Code § 334.254(d). Note that the 17 percent cap does not apply to a city that approved a higher hotel tax through a venue ballot proposition prior to September 1, 2013, such as El Paso.

<sup>6</sup> § 351.0025(b).

<sup>7</sup> Source: National Business Travel Association 2009 Survey.

<sup>8</sup> Tex. Tax Code § 156.051.

## **Collecting the Tax**

Under the Texas Tax Code, the following businesses are considered “hotels” and are required to collect hotel occupancy taxes from their guests: “Any building or buildings in which members of the public obtain sleeping accommodations for consideration” for less than 30 days, including a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast facilities.<sup>9</sup> Additionally, a “short-term rental,” defined as the rental of all or part of a residential property to a person who is not a permanent resident, is subject to hotel occupancy taxes.<sup>10</sup> The Texas Administrative Code also includes “manufactured homes, skid mounted bunk houses, residency inns, condominiums, cabins, and cottages within the definition of a “hotel” if the facility is rented for periods of under 30 days.<sup>11</sup> Hospitals, sanitariums, nursing homes, dormitories or other non-hotel housing facilities owned by institutions of higher education, and oilfield portable units do not collect the tax.<sup>12</sup> Subject to various exemptions, the hotel tax is imposed on any “person” who pays for the use of a room in a hotel, including corporations, organizations, and other legal entities. The hotel room must cost \$2 or more per day for the local hotel tax to apply, and \$15 or more per day for the state hotel tax to apply.<sup>13</sup>

### **Meeting rooms versus sleeping rooms:**

The rental of sleeping rooms in hotels is subject to both state and local hotel taxes. However, there is a difference in how state and local hotel taxes apply to the rental of hotel meeting rooms. While the rental of sleeping rooms in hotels are subject to both state and local hotel taxes, meeting room rentals are not subject to local hotel occupancy taxes.<sup>14</sup> The rental of a meeting room or meeting space in a hotel is subject to the state 6 percent hotel occupancy tax, provided the room or space is physically located in a structure that also contains sleeping rooms.<sup>15</sup> For meeting rooms and banquet halls located in a structure that is physically separated from a structure that contains sleeping rooms, neither state nor local hotel occupancy taxes apply to that rental of those meeting rooms or banquet halls, provided rental costs or charges are separately stated from any lodging costs or charges on the guest’s invoice or receipt.<sup>16</sup>

However, it must be noted that sales tax may apply to the costs associated with the rental of meeting rooms or banquet halls located in a structure that is physically separated from a structure that contains sleeping rooms, if the lodging facility provides food or beverage service that is subject to sales tax.<sup>17</sup> Such sales tax would apply to the meeting room or banquet hall rental costs or charges regardless of whether the food or beverage charges are separately stated on the guest’s invoice or receipt.<sup>18</sup>

### **Food and beverage and other hotel charges:**

Certain charges assessed by a hotel to a guest are subject to hotel occupancy taxes, while other added charges are subject to state and local sales tax. Common hotel charges usually subject to sales taxes (but generally not subject to hotel occupancy taxes) are banquet service fees, food and beverage fees,

<sup>9</sup> Tex. Tax Code § 156.001(a); 34 Tex. Admin. Code Ann. § 3.161(a)(3) (Vernon 2015).

<sup>10</sup> Tex. Tax Code § 156.001(c).

<sup>11</sup> Tex. Tax Code § 156.001(a); 34 Tex. Admin. Code Ann. § 3.161(a)(3) (Vernon 2015).

<sup>12</sup> Tex. Tax Code § 156.001.

<sup>13</sup> Tex. Tax Code § 156.051(a); § 351.002(a).

<sup>14</sup> *Id.*

<sup>15</sup> Tex. Tax Code § 156.051(a); Tex. Comptroller Opinion Letter No. 200103106L, Mar. 9, 2001.

<sup>16</sup> *Id.*

<sup>17</sup> 34 Tex. Admin. Code Ann. § 3.161(a)(3) (Vernon 2015); Tex. Comptroller Opinion Letter No. 201010556L, Oct, 2010.

<sup>18</sup> *Id.*

movie rentals, dry cleaning/laundry services, internet connection, parking, and portage or bellhop fees.

Hotel charges related to occupancy of a sleeping room or readying a sleeping room for occupancy are usually subject to hotel occupancy taxes only. Common hotel charges subject to hotel occupancy tax are rollaway bed charges, pet charges, smoking fees, room damage fees, room safe charges, and late or early checkout fees.<sup>19</sup> It is important to note that if a hotel offers services as part of a package rate included with lodging, and the price of a specific good or service is not separately stated on a guest's invoice, bill, or folio, the entire package is subject to hotel occupancy taxes.<sup>20</sup>

Additionally, a special rule applies to whether hotel occupancy taxes are imposed on a hotel room rental cancellation fee. A 1989 Texas Comptroller's hearing concluded that hotel taxes are not due on charges to guests who 1) cancel more than 30 days before the scheduled stay begins, or 2) when the charge to the guest is less than the reserved room rate.<sup>21</sup> This rule applies both to individual reservations and also to group contracts.<sup>22</sup>

## **Exemptions from the Local Tax**

Texas law provides certain hotel tax exemptions based on the length of a guest's stay or the guest's affiliation with an exempt organization. Texas law is more permissive for exemptions from the state 6% hotel occupancy tax than it is for local hotel tax exemptions. The state hotel occupancy tax allows for an exemption for the following entities: educational, charitable, and religious entities are often exempt from the state hotel occupancy tax. These entities are *not exempt* from local hotel occupancy taxes.<sup>23</sup>

Focusing specifically on the local hotel occupancy taxes, there are primarily four categories of exemptions permitted from municipal and county hotel occupancy taxes:

- 1) **Federal Employees:** Federal employees traveling on official business;
- 2) **Diplomats:** Foreign diplomats with a tax exempt card issued by the U.S. Department of State;
- 3) **High Ranking State Officials:** A very limited number of state officials with a hotel tax exemption card (e.g. heads of state agencies, state legislators and legislative staff, members of state boards and commissions, and state judges); and
- 4) **Permanent Resident/Over 30 Day Stay:** Persons or businesses who have agreed in advance to use a hotel room for more than 30 consecutive days (i.e. the "permanent resident" hotel tax exemption).<sup>24</sup>

Hotel guests claiming items one through three of the above exemptions are required to show appropriate identification and to fill out a "Hotel Occupancy Tax Exemption Certificate" promulgated by the Texas Comptroller.<sup>25</sup> The tax exemption certificate form is available on the Texas Comptroller's website at <http://www.window.state.tx.us/taxinfo/taxforms/12-forms.html>.

---

<sup>19</sup> THLA maintains a list of most hotel charges and which tax, if any is assessed on a particular charge. This list is available upon request to THLA members.

<sup>20</sup> Tex. Comptroller Opinion Letter No. 200102031L, Feb. 7, 2001.

<sup>21</sup> Texas Comptroller's Hearing Decision No. 24,654 (1989).

<sup>22</sup> *Id.*

<sup>23</sup> Tex. Tax Code § 156.102.

<sup>24</sup> § 156.104.

<sup>25</sup> *Id.*

**Permanent residents (guests who stay for more than 30 days):**

Special attention should be paid to the “permanent resident” hotel tax exemption. This permanent resident exemption applies to both state and local hotel taxes, and ensures that hotel guests staying over 30 days are taxed the same as residents staying at extended-stay properties, apartments, corporate rental facilities, rental houses, etc.<sup>26</sup> The Texas Tax Code states that any “person” who has the right to use or possess a lodging room for at least 30 consecutive days is exempt from state and local hotel occupancy taxes, provided there is no interruption in payment for the room during this period.<sup>27</sup> In Texas, a “person” also includes a corporation or business. Therefore, one should look to whether the same person, corporate entity, business, or other entity paid for the room for that entire period.

If, in advance or upon check-in, the guest provides notice to a hotel of intent to occupy a guest room for 30 days or longer, no tax is due for any part of a guest’s stay. A signed registration card or confirmed reservation indicating a guest’s intent to occupy a room for 30 days or longer is sufficient written evidence.<sup>28</sup> Furthermore, the guest is not actually required to physically occupy the room, but the guest must maintain the right to occupy the room for the length of the exemption period.<sup>29</sup>

If no notice is provided upon check-in that can be documented by a written agreement (guest reservation, confirmation, registration, or folio or separate agreement), the first 30 days of the guest’s stay are not tax-exempt.<sup>30</sup> However, the guest’s stay becomes automatically tax exempt on the 31st day—regardless of whether there was prior notice of the guest’s intent to stay for 30 days or more, as long as there has been no interruption in payment for the room.<sup>31</sup>

THLA generally recommends hoteliers collect hotel occupancy taxes from the guest for the first 30 days of the guest’s stay. On the 31st day of the guest’s stay, provided there is no interruption of payment for the room and there was prior written notice or a reservation indicating the guest’s intent to stay 30 days or longer, the hotel should refund the collected hotel occupancy taxes for the first thirty days. This protects the hotel from incurring tax liability should the guest check out before staying at least 30 days. The hotel could choose to not collect the hotel tax during the stay if the guest paid in advance for the entire 30 days and there was no allowance for a refund if the guests checks out early.

**State Employees:**

Virtually all rank and file state employees do not have a special hotel occupancy tax exemption card that prevents them from having to pay the state and local hotel tax even when they are on official business. Such state employees must pay the state and local hotel occupancy tax when paying their bill and, their employing agency may later apply for a refund from the state and local government tax offices.<sup>32</sup> The state agency the employee works for is responsible for requesting this refund from the state and local government.

**City and County Employees/Officials:**

City and county officers and employees are not exempt from the state or the local hotel occupancy tax,

---

<sup>26</sup> § 156.101.

<sup>27</sup> Tex. Tax Code § 156.101; 34 Tex. Admin. Code § 3.161(a)(4).

<sup>28</sup> Tex. Comptroller Opinion Letter No. 200601452L, Jan. 27, 2006.

<sup>29</sup> 34 Tex. Admin. Code § 3.161(b)(2)(C).

<sup>30</sup> § 3.161(b)(2)(A).

<sup>31</sup> *Id.*

<sup>32</sup> §3.163(b).

even if the officers or employees are traveling on official business.<sup>33</sup> Additionally, cities have no legal authority to authorize additional exemptions from the hotel occupancy tax not recognized in the Tax Code.<sup>34</sup> The Attorney General ruled in JM-865 (1988) that cities cannot grant an exception to the hotel occupancy tax for religious, charitable, or educational organizations without new constitutional or statutory authority to do so.

**Letters of tax exemption:**

The Texas Comptroller maintains an online database of entities that have been granted a “Letter of Tax Exemption” from the state hotel occupancy tax. Most commonly, these organizations fall into the religious or charitable categories of exemption from the state hotel occupancy tax, and the Comptroller generally requires a letter of tax exemption to accompany a completed exemption certificate before an exemption may be granted on this basis. This database is accessible online at <http://www.window.state.tx.us/taxinfo/hotel/index.html>. It is important to note that many entities are exempt from the state sales tax, but are not exempt from the state or local hotel occupancy tax.

For religious entities with a national affiliation, oftentimes the national organization’s letter of tax exemption will cover individual congregations.<sup>35</sup> For example, a search of “Baptist Convention” on the online database reveals that the “NATIONAL BAPTIST CONVENTION OF AMERICA INCORPORATED” holds a letter of tax exemption that will also be valid for subordinate entities. An individual Baptist congregation affiliated with the National Baptist Convention can use the national organization’s letter of tax exemption to accompany the signed exemption certificate.

Finally, the Comptroller’s staff has indicated they are willing to exercise some flexibility for lodging properties that accept a tax exemption certificate in good faith from a qualifying religious entity when the entity may not yet have formally filed for a letter of tax exemption. This, however, should only be relied upon as a last resort, as there is no official report of this position, and auditors are trained to look for definitive documentation. In such a case, check the identification papers (ID, business card, etc.) for the traveler. If the entity fits into one of the exempt categories under the THLA exemption chart, honor the exemption if that entity is paying for the room. Make a copy of the identification item you are relying on, and be sure that all such travelers fill out the exemption certificate.

To simplify the hotel tax exemption issue, THLA publishes a chart a hotel or city official can utilize to determine when an exemption is proper starting on the next page:

---

<sup>33</sup> See generally Tex. Tax Code § 351.005; Tex. Comptroller Opinion Letter No. 200202815L, Feb. 22, 2002.

<sup>34</sup> Tex. Att’y Gen. JM-865 (1988).

<sup>35</sup> Tex. Comptroller Opinion Letter No. 200109470L, Sep. 13, 2001.

### THLA's Simplified Hotel Occupancy Tax Exemption Rules

TYPE OF BUSINESS REQUESTING EXEMPTION	EXEMPT FROM STATE H.O.T.	EXEMPT FROM LOCAL H.O.T.	COMMENTS
Agricultural Development Corporations	Yes	Yes	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
City & County Employees	Not exempt	Not exempt	Local government employees are not exempt from hotel taxes, even when traveling on official business.
Charitable Organizations	Depends (see comments to the right)	Not exempt	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b> Charitable entities must be able to show that they devote all or substantially all of their activities to the alleviation of poverty, disease, pain, and suffering by providing food, clothing, drugs, treatment shelter, or psychological counseling directly to indigent or similarly deserving members of society, with entity funds derived from sources other than fees or charges for its services. Other 501 (c) (3) and 501 (c) (6) entities are not exempt.
Texas Educational Organizations  (see comments on the right regarding differences between Texas and out-of-state educational organizations)	Yes	Not exempt	<b>Guest must fill out tax exemption certificate.</b> State law limits the state hotel occupancy tax exemption for higher education entities to only Texas institutions of higher education. Out-of-state higher education entities are not exempt from the state or local hotel tax. However, out-of-state educational entities that are not institutions of higher education (high schools, middle schools, elementary schools, etc.) are exempt from state hotel taxes just like their Texas counterparts.
Electric & Telephone Cooperatives	Yes	Yes	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
Federal Credit Unions	Yes	Yes	<b>Guest must fill out tax exemption certificate, and Present a valid ID.</b> Texas Comptroller opinion letters indicate that employees traveling on official business as employees of a federal credit union are treated as federal government employees.
Federal Employees (includes FEMA and Red Cross reimbursed rooms)	Yes	Yes	<b>Guest must fill out tax exemption certificate, and Present a valid ID.</b>
Foreign Diplomats	Yes	Yes	<b>Guest must fill out tax exemption certificate, and Guest must present tax exempt card issued by U.S. Department of State.</b>

<b>TYPE OF BUSINESS REQUESTING EXEMPTION</b>	<b>EXEMPT FROM STATE H.O.T.</b>	<b>EXEMPT FROM LOCAL H.O.T.</b>	<b>COMMENTS</b>
Health Facilities Development Corporations	Yes	Yes	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
Housing Authorities & Finance Corporations	Yes	Yes	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
Pan American Games Olympic Games Local Organizing Committees	Yes	Yes	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
Permanent Residents (30 days or more)	Yes	Yes	Guest must notify of their intent to stay 30 or more days from the beginning. If stay is interrupted, hotel occupancy taxes must be paid. Guests who do not notify the hotel of the anticipated over 30 day duration of their stay are exempt for hotel occupancy taxes beginning on the 31 <sup>st</sup> consecutive day of their stay.
Public Facility Corporation	Yes	Yes	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
Regional Education Service Centers	Yes	Not exempt	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
Religious Organizations	Yes	Not exempt	<b>Guest must present Texas Comptroller letter of tax exemption, and Guest must fill out tax exemption certificate.</b>
High Ranking State Officials with Hotel Tax Exemption Photo ID Card	Yes	Yes	<b>Guest must fill out tax exemption certificate, and Guest must present state photo ID card that specifically notes that employee is exempt from hotel occupancy tax.</b> These are heads of state agencies; members of state boards and commissions; state legislators and their staff; and state judges.
General State Employees <u>without</u> Special Hotel Tax Exemption Photo ID Card	Not exempt	Not exempt	Guest must pay the state and local hotel tax, and then their state agency may apply for reimbursement from the local and state governments through a separate process.

## **How the City Receives the Tax**

The hotel occupancy tax is collected from the hotel guest by the hotel when the guest makes payment to the hotel. The tax is then remitted by the hotel to the city on a regular basis, to be established by the city. Although the Texas Comptroller's Office is not directly involved in the collection of the local hotel occupancy tax, cities sometimes use the same reporting timeframes and forms used by the Texas Comptroller for collection of the local hotel occupancy tax. This allows hotels to follow a consistent payment pattern. The Texas Comptroller's timeframes are as follows: Hotels owing less than \$500 in state hotel tax for each calendar month, or \$1,500 for a calendar quarter, report and remit tax on the 20<sup>th</sup> day of the month following the end of the quarter. All other hotels file monthly state hotel tax returns by the 20<sup>th</sup> day of the following month. If the 20<sup>th</sup> day falls on a weekend or bank holiday, the return is due on the next business day.<sup>36</sup>

Regardless of the reporting period used, cities often require hotels to include a copy of the hotel's state hotel tax report for the Texas Comptroller as part of their report. The state report data may be used to check the local report provided by the hotel to the city. It is important to remember, however, that the amount of taxable revenue will vary to a certain degree between the state and local hotel tax based on the amount of state hotel tax exempt business a property handles that is not exempt from the local hotel tax, and the amount of meeting room rentals subject solely to the state hotel tax.

## **Reimbursement to a Hotel for Collection Expenses, and Use of Revenues by a City for Tax Collection Costs**

By ordinance, a municipality may allow hotel operators to retain up to 1 percent of the amount of hotel occupancy taxes collected as reimbursement for the costs of collecting the tax.<sup>37</sup> The municipality may require hotels to forfeit the reimbursement because of a failure to pay the tax or failure to file a report as required by the municipality.<sup>38</sup>

Cities may also use up to one-percent of the city's hotel tax revenues for the actual costs for the creation, maintenance, and operation of an electronic tax administration system.<sup>39</sup> A city may contract with a third party for this electronic administration system.<sup>40</sup> The state statutes do not contain any other provisions allowing city governments to retain any of the collected tax to cover costs of imposing or collecting the tax.

However, cities that undertake responsibility for administering a facility or event funded by the local hotel occupancy tax may be reimbursed from the tax revenues for actual expenses incurred in operating the facility or event, if the expenditure directly promotes tourism and local hotel and convention activity.<sup>41</sup>

---

<sup>36</sup> Tex. Comptroller, <http://www.window.state.tx.us/taxinfo/hotel/faqhotel.html>.

<sup>37</sup> Tex. Tax Code § 351.005(a).

<sup>38</sup> § 351.005(b).

<sup>39</sup> § 351.1012.

<sup>40</sup> *Id.*

<sup>41</sup> § 351.101(e).

## **Penalties for Failure to Report or Collect the Tax**

The local hotel occupancy tax statutes provide for specific penalties a city may assess against hotel operators who fail to file the hotel tax collections report, file late or without full payment, or produce false tax returns.<sup>42</sup>

### **Interest, delinquency penalties, and attorney's fees:**

A city may include a provision in its hotel occupancy tax ordinance that imposes a 15 percent penalty of the total amount of the tax owed, but only if the tax has been delinquent for at least one complete municipal fiscal quarter.<sup>43</sup> Additionally, a delinquent hotel operator may be liable to the municipality for the municipality's reasonable attorney's fees.<sup>44</sup> The hotel occupancy tax ordinance may also include a provision that makes it a criminal misdemeanor offense for failure to collect the tax, failure to file a return, filing a false return, or failure to timely make the remittances.<sup>45</sup>

A city may assess interest on unpaid hotel occupancy taxes, with interest accruing from the first day after the date the tax is due to the city.<sup>46</sup> The maximum interest rate a city may assess is the greater of either, 1) the prime rate published in the Wall Street Journal plus one percent, or 2) the rate the city imposed on January 1, 2013.<sup>47</sup>

### **Audits, audit costs, and concurrent state tax delinquencies:**

Generally, a city may not use hotel occupancy tax revenues to pay for audit costs associated with administering the collection of hotel occupancy taxes.<sup>48</sup> A city can require a hotel to pay the costs of a city audit of the hotel's revenues if the hotel did not file a tax report as required by the municipality, but only if 1) the hotel is delinquent for at least two complete municipal calendar quarters, and 2) the municipality has not received a disbursement from the Texas Comptroller for the hotel's concurrent state hotel tax delinquency.<sup>49</sup>

The concurrent state hotel tax delinquency provision in the Tax Code allows cities to receive a commission from the Texas Comptroller if the Comptroller successfully utilizes city audit information to collect delinquent state hotel taxes from the hotel.<sup>50</sup> First, a city submits any documentation or other information to the Comptroller that shows a hotel's failure to collect or pay state hotel occupancy tax. The Comptroller then reviews the submitted information and determines whether to proceed with collection and enforcement.<sup>51</sup> If the information submitted by the city results in the collection of delinquency state hotel occupancy taxes, the Comptroller will remit 20 percent of the revenues collected by the Comptroller to the city, to defray the city's audit costs.<sup>52</sup>

Alternatively, a city may request hotel occupancy tax audit information from the Texas Comptroller.

---

<sup>42</sup> § 351.004.

<sup>43</sup> *Id.*

<sup>44</sup> § 351.004.

<sup>45</sup> *Id.*

<sup>46</sup> § 351.0042.

<sup>47</sup> *Id.*

<sup>48</sup> See generally § 351.101(e). The Tax Code contains an exception to the prohibition on using hotel occupancy tax revenues to pay for audit costs specific to the City of Amarillo: Under Tex. Tax Code § 351.1067, the City of Amarillo may use hotel occupancy tax revenues to pay for the costs of auditing a hotel, provided the City audits no more than one-third of the total number of hotels in the city in any fiscal year.

<sup>49</sup> § 351.004.

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

However, the city must keep such information confidential, and use the information only for enforcement or administration of the city's hotel tax. To obtain such information, a city must make a written request to the Comptroller's Office, Open Records Section, at P.O. Box 13528, Austin, Texas 78711. The request must be on city letterhead and signed by a high-level city official, preferably the mayor. A city may also fax such a written request to the Comptroller's Office, Open Records Section, at (512) 475-1610.

## **Enforcement Authority of a City**

Cities are also given the authority to take the following actions against a hotel operator who fails to report or collect the local hotel occupancy tax:

- require the forfeiture of any revenue the city allowed the hotel operator to retain for its cost of collecting the tax;<sup>53</sup>
- bring a civil suit against the hotel operator for noncompliance;<sup>54</sup>
- ask the district court to enjoin operation of the hotel until the report is filed and/or the tax is paid;<sup>55</sup> and
- any other remedies provided under Texas law.

The most noteworthy of these remedies is the ability of the city to request that the district court close down the hotel if the hotel occupancy taxes are not turned over. Informing the hotel operator of the possibility of such a closure generally results in compliance by the hotel.

A city may also require in its hotel occupancy tax ordinance that persons buying a hotel retain out of the purchase price an amount sufficient to cover any delinquent hotel occupancy taxes that are due to the city.<sup>56</sup> If the buyer does not remit this amount or show proof that the hotel is current in remitting its hotel occupancy taxes, the buyer becomes liable for any past delinquent hotel occupancy taxes due on the purchased hotel.<sup>57</sup>

The purchaser of a hotel may request that the city provide a receipt showing that no hotel occupancy tax is due ("Letter of No Tax Due") on the property to be purchased.<sup>58</sup> The city is required to issue the statement not later than the 60th day after the request.<sup>59</sup> If the city fails to issue the statement by the deadline, the purchaser is released from the obligation to withhold the amount due from the purchase price.<sup>60</sup>

The general statute of limitations for a lawsuit related to the collection and delinquency of hotel occupancy taxes is four years from the date the tax is due.<sup>61</sup> This statute of limitations period does not apply if a hotel fails to file a report for the tax, or if the hotel files a false or fraudulent report.<sup>62</sup>

---

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> § 351.0041.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

## Use of Local Hotel Occupancy Tax Revenues

There is a two-part test for every expenditure of local hotel occupancy tax.<sup>63</sup>

### **Criteria #1: First, every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.<sup>64</sup>**

Under the Tax Code, every event, program, or facility funded with hotel occupancy tax revenues must be likely to do two things: 1) directly promote tourism; and 2) directly promote the convention and hotel industry.<sup>65</sup> "Tourism" is defined under Texas law as guiding or managing individuals who are traveling to a different, city, county, state, or country.<sup>66</sup> A "direct" promotion of the convention and hotel industry has been consistently interpreted by the Texas Attorney General as a program, event, or facility likely to cause increased hotel or convention activity.<sup>67</sup> This activity may result from hotel or convention guests that are already in town and choose to attend the hotel tax funded facility or arts or historical event, or it may result from individuals who come from another city or county to stay in an area lodging property at least in part to attend the hotel tax funded event or facility.

If the funded event or facility is not reasonably likely to directly enhance tourism and the hotel and convention industry, local hotel occupancy tax revenues cannot legally fund it.<sup>68</sup> However, it is important to note that events and facilities that do not qualify for hotel occupancy tax funding are often still legally eligible for city funding from most of the other funding sources available to the city (general property tax revenues, general sales tax revenues, franchise fee revenues, etc.). State law is stricter in terms of how the local hotel occupancy tax revenues can be spent.

There is no statutory formula for determining the level of impact an event must have to satisfy the requirement to directly promote tourism and hotel and convention activity.<sup>69</sup> However, communities with successful tourism promotion programs generally award the amount of the hotel occupancy tax by the proportionate impact on tourism and hotel activity incident to the funding request. Entities applying for hotel occupancy tax revenue funding should indicate how they will market the event to attract tourists and hotel guests. If an entity does not adequately market its events to tourists and hotel guests, it is difficult to produce an event or facility that will effectively promote tourism and hotel activity.

A city or delegated entity should also consider whether a funded event will be held in a venue that will likely attract tourists and hotel guests. For example, if an event is held in a local school or community center, it may be less likely to attract tourists than if it is held at a local performing arts venue, museum or civic center. Each community will need to assess whether the facility hosting the function is likely to attract tourists and hotel guests. Similarly, if an event is a community picnic, local parade, educational class, or other similar type of event, it is often not likely to attract tourists and hotel guests, and would likely not be eligible for hotel occupancy tax funding.

---

<sup>63</sup> §§ 351.101(a), (b).

<sup>64</sup> §§ 351.101(b).

<sup>65</sup> *Id.*

<sup>66</sup> § 351.001(6).

<sup>67</sup> See Op. Tex. Att'y Gen. Nos. GA-0124 (2003), JM-690 (1987).

<sup>68</sup> *Id.*

<sup>69</sup> See generally Tex. Tax Code §§ 351.101(a), (b).

Finally, it is a good practice to utilize a hotel tax application form. THLA has a sample hotel occupancy tax application form and a “post event” form that are already in use by many city governments throughout Texas. For a copy of these two forms, simply call THLA at (512) 474-2996, or email THLA at [news@texaslodging.com](mailto:news@texaslodging.com). These forms pose questions of funding applicants such as “Do you have a hotel room block for your events?” and “What do you expect to be the number of room nights sold for this event?” Additionally, the application asks if the entity has negotiated a special hotel price for attendees of their funded event. If the entity does not find the need to reserve a hotel block or negotiate a special hotel rate, it is not likely that they anticipate their event/s will have a meaningful impact on hotel activity.

Funded entities can also visit with area hoteliers who, in many cases, can provide feedback on whether any of their hotel guests expressed an interest in attending such events or facilities in the past. Hotel front desk and management staff usually know what local events and facilities were of interest to their guests by notes in their reservation systems, requests for directions, information and transportation to such venues by hotel patrons.

After an applicant’s event or program is offered for several years, the applicant should have a reasonable idea as to whether their event or program’s attendance includes a number of tourists and hotel guests. For example, some entities track whether guests are staying at local hotels via their guest registry. Other entities measure potential out-of-town attendance from their ticket sales records or other survey information.

It is important to note that Texas law also provides that the hotel occupancy tax may not be used for general revenue purposes or general governmental operations of a municipality.<sup>70</sup> It also may not be used to pay for governmental expenses that are not directly related to increasing tourism and hotel and convention activity.<sup>71</sup> For example, consider a request to use the hotel occupancy tax to pay for construction of additional lighting, restrooms, roads, sidewalks, or landscaping in a downtown area. These are expenditures for which the city would traditionally use its general revenues. Therefore, such an expenditure would violate the prohibition against using the hotel tax for “general governmental operations of a municipality.”<sup>72</sup> It is difficult to argue that such improvements to a non-tourism facility would “directly” promote tourism and hotel activity. At best, one could argue the improvements would “indirectly” enhance tourism and hotel activity—which is not sufficient under the clear language of the Tax Code to qualify for funding from the hotel occupancy tax.

---

<sup>70</sup> Tex. Tax Code § 351.101(b); see also Op. Tex. Att’y Gen. Nos. JM-184 (1984), JM-965(1988).

<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

**Criteria #2: Every expenditure of the hotel occupancy tax must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues.<sup>73</sup>**

The nine categories for expenditure of the hotel occupancy tax are as follows:

**1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center.**

This category allows expenditures of the hotel tax for the creation, improvement, or upkeep of a convention center or a visitor information center.<sup>74</sup> 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.<sup>75</sup> It also includes parking areas in the immediate vicinity of a convention center facility, and certain hotels that are owned by the city or another governmental entity, or that are managed in whole or in part by the city.<sup>76</sup> It does not include facilities that are not of the same general characteristics as the structures listed above.

Texas law specifies that for a facility to be funded as a convention center, it must be a facility primarily used to host conventions and meetings.<sup>77</sup> “Primarily used” in this context would arguably mean that more than 50 percent of the bookings for the facility are to host conventions or meetings that directly promote tourism and the hotel and convention industry.<sup>78</sup> In other words, holding local resident meetings in a facility would not count toward qualifying the facility as a convention center, but meetings of individuals from out-of-town who in part stay at hotels would qualify.

Simply naming a facility a convention center or visitor information center does not automatically qualify the facility as a “convention center.” The authority to use the hotel occupancy tax for facilities is limited and any such facility must meet the above noted “primary usage” test. For example, 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.

**2) Paying the administrative costs for facilitating convention registration.**

This provision allows expenditures for administrative costs that are actually incurred for assisting in the registration of convention delegates or attendees.<sup>79</sup> 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.

---

<sup>73</sup> Tex. Tax Code § 351.101(a).

<sup>74</sup> § 351.101(a)(1).

<sup>75</sup> § 351.001(2).

<sup>76</sup> *Id.*

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*; see generally Tex. Tax Code §§ 351.101(a), (b).

<sup>79</sup> Tex. Tax Code § 351.101(a)(2).

**3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.**

This provision allows expenditures for solicitations or promotional programs/advertising directly related to attracting tourists and convention delegates to the city or its vicinity.<sup>80</sup> Such expenditures are traditionally in the form of internet, newspaper, mail, television, or radio ads; or solicitations to promote an event or facility. The advertising or promotion must directly promote the hotel and convention industry.<sup>81</sup> For example, the Texas Attorney General ruled that the local hotel occupancy tax may not be used for advertising or other economic development initiatives or improvements to attract new businesses or permanent residents to a city.<sup>82</sup>

In certain cases, a city may be able to use the advertising and promotion category to justify covering the costs of advertising an event that will attract tourists and hotel guests, even though the administrative or facility costs for the underlying event would not qualify for hotel tax funding.<sup>83</sup>

**4) Expenditures that promote the arts.**

This section authorizes the expenditure of local hotel occupancy tax for a variety of art-related programs that also promote tourism and local hotel and convention activity.<sup>84</sup> Specifically, it allows funding 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.<sup>85</sup> However, it is not enough that a facility or event promotes the arts; Texas law requires that the arts related expenditure also directly promote tourism and the hotel and convention industry.<sup>86</sup>

Section 351.101(a) of the Tax Code specifically states that “the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry.” The Texas Attorney General reaffirmed this standard when it held in Opinion GA-0124: “Under section 351.101 of the Tax Code, a municipality may expend its municipal hotel occupancy tax revenue only to promote tourism and the convention and hotel industry, and only for the specific uses listed in the statute.”

Additionally, THLA and Texans for the Arts (TFA) have formed a partnership to assist local governments in implementing hotel tax laws. In order to comply with the hotel occupancy tax statute, THLA and TFA agree that to be eligible for municipal arts funding with HOT revenues, recipients must satisfy the following requirements:

1. The recipient presents, performs, promotes, encourages or otherwise makes possible, artistic events, cultural performances, programs, exhibitions or lectures involving the major art forms listed in the statute, or “other arts related to the presentation, performance, execution and

---

<sup>80</sup> § 351.101(a)(3).

<sup>81</sup> § 351.101(b).

<sup>82</sup> Op. Tex. Att’y Gen. No. JM-690 (1987).

<sup>83</sup> See generally Tex. Tax Code § 351.101(a)(3).

<sup>84</sup> Tex. Tax Code § 351.101(a)(4).

<sup>85</sup> *Id.*

<sup>86</sup> § 351.101(b).

- exhibition of these major art forms.”
2. The hotel occupancy tax funded programs and events are advertised and open to the general public.
  3. The recipient directly enhances and promotes tourism and the convention and hotel industry.

With regard to requirement No. 3 above, THLA and TFA agree that the statute does not require a recipient to demonstrate a set level of direct impact on tourism and the convention and hotel industry to be eligible for hotel occupancy tax revenue funding. **However, the demonstration of some level of direct impact on tourism and the convention and hotel industry should be required.** Because the statute provides no specific methodology for determining a recipient’s impact on tourism or the convention/hotel industry, each funding entity has the flexibility to consider a number of factors.

The following factors may be beneficial to consider, but this list is neither exhaustive nor mandatory. Cities and counties using hotel occupancy tax may consider any or all the below listed factors or other factors that are appropriate for determining a recipient’s impact on tourism and the convention and/or hotel industry in a particular community:

- a. The recipient works with its area lodging operators and/or the convention and visitor’s bureau (CVB), either independently or in conjunction with other local arts organizations, to promote local arts events through hotel concierge services, training of hotel staff, hotel or CVB lobby area exhibitions, flyers or similar measures to better serve visitors to the area and encourage their extended stay in area hotels or a return to stay in area lodging facilities.
- b. The recipient provides entertainment to conventions, conferences and meetings offered in their cities and towns at which attendees are drawn from both in and out of the region.
- c. The recipient uses local hotel and lodging facilities for galas, meetings or other events sponsored by the recipient, including the use of hotel dining facilities by their patrons both pre and post events.
- d. The recipient books hotel rooms for visiting artists and offers hotel related information to attendees of the organization’s hotel occupancy tax funded events.
- e. The recipient promotes or markets its events outside of the local area through standard media promotion or advertising, websites, mailing lists, local, regional and national listings in publications and calendars and use of social media and where appropriate includes a link to information about area hotels.
- f. The recipient produces its events in conjunction with or within the boundaries of a Cultural and Fine Arts District established pursuant to Texas Government Code § 444.031.
- g. The recipient, either through audience or attendee questionnaires, polling, or hotel block booking codes, demonstrates that hotel guests, tourists, convention attendees or other out-of-town visitors have attended its hotel tax funded events.
- h. A performance, exhibition or other event sponsored by the hotel occupancy tax recipient has been reviewed or otherwise noted in a publication that circulates outside of the recipient’s local community, which helps promote tourism and hotel activity in the area.

There are many success stories of cities that have partnered with the arts entities to turn one day arts events into multi-day events that can substantially increase tourism and hotel activity. Such partnerships and long term planning can help both foster the arts and grow hotel tax proceeds that can be made available to the arts.

Additionally, the amount of funding a city allocates to the arts category may be limited by statute. See the "Special Rules" section of this guide, starting on page 24.

#### **5) Funding historical restoration or preservation programs.**

A city may spend a portion of its hotel occupancy tax revenues to 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.<sup>87</sup> Texas law does not limit such funding to structures that are owned by a public or nonprofit entity, or to whether the project is listed on a historic registry, but the city may choose to impose such limitations.

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.<sup>88</sup> Section 351.101(a) of the Tax Code specifically states that "the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry." The Attorney General in Opinion GA-0124 (2003) reaffirmed this standard when it held: "Under section 351.101 of the Tax Code, a municipality may expend its municipal hotel occupancy tax revenue "only to promote tourism and the convention and hotel industry" and only for the specific uses listed in the statute."

Additionally, the amount of funding a city allocates to the historical programs category may be limited by statute. See the "Special Rules" section of this guide, starting on page 24.

#### **6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million.**

This section authorizes a municipality located in a county with a population of under 1 million to use local hotel occupancy tax revenue to fund certain expenses, including promotional expenses, directly related to a sporting event.<sup>89</sup> To qualify under this authorization, the sporting event must be one that would "substantially increase economic activity at hotels and motels within the city or its vicinity."<sup>90</sup> The statutory authorization also requires that a majority of the participants in the sporting event also be tourists to the area.<sup>91</sup>

This category is intended to allow communities to fund the event costs for sporting tournaments that result in substantial hotel activity. For example, if a city had to pay an application fee to seek a particular sporting event or tournament, it could use hotel tax for such an expenditure if the sporting event would substantially increase economic activity at hotels and the city was within a county of under one million population. The requirement that a majority of the participants must be "tourists" is included in the statutory authority to prohibit the use of local hotel tax for sporting related facilities or events that are purely local (e.g.; local recreation centers, local little league and parks events, intramural sports, etc.).

---

<sup>87</sup> § 351.101(a)(5).

<sup>88</sup> § 351.101(b).

<sup>89</sup> § 351.101(a)(6).

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

**7) Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities.**

Certain statutorily bracketed cities may use local hotel occupancy tax to enhance and upgrade existing sports facilities owned by the municipality.<sup>92</sup> Acceptable sports facilities include those for baseball, softball, soccer, rodeos, and flag football.<sup>93</sup> The municipality must own the sporting facility, and the municipality must meet one of the following population requirements:

- i. The municipality has a population of 80,000 or more, and is located in a county that has a population of 350,000 or less: **Abilene, Amarillo, Beaumont, College Station, Corpus Christi, Killeen, Laredo, League City, Longview, Lubbock, Midland, Odessa, Pearland, San Angelo, Tyler, Waco, and Wichita Falls.**<sup>94</sup>
- ii. The municipality has a population of at least 75,000, but not more than 95,000, and is located in a county that has a population of less than 200,000 but more than 160,000: **Bryan and College Station.**<sup>95</sup>
- iii. The municipality has population of at least 36,000, but not more than 39,000, and is located in a county that has a population of 100,000 or less that is not adjacent to a county with a population of more than two million: **Huntsville and Texarkana.**<sup>96</sup>
- iv. The municipality has a population of at least 13,000 but not more than 39,000, and is located in a county that has a population of at least 200,000: **Addison, Alamo, Alvin, Angleton, Balch Springs, Bellaire, Benbrook, Burleson, Colleyville, Converse, Coppell, Copperas Cove, Corinth, Deer Park, Dickinson, Donna, Duncanville, Farmers Branch, Friendswood, Groves, Hewitt, Highland Village, Horizon City, Harker Heights, Humble, Hurst, Hutto, Katy, La Marque, La Porte, Lake Jackson, Lancaster, Leander, Little Elm, Live Oak, Mercedes, Murphy, Nederland, Port Neches, Portland, Rio Grande City, Rosenberg, Sachse, Saginaw, San Benito, San Juan, Schertz, Seagoville, Socorro, South Houston, Southlake, Stafford, Taylor, The Colony, Universal City, University Park, Watauga, Weslaco, West University Place, and White Settlement.**<sup>97</sup>
- v. The municipality has a population of at least 70,000, but not more than 90,000, and no part of the city is located in a county with a population greater than 150,000: **Longview.**<sup>98</sup>
- vi. The municipality is located in a county that is adjacent to the Texas-Mexico border, the county has a population of at least 500,000, and the county does not have a municipality with a population greater than 500,000: Cities in Hidalgo County including, but not limited to **McAllen, Edinburg, Mission, and Pharr.**<sup>99</sup>
- vii. The municipality has a population of at least 25,000 but not more than 26,000, and is located in a county that has a population of 90,000 or less: **Greenville and Paris.**<sup>100</sup>
- viii. The municipality is located in a county that has a population of not more than 300,000 and in which a component university of the University of Houston System is located: **Victoria.**<sup>101</sup>

---

<sup>92</sup> § 351.101(a)(7).

<sup>93</sup> *Id.*

<sup>94</sup> § 351.101(a)(7)(B)(i).

<sup>95</sup> § 351.101(a)(7)(B)(ii).

<sup>96</sup> § 351.101(a)(7)(B)(iii).

<sup>97</sup> § 351.101(a)(7)(B)(iv).

<sup>98</sup> § 351.101(a)(7)(B)(v).

<sup>99</sup> § 351.101(a)(7)(B)(vi).

<sup>100</sup> § 351.101(a)(7)(B)(vii).

<sup>101</sup> § 351.101(a)(7)(B)(viii).

- ix. The municipality has a population of at least 40,000 and the San Marcos River flows through the municipality: **San Marcos**.<sup>102</sup>
- x. The municipality is intersected by both State Highways 71 and 95: **Bastrop**.<sup>103</sup>

[Note that statutory population brackets are based on the decennial U.S. Census, most recently conducted in 2010.<sup>104</sup>]

Texas law further requires that before local hotel tax to be used for this purpose, the sports facilities and fields must have been used a combined total of more than 10 times for district, state, regional, or national sports tournaments in the preceding calendar year.<sup>105</sup>

If hotel tax revenues are spent on enhancing or upgrading a sports facility, the municipality must also determine the amount of "area hotel revenue" generated by hotel activity from sports events held at the hotel tax funded facility for five years after the upgrades to the sport facility are completed.<sup>106</sup> The area hotel revenues that were generated from sports events at the hotel tax funded facility over that five year period must at least equal the amount of hotel tax that was spent to upgrade the sports facility.<sup>107</sup> If the amount of hotel tax that was spent on the facility upgrades exceeds hotel revenue attributable to events held at that facility over that five year period, the municipality must reimburse the hotel occupancy tax revenue fund any such difference from the municipality's general fund.<sup>108</sup>

For example, if a city spent \$400,000 on improvements to its soccer fields, it would have to show at least \$400,000 in area hotel revenue directly attributable to events held at that soccer field over the five year period after the soccer field improvements were completed. If the city could only show \$300,000 in hotel industry revenue due to events held at that soccer field, the city would have to reimburse the city hotel tax with the \$100,000 difference from the city's general fund.

## 8) Funding transportation systems for tourists

Often with conventions and large meetings, there is a need to transport the attendees to different tourism venues. In 2007, the Texas 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; and
- tourist attractions in or near the city.<sup>109</sup>

The reimbursed transportation system must be owned and operated by the city, or privately owned and operated but financed in part by the city.<sup>110</sup> For example, this authority could be used to cover the costs of a city to finance certain private shuttles to operate between the convention center and area hotels

<sup>102</sup> § 351.101(a)(7)(B)(x).

<sup>103</sup> § 351.101(k).

<sup>104</sup> Tex. Gov't Code Ann. § 311.005(3) (Vernon 2015).

<sup>105</sup> Tex. Tax Code §§ 351.101(a)(7), 351.1076.

<sup>106</sup> *Id.*

<sup>107</sup> *Id.*

<sup>108</sup> *Id.*

<sup>109</sup> § 351.110(a).

<sup>110</sup> § 351.110(b).

and attractions for a large city-wide convention. The law specifically prohibits the use of the local hotel tax to cover the costs for a transportation system that serves the general public.<sup>111</sup>

**9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.**

In 2009, the Texas Legislature added a statutory category that allows cities to use municipal hotel occupancy tax revenue to pay for signage directing tourists to sights and attractions frequently visited by hotel guests in the municipality.<sup>112</sup> Arguably, this type of expenditure was permissible as “advertising and promotion” prior to this 2009 legislation. However, the Legislature codified this understanding to officially include signage directing tourists to sights and attractions that are frequently visited by hotel guests.<sup>113</sup>

**Summary of the Nine Uses for the Local Hotel Occupancy Tax**

In summary, local hotel occupancy tax revenues only may be spent to establish or enhance a convention center or visitor information center, cover the administrative expenses for registering convention delegates, pay for tourism-related advertising and promotions, fund arts programs or facilities that will directly promote tourism and hotel and convention activity, fund historic restoration or preservation projects that will enhance tourism and hotel and convention activity, in certain counties and cities noted above fund certain costs for holding sporting events and making upgrades to sporting facilities that substantially increase local hotel activity, certain transportation costs for taking tourists from hotels to various locations, and pay for signage directing tourists to sights and attractions frequently visited by hotel guests. If the city cannot fit an expenditure within one of these nine categories, hotel occupancy tax revenues cannot be used for that purpose, unless a special state statute was passed to allow such additional uses. This article includes a summary of special provisions and limitations placed on cities that fall into certain population brackets or special geographic areas of the state.

With regard to the use of local hotel occupancy taxes, there is no time limit for a city to expend all of its hotel occupancy tax funds. At a minimum, however, state law does require that for cities with a seven percent local hotel tax rate, at least one-seventh of the hotel tax proceeds must be spent advertising and promoting the city to directly impact tourism and the hotel and convention industry.<sup>114</sup> It should also be noted that state law requires that interest earned on hotel tax must be spent in the same way as other hotel tax revenues.<sup>115</sup> State law does not address revenues that are earned from events funded by the local hotel occupancy tax.

---

<sup>111</sup> § 351.110(c).

<sup>112</sup> § 351.101(a)(9).

<sup>113</sup> *Id.*

<sup>114</sup> §§ 351.103, 351.1035, 351.104(d), 351.105(b), and 351.106(a).

<sup>115</sup> §§ 351.001(9), (10).

## **Administering Hotel Occupancy Tax Revenue Expenditures**

### **Duty of funded entities to provide a list of activities.**

All entities (including the city itself) that are directly or indirectly funded by the local hotel occupancy tax are annually required to provide a list of the scheduled activities, programs, or events that will directly enhance and promote tourism and the convention and hotel industry.<sup>116</sup> This list is to be provided annually to the city secretary or his/her designee prior to the expenditure of the hotel occupancy tax funding by the funded entity.<sup>117</sup> An entity may add items to this list at any time, and each city decides the format for providing this information. This documentation requirement does not apply if the entity already provides written information to the city indicating which scheduled activities or events that it offers that directly enhance and promote tourism and the convention and hotel industry. For example, cities that require quarterly or annual reports on the use of hotel tax by hotel tax funded entities would satisfy this requirement if their report addresses the extent to which their events directly promote tourism and hotel activity.<sup>118</sup>

It is important to remember that if an entity does not have any such events or programs reasonably expected to directly promote tourism and the hotel and convention industry, it is not eligible for local hotel occupancy tax funding.<sup>119</sup> If only a portion of an entity's programs fit these criteria, then only a proportionate amount of that entity's costs should be covered by the local hotel occupancy tax.<sup>120</sup>

### **Delegating management of funded activities.**

The governing body of a city may delegate the management or supervision of programs funded by the hotel occupancy tax by written contract.<sup>121</sup> This delegation may be made to a person, another governmental entity, or to a private organization.<sup>122</sup> This delegation is often made to a local arts council, a chamber of commerce, or to the convention and visitors bureau. The municipality shall approve the entity's annual budget prior to delegating the management or supervision of hotel tax funded programs.<sup>123</sup> Furthermore, the municipality shall require the delegated entity to make periodic reports, at least quarterly, listing the hotel occupancy tax expenditures made by the delegated entity.<sup>124</sup> Additionally, the Code requires that the contracted entity maintain complete and accurate financial records for every expenditure of hotel occupancy tax revenue, and upon the request of the municipality or another person, make the records available for inspection and review.<sup>125</sup>

An entity with delegated authority to manage hotel tax funded programs undertakes a fiduciary duty with respect to the use of the tax revenue.<sup>126</sup> Such entities are also required to maintain the city hotel occupancy tax revenue in a separate bank account that may not be commingled with any other account or funds.<sup>127</sup> The Tax Code does not contain similar prohibitions against commingling the funds for

---

<sup>116</sup> § 351.108(b).

<sup>117</sup> *Id.*; § 351.108(d).

<sup>118</sup> § 351.108(g).

<sup>119</sup> § 351.101(b).

<sup>120</sup> § 351.101(e).

<sup>121</sup> § 351.101(c).

<sup>122</sup> *Id.*

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

<sup>125</sup> § 351.101(d).

<sup>126</sup> § 351.101(c).

<sup>127</sup> *Id.*

individual organizations, such as an arts or historical group that receives hotel tax funding for their individual program, but do not themselves oversee hotel tax funding to other entities.

### **Use of hotel occupancy tax revenues to cover administrative expenses.**

Texas law allows proceeds of the municipal hotel occupancy tax to be used to cover the portion of administrative costs that are directly attributable to work on activities that may be funded by the tax.<sup>128</sup> For example, entities that manage activities funded by the hotel occupancy tax may spend some of the tax for certain day-to-day operational expenses.<sup>129</sup> These expenses may include supplies, salaries, office rental, travel expenses, and other administrative costs.<sup>130</sup> However, these costs may be reimbursed only if the expenses are incurred in the promotion and servicing of expenditures authorized under the hotel occupancy tax laws.<sup>131</sup> The portion of the administrative costs that are covered should not exceed the percentage of the cost that is attributable to the activity funded by the hotel occupancy tax.<sup>132</sup> For example, administrators who spend 33 percent of their time overseeing hotel occupancy tax funded programs should seek funding for no more than 33 percent of their salary or 33 percent of other related overhead costs. Additionally, hotel occupancy tax revenues may be spent on travel that is directly related to the performance of the person's job in an efficient and professional manner.<sup>133</sup> This travel should facilitate the acquisition of skills and knowledge that will promote tourism and the convention and hotel industry.<sup>134</sup>

---

<sup>128</sup> § 351.101(e).

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> *Id.*

<sup>132</sup> *Id.*

<sup>133</sup> § 351.101(f).

<sup>134</sup> *Id.*

## **Special Rules for Selected Municipalities**

The Texas Tax Code provides additional rules for certain Texas cities based on the city's population bracket. Where noted, these special rules supplement or further restrict the general two-part test for hotel occupancy tax revenue expenditures, discussed earlier in this guide. For statutory construction purposes, population brackets are based on the decennial federal census, most recently conducted in 2010.<sup>135</sup>

### **Cities with a population of 200,000 or greater (except Houston): Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Garland, Irving, Laredo, Lubbock, Plano, and San Antonio.**

In addition to the general two part test for all expenditures of the hotel occupancy tax revenue, the above cities have certain specific expenditure limitations that apply to their handling of the local hotel occupancy tax.

#### **Minimum expenditure that must be spent on advertising and promotion:**

A city with a population of 200,000 or greater is required to spend at least 50 percent of the hotel occupancy tax collected by the city on advertising and conducting solicitations and promotional programs to attract tourists to the city or its vicinity.<sup>136</sup> However, if the city collects more than \$2 million in hotel tax revenues annually, this 50 percent minimum expenditure requirement does not apply.<sup>137</sup>

#### **15 Percent maximum expenditure for the arts and 15 percent maximum expenditure for historical restoration and preservation:**

Under § 351.103(c), a city with a population of at least 200,000 may not expend more than the greater of either 15 percent of the hotel occupancy tax revenue collected or the amount of tax received by the city at the rate of 1 percent of the cost of a room on promotion of the arts.<sup>138</sup> Also, a city with a population of more than 125,000 may not spend more than 15 percent of its hotel occupancy tax revenue on historical restoration and preservation programs.<sup>139</sup>

### **Special rules for the City of Houston.**

#### **Maximum hotel occupancy tax rate for Houston:**

Houston is capped by statute at a total combined hotel occupancy tax rate of 17 percent.<sup>140</sup> This includes the state, city, county, and sports authority hotel occupancy taxes.<sup>141</sup>

#### **Minimum 23 percent expenditure for advertising and promotion:**

The City of Houston must spend at least 23 percent of the tax revenue it collects on advertising and

---

<sup>135</sup> Tex. Gov't Code § 311.005(3).

<sup>136</sup> Tex. Tax Code § 351.103(a).

<sup>137</sup> § 351.103(b).

<sup>138</sup> § 351.103(c).

<sup>139</sup> § 351.103(c).

<sup>140</sup> Tex. Tax Code §§ 352.003, 351.003(a); Tex. Local Gov't Code Ann. § 382.155 (Vernon 2015).

<sup>141</sup> *Id.*

promotion, unless the allocation impairs the City's ability to operate and maintain its convention center facilities or to pledge revenue for the payment of convention center bonds.<sup>142</sup>

**Maximum 19.3 percent expenditure for arts:**

The City of Houston may not expend more than the greater of 19.3 percent of the hotel occupancy tax revenue collected or the amount of tax received by the city at the rate of 1 percent of the cost of a room on promotion of the arts.<sup>143</sup>

**Additional rules for "eligible central municipalities" and certain other cities: Amarillo, Austin, Arlington, Corpus Christi, Dallas, El Paso, Fort Worth, Frisco, Garland, Grand Prairie, Irving, Midland, Nacogdoches, Odessa, Plano, Round Rock, San Antonio, and Tyler.**

Austin, Arlington, Corpus Christi, Dallas, El Paso, Fort Worth, Frisco, Garland, Grand Prairie, Irving, Nacogdoches, and San Antonio fall under the statutory definition of an "eligible central municipality."<sup>144</sup> An "eligible central municipality" is defined as a municipality with a population of more than 140,000 but less than 1.5 million that is located in a county with a population of one million or more, and that has adopted a capital improvement plan for the expansion of an existing convention center facility; a municipality with a population of 250,000 or more that is located wholly or partly on a barrier island in the Gulf of Mexico, is located in a county with a population of 300,000 or more; a municipality with a population of 116,000 or more that is located in two counties both of which have a population of 660,000 or more; a municipality with a population of less than 50,000 that contains a general academic teaching institution that is not a component of a university system; or a municipality with a population of 640,000 this is located on an international border; and has adopted a capital improvement plan to expand an existing convention center facility.<sup>145</sup>

Amarillo and Plano are both cities with a population of 173,000 or more, and are located within two counties, and also have similar authority as eligible central municipalities.<sup>146</sup> However, Amarillo and Plano may not pledge tax revenue to the hotel project any earlier than either, the 20<sup>th</sup> anniversary of the date the city first pledged revenue to the project, or the date the revenue project equals 40 percent of the hotel project's total construction cost.<sup>147</sup>

Additionally, for the Cities of Tyler, Round Rock, Midland, and Odessa, state law provides the same eligibility for incentives for a convention center hotel that have traditionally been available to "Eligible Central Municipalities."<sup>148</sup>

**State Tax Rebates:**

Eligible central municipalities are entitled to receive a rebate of state hotel occupancy taxes, state sales taxes, and state alcoholic beverage taxes from the eligible project for the first 10 years after the project

---

<sup>142</sup> Tex. Tax Code § 351.103(b).

<sup>143</sup> § 351.103(c).

<sup>144</sup> § 351.001(7).

<sup>145</sup> *Id.*

<sup>146</sup> § 351.102(b).

<sup>147</sup> § 351.102(b-1).

<sup>148</sup> § 351.102(b).

opens for occupancy.<sup>149</sup>

**Ability to pledge hotel tax revenue and other tax revenue for a convention center hotel or a historic hotel:**

Eligible central municipalities, the county, or other political subdivision may agree to pledge state and local hotel occupancy tax revenue for the construction or expansion of a convention center hotel, a historic hotel, convention center entertainment related facilities, restaurants, or certain civic projects.<sup>150</sup> However, only the revenue collected from that particular project for a period of up to ten years may be pledged.<sup>151</sup> Additionally, for up to 10 years, an eligible central municipality, a county, or other political subdivision may agree to rebate, refund, or pay eligible tax proceeds to the owner of the hotel project. Eligible tax proceeds include hotel occupancy taxes, ad valorem taxes, sales and use taxes, and mixed beverage taxes.<sup>152</sup>

**Minimum threshold for advertising and promotion funding: Amarillo, Austin, Arlington, Corpus Christi, Dallas, El Paso, Fort Worth, Frisco, Garland, Grand Prairie, Irving, Odessa, Plano, Round Rock, San Antonio, and Tyler:**

Except for Nacogdoches, cities that undertake funding a convention center hotel with hotel occupancy tax revenues must allocate a minimum threshold of funding for advertising and promotion of tourism and hotel activity under § 351.101(a)(3).<sup>153</sup> Specifically, these cities may not allocate hotel tax funding under § 351.101(a)(3) to a percentage that is less than the average percentage of that revenue allocated by the municipality for that purpose during the 36-month period preceding the date the municipality begins using hotel tax revenues for the hotel project.<sup>154</sup>

**Dallas only: 55% maximum on convention center and 45% minimum on advertising.**

Dallas falls into an additional category, "Populous Municipalities with Council-Manager Government," which requires it to use the revenue derived from the portion of the municipal hotel occupancy tax rate that exceeds 4 percent for the following purposes: 1) no more than 55 percent for the municipality's convention center complex; and 2) at least 45 percent for advertising and promotion.<sup>155</sup>

**Additional 2 percent rate for a convention center facility (Austin, Fort Worth, and San Antonio):**

Austin, Fort Worth, and San Antonio are authorized to implement up to a 9 percent maximum municipal hotel occupancy tax rate.<sup>156</sup> The revenue derived from application of the tax at a rate more than 7 percent, and its interest income, may only be used for the construction in an expansion of an existing convention center facility.<sup>157</sup> This nine percent maximum rate does not apply to Dallas, or to eligible central municipalities with a population of less than 440,000: Arlington, Corpus Christi, Garland, Grand Prairie, and Irving.<sup>158</sup>

**Project financing zones (Dallas and Fort Worth):**

Additionally, the City of Fort Worth and the City of Dallas have recent statutory authority to receive new

<sup>149</sup> §§ 351.102(c), 151.429(h); Gov't Code § 2303.5055.

<sup>150</sup> §§ 351.102, 151.429(h).

<sup>151</sup> *Id.*

<sup>152</sup> *Id.*

<sup>153</sup> § 351.102(d).

<sup>154</sup> *Id.*

<sup>155</sup> § 351.106.

<sup>156</sup> § 351.003(b).

<sup>157</sup> §§ 351.1065, 351.003(b).

<sup>158</sup> § 351.003(b).

“incremental” state hotel occupancy tax revenues, state sales tax revenues, and mixed beverage tax revenues from hotels within a three mile radius of their convention center and/or other statutory designated city facilities.<sup>159</sup> This incremental tax revenue is the additional state hotel occupancy tax revenues, state sales tax revenues, and mixed beverage tax revenues at certain hotels that exceed a base amount collected from hotels within a three-mile radius of the project. The state funding can be used to enhance and upgrade the convention center in either city, as well as the Will Rogers Memorial Center complex in Fort Worth. The process is performed as follows:

1. The city designates the project financing zone (i.e. the convention center and/or the Will Rogers Memorial complex), with a project expiration date of less than 30 years. Within 30 days of the designation of the project financing zone, the city notifies the Comptroller about the designation.
2. Base year amounts are determined for state hotel occupancy tax revenues, state sales tax revenues, and mixed beverage tax revenues collected from hotels located within the three mile zone in the year in which financing zone is designated.
3. Then the “incremental hotel-associated revenue” is calculated by determining the amount of annual state hotel occupancy tax revenues, state sales tax revenues, and mixed beverage tax revenues collected from hotels within the three mile zone that are in excess of the “base year amount.” The city is entitled to receive this incremental revenue from the Texas Comptroller, beginning on January 1<sup>st</sup> after the project’s designation, and ending when the project financing zone expires.

**Cities with populations between 125,000 and 200,000: Amarillo, Brownsville, Grand Prairie, Killeen, McAllen, McKinney, Mesquite, and Pasadena.**

**Minimum expenditure on advertising and promotion:**

Cities with populations between 125,000 and 200,000 must spend a minimum amount of hotel occupancy tax revenue on advertising and promotion, and that minimum depends on the hotel occupancy tax rate adopted by the city.<sup>160</sup> If the city adopts a tax rate of not more than 3 percent, at least one-half of 1 percent of the rate must be spent on advertising and promotion of the city and its vicinity.<sup>161</sup> If the city adopted a rate that exceeds 3 percent, at least 1 percent of the rate must be spent on advertising and promotion of the city and its vicinity.<sup>162</sup> For example, if a city has a 7 percent hotel occupancy tax rate, at least 1/7 of the hotel occupancy tax proceeds must be spent on advertising and promoting the city and its vicinity to attract tourists and hotel and convention activity. An exception to the minimum threshold for advertising and promotion expenditures is provided if the city receives in excess of \$2 million in hotel tax revenues annually, in which case, the city should allocate its revenue by ordinance.<sup>163</sup>

**15 Percent maximum expenditure for the arts and 15 percent maximum expenditure for historical restoration and preservation:**

Under § 351.103(c), a city with a population between 125,000 and 200,000 may not expend more than the greater of either 15 percent of the hotel occupancy tax revenue collected, or the amount of tax

---

<sup>159</sup> Tax Code § 351.1015.

<sup>160</sup> § 351.103.

<sup>161</sup> *Id.*

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

received by the city at the rate of 1 percent of the cost of a room, on promotion of the arts.<sup>164</sup> Additionally, a city with a population of more than 125,000 may not spend more than 15 percent of its hotel occupancy tax revenue on historical restoration and preservation programs.<sup>165</sup>

### **Cities with populations of less than 125,000.**

#### **Minimum expenditure on advertising and promotion:**

Cities with populations of less than 125,000 must spend a minimum amount of hotel occupancy tax revenue on advertising and promotion, and that minimum depends on the hotel occupancy tax rate adopted by the city.<sup>166</sup> If the city adopts a tax rate of not more than 3 percent, at least one-half of 1 percent of the rate must be spent on advertising and promotion of the city and its vicinity.<sup>167</sup> If the city adopted a rate that exceeds 3 percent, at least 1 percent of the rate must be spent on advertising and promotion of the city and its vicinity.<sup>168</sup> For example, if a city has a 7 percent hotel occupancy tax rate, at least 1/7 of the hotel occupancy tax proceeds must be spent on advertising and promoting the city and its vicinity to attract tourists and hotel and convention activity. An exception to the minimum threshold for advertising and promotion expenditures is provided if the city receives in excess of \$2 million in hotel tax revenues annually, in which case, the city should allocate its revenue by ordinance.<sup>169</sup>

#### **15 percent maximum expenditure for the arts and 50 percent maximum expenditure for historical restoration and preservation:**

Under § 351.103(c), a city with a population of under 125,000 may not expend more than the greater of either 15 percent of the hotel occupancy tax revenue collected or the amount of tax received by the city at the rate of 1 percent of the cost of a room on promotion of the arts.<sup>170</sup> Additionally if a city with a population of under 125,000 does not allocate any hotel tax money for a convention center, the Tax Code prohibits the city from allocating more than 50 percent of its hotel occupancy tax for historical restoration or preservation projects.<sup>171</sup>

### **Additional rules for certain large coastal municipalities: Corpus Christi.**

#### **Public beach expenditures:**

The City of Corpus Christi is authorized to use all or any portion of the city hotel occupancy tax collected from hotels that are within areas that were annexed by the City of Corpus Christi and were previously subject to the county hotel occupancy tax toward cleaning and maintaining public beaches.<sup>172</sup>

#### **Expenditures from the portion of municipal hotel tax rate exceeding 7 percent:**

The City of Corpus Christi must separately account for all hotel occupancy tax revenue it derives from a city hotel occupancy tax rate that exceeds 7 percent (up to a maximum of 9 percent).<sup>173</sup> The city may

---

<sup>164</sup> § 351.103(c).

<sup>165</sup> *Id.*

<sup>166</sup> § 351.103.

<sup>167</sup> *Id.*

<sup>168</sup> *Id.*

<sup>169</sup> *Id.*

<sup>170</sup> *Id.*

<sup>171</sup> *Id.*

<sup>172</sup> § 351.1055.

<sup>173</sup> §§ 351.1055, 351.003(c), 351.107(e).

use revenue from the portion of the city hotel occupancy tax rate that exceeds 7 percent for acquiring land for a municipally owned convention center; constructing, improving, operating and maintaining the convention center; and paying bonds to finance these activities.<sup>174</sup>

### Special rules for medium sized “eligible coastal municipalities:” Galveston.

A different set of revenue expenditure rules apply for eligible coastal municipalities, defined as a “home-rule municipality that borders the Gulf of Mexico and has a population of less than 80,000.”<sup>175</sup> The City of Galveston fits this bracket’s description. The Tax Code limits the allocation of local hotel occupancy tax revenue for eligible coastal municipalities in the following ways:

- **Minimum expenditure for improvements to civic centers, hotels, marinas, golf courses, trolleys, and other improvements that attract tourists:**  
If the city levies a rate of 7 percent, at least 1 percent of the cost of a room shall be used for the payment of bonds issued to establish, acquire, purchase, construct, or improve public improvements that serve the purpose of attracting visitors and tourists, such as parks, civic centers, auditoriums, coliseums, marinas, cruise ship terminals, hotels, motels, parking facilities, golf courses, trolleys or trolley transportation systems.<sup>176</sup> This 1 percent may also be used for maintenance, improvement, or operation of any of the above facilities.<sup>177</sup> For eligible coastal cities with a 7 percent rate, this requirement mandates dedicating 1/7 of the hotel occupancy tax revenue for items within the above noted purposes.<sup>178</sup>
- **Minimum expenditure for matching funds for beach clean-up:**  
If the city levies a rate of 6 percent or more, at least 1 percent of the cost of a room shall be used as matching funds for state funds and other funds available to clean and maintain public beaches.<sup>179</sup> For example, if the city levied a 7 percent local hotel occupancy tax, at least 1/7 of the hotel occupancy tax must be spent on beach clean-up. However, a city may credit any funds it receives from the state hotel occupancy tax for beach clean-up toward meeting this obligation.
- **Minimum 1 percent expenditure for other beach related expenditures:**  
If the city levies a rate of 5 percent or more, at least 1 percent of the cost of a room shall be used for beach patrol, lifeguard services, marine water safety, and park law enforcement.<sup>180</sup> For example, if the city levied a 7 percent local hotel occupancy tax, at least 1/7 of the hotel occupancy tax must be spent on the above noted beach related expenditures. However, a city may credit any funds it receives from the state hotel occupancy tax for beach related expenditures toward meeting this obligation.<sup>181</sup>
- **Minimum 3 percent expenditure for advertising and promotion:**

---

<sup>174</sup> *Id.*

<sup>175</sup> § 351.001(3).

<sup>176</sup> § 351.105.

<sup>177</sup> *Id.*

<sup>178</sup> *Id.*

<sup>179</sup> *Id.*

<sup>180</sup> *Id.*

<sup>181</sup> *Id.*

If the city levies a rate of 4 percent or more, at least 3 percent of the cost of a room shall be used for advertising and promotion.<sup>182</sup> For example, if the city levied a 7 percent local hotel occupancy tax, at least 3/7 of the hotel occupancy tax must be spent on advertising and promotion.

### **Special state funding for beach clean-up: Galveston.**

In 1995, the Texas Legislature passed a special statute that dedicates the revenue generated from the state hotel tax at a rate of two percent (one third of the state hotel occupancy tax) from Galveston lodging operators to beach clean-up.<sup>183</sup> For example, if the 6 percent state hotel tax generates \$300 in state hotel tax proceeds, \$100 is given back to the City of Galveston to use for clean-up of beaches within the City of Galveston.

The implementing legislation that authorizes this funding only applies to an “eligible coastal municipality” that has created a park board of trustees to clean and maintain public beaches.<sup>184</sup> An eligible coastal municipality is defined under state law to be a city that,

1. Borders on the Gulf of Mexico; and
2. Has a population of less than 80,000.<sup>185</sup>

A city is eligible to adopt a park board of trustees for beach clean-up only if it,

1. Is a home rule city;
2. Has over 40,000 in population;
3. Is under 80,000 in population; and
4. Borders the Gulf of Mexico.<sup>186</sup>

According to the Texas Comptroller's Office, the only Texas city that fits both the definition of an “eligible coastal municipality” and the definition of a city that may adopt a park board of trustees for beach clean-up is Galveston.<sup>187</sup> Accordingly, Galveston receives one-third of the state hotel occupancy taxes collected from Galveston area hoteliers for beach clean-up purposes through a rebate from the Texas Comptroller.

### **Special state funding for beach clean-up: Corpus Christi, Port Aransas, Quintana, South Padre Island, and Surfside Beach.**

Originally enacted in 1999, and amended in 2009, 2013, and 2015, the Texas Legislature passed a special statute, similar to the authority relating to Galveston, dedicating a portion of the state hotel occupancy tax generated from certain eligible barrier island coastal municipalities to beach clean-up.<sup>188</sup>

The implementing legislation for this funding applies only to certain eligible “barrier island coastal municipalities:” Corpus Christi, Port Aransas, Quintana, South Padre Island, and Surfside Beach.<sup>189</sup> The

---

<sup>182</sup> *Id.*

<sup>183</sup> § 156.2511.

<sup>184</sup> *Id.*

<sup>185</sup> § 351.001(3).

<sup>186</sup> Tex. Loc. Gov't Code Ch. 306.

<sup>187</sup> Tex. Comptroller Opinion Letter No. 200007471L, July 6, 2000.

<sup>188</sup> Tax Code § 156.2512.

<sup>189</sup> *Id.*

State of Texas provides a rebate to the city of 2/6 of the state hotel occupancy collected by the State from lodging operators in the municipality.<sup>190</sup> This rebated amount can be used by each city only to clean and maintain public beaches in that municipality, for an erosion response project in that municipality, and to clean and maintain bay shores owned by the municipality or leased by the municipality from the State.<sup>191</sup>

### **Municipal hotel occupancy tax funding for coastal erosion: South Padre Island.**

In 2009, the Texas Legislature amended Chapter 351 of the Tax Code to allow the City of South Padre Island to increase its hotel occupancy tax rate to 8 ½ percent.<sup>192</sup> The law dedicates 7 percent of the 8 ½ percent rate to advertising and promotion or convention center related purposes.<sup>193</sup> One percent can be used for any purpose authorized under Tax Code § 351.101. This legislation dedicates the remaining ½ percent of municipal hotel occupancy tax to coastal erosion projects.<sup>194</sup>

### **Special rules for medium sized home rule coastal cities with a population of less than 80,000 and that border bays: Ingleside, Portland, Aransas Pass, La Porte, Seabrook, Port Aransas, Port Lavaca, Rockport, Baytown, Texas City, and Palacios.**

Home-rule cities that have a population of less than 80,000 and border bays may use up to 10 percent of the revenue derived from the local hotel occupancy tax for certain special beach related purposes and for tourism related public improvements.<sup>195</sup> Specifically, such cities can use up to 10 percent of the local hotel occupancy tax to clean and maintain publicly owned land that is adjacent to a bay, to mitigate coastal erosion, or to pay for the operation or debt for certain tourism related public improvements, as defined under Tax Code §§ 351.105(a)(1) or 351.105(a)(2). This authority does not apply to eligible coastal municipalities such as Galveston.<sup>196</sup>

If the city uses any of the local hotel occupancy tax for beach maintenance under this authority, it may not reduce the amount of revenue that the city uses for tourism advertising and promotion.<sup>197</sup> In particular, the city's advertising and promotion budget may not be set at an amount that is less than the average amount of revenue used by the city for advertising and promoting during the 36-month period that preceded the city's use of city hotel tax for beach maintenance or tourism related public improvements.<sup>198</sup>

Additionally, the amount that is spent from the hotel occupancy tax for beach maintenance or tourism related public improvements (e.g.; a convention center facility) must be matched by the city with the same amount of revenue from a non-hotel occupancy tax source (e.g.; property tax or sales tax or other general fund dollars).<sup>199</sup>

---

<sup>190</sup> Tax Code § 156.2512

<sup>191</sup> *Id.*

<sup>192</sup> Tax Code §§ 351.001(11), 351.003(d).

<sup>193</sup> § 351.1055(d).

<sup>194</sup> § 351.1055(e).

<sup>195</sup> § 351.104.

<sup>196</sup> *Id.*

<sup>197</sup> *Id.*

<sup>198</sup> *Id.*

<sup>199</sup> *Id.*

**Special rules for small coastal municipalities with a population of less than 5,000, adjacent to a home-rule city with a population of less than 80,000: Jamaica Beach.**

Coastal cities with a population of less than 5,000 adjacent to a home-rule city with a population of less than 80,000 may use all or any portion of the municipal hotel tax revenue it collects to clean or maintain beaches within the city, to provide beach security (defined as beach patrol, lifeguard services, marine water safety and park law enforcement) within the municipality, and to pay for any purpose allowed by Tex. Tax Code § 351.105 or Tex. Gov't Code § 1504.001.<sup>200</sup> The maximum municipal hotel occupancy rate for cities in this bracket is 9 percent.<sup>201</sup>

**Special rules for the City of Alpine.**

**Minimum expenditure on advertising and promotion:**

The City of Alpine must spend at least 50 percent of its hotel occupancy tax revenue on advertising and promotion to attract tourists and convention delegates or registrants to the city or its vicinity.<sup>202</sup>

**Maximum expenditure for arts:**

Alpine's maximum percentage for the promotion of the arts is 15 percent of its hotel occupancy tax revenues.<sup>203</sup>

**Maximum expenditure for historical restoration and promotion projects:**

Alpine's maximum percentage for historical restoration and promotion of historical projects is 15 percent of its hotel occupancy tax revenues.<sup>204</sup>

**Special rules for the City of Nassau Bay.**

The City of Nassau Bay has special legislation on point that allows that city to use hotel tax revenue for a convention center, marina, visitor center meeting room, or hotel facility that substantially enhances hotel activity in the city.<sup>205</sup> The facility must be owned by a city and be located within a 1,000 feet of a hotel property.<sup>206</sup> The total amount spent may not exceed the amount of hotel revenue attributable to events at that facility for the fifteen year period following the construction of the improvement.<sup>207</sup> The City must annually publish a report noting the hotel activity that is generated from activities funded by this expenditure of hotel tax and is subject to a requirement to refund the hotel tax fund from the City's General Fund if the project does not have the required return on investment in hotel activity.<sup>208</sup>

**Special rules for the City of South Padre Island: Spaceport Viewing and Eco-Tourism.**

The City of South Padre Island has specific legislation allowing the City to use a limited amount of hotel tax revenue for the promotional and event expenses of an ecological tourism event if the majority of the

---

<sup>200</sup> § 351.1055(c).

<sup>201</sup> § 351.003(c).

<sup>202</sup> § 351.1035.

<sup>203</sup> *Id.*

<sup>204</sup> *Id.*

<sup>205</sup> Tax Code §§ 351.101(j), 351.1071.

<sup>206</sup> *Id.*

<sup>207</sup> *Id.*

<sup>208</sup> *Id.*

event's participants are tourists, and if the event substantially increases economic activity at area hotels.<sup>209</sup>

The legislation also allows South Padre Island to expend local hotel tax on expenses related to the improvement of sites for hotel guests to observe spacecraft launches.<sup>210</sup> If South Padre Island uses hotel occupancy tax revenue for a spaceport viewing facility, the City may not reduce the amount of revenue that is used for advertising and promotion to an amount that is less than the average amount of revenue used by the City for advertising and promotion during the 36-month period that precedes the City's first use of revenue for a spaceport viewing facility.<sup>211</sup>

Both of these uses (spaceport viewing facilities and eco-tourism events) are capped to a combined total of no more than 15% of the hotel tax collected by the municipality.<sup>212</sup>

### **Special rules for the Bryan and College Station: Sports Facilities.**

The cities of Bryan and College Station have special legislation that provides authority to use hotel tax revenue for new sporting facilities or fields if the facilities or fields are owned by the municipality, and if a majority of the events at the facility or field are directly related to a sporting event that substantially increases hotel activity.<sup>213</sup> The city may not use hotel tax for the acquisition of the land.<sup>214</sup> The facilities must meet strict requirements for return on investment for the hotel industry: The city may not spend more on the facility or field than will be generated in hotel revenue from sporting events held at that facility over the next five years.<sup>215</sup> The city must publish an annual report of the actual room night and economic impact of events held at the facility or field and must reimburse the hotel tax fund for any deficit between the amount spent on the facility from hotel tax and the amount of hotel revenue generated from events at the facility over the subsequent five years.<sup>216</sup>

### **Special rules for Pecos, Pleasanton, Jourdanton and Dilley: Sports Facilities.**

The cities of Pecos, Pleasanton, Jourdanton, and Dilley have special legislation that provides authority to issue bonds payable with hotel tax revenue for certain limited sporting facilities.<sup>217</sup> The sporting facility must have the requisite amount of hotel impact before they are funded, and the city must annually report the room night and economic impact of events held at the facility.<sup>218</sup> The city may not expend more hotel tax on the facility improvements than will be generated in room night revenue from events held at the facility over a 15 year period, and this must be projected by an independent analyst before hotel taxes are used for this purpose.<sup>219</sup>

---

<sup>209</sup> Tax Code §§ 351.1054, 351.1055(d).

<sup>210</sup> *Id.*

<sup>211</sup> *Id.*

<sup>212</sup> *Id.*

<sup>213</sup> Tax Code §§ 351.101(i), 351.1078.

<sup>214</sup> *Id.*

<sup>215</sup> *Id.*

<sup>216</sup> *Id.*

<sup>217</sup> Tex. Tax Code § 351.1066.

<sup>218</sup> *Id.*

<sup>219</sup> *Id.*

## **Additional Information**

If a city or funded entity has additional questions about the administration or use of the hotel occupancy tax, it is welcome to contact the Texas Hotel & Lodging Association for assistance by phone at (512) 474-2996. THLA has sample documents available to assist in administering hotel taxes, such as funding grant application forms, post event forms, and tax collection guidelines.

Texas city officials can also make inquiries to the legal staff of the Texas Municipal League at (512) 231-7400. Finally, all entities may make inquiries to the Municipal Affairs Section of the Office of the Attorney General of Texas (OAG). The OAG's Municipal Affairs Division can be reached by phone at (512) 475-4683.

## Index

- Abilene, 19
- Addison, 19
- Administrative costs, 15, 23
- Advertising, solicitations, and promotions that attract tourists and convention delegates to the city, 16
- Agricultural Development Corporations, 8
- Alamo, 19
- Alpine, 32
- Alvin, 19
- Amarillo, 11, 19, 25, 27
- Angleton, 19
- Application form, 14
- Aransas Pass, 31
- Arlington, 24, 25, 26
- Arts expenditures, 16
- Attorney General. *See* Texas Attorney General's Office
- Audits, 11
- Austin, 12, 24
- Authorized Entities and Procedures, 3
- Balch Springs, 19
- Barrier island communities, 25, 30
- Bastrop, 20
- Baytown, 31
- Beaches, 28, 29, 30, 32
- Beaumont, 19
- Bellaire, 19
- Benbrook, 19
- Brownsville, 19, 27
- Bryan, 19, 33
- Burleson, 19
- Buying a hotel, 12
- Cancellation fees, 5
- Charitable Organization, 8
- City and County Employees, 6, 8
- Coastal municipalities, 29, 30, 31, 32
- Collection schedule, 10
- College Station, 19, 33
- Colleyville, 19
- Comptroller. *See* Texas Comptroller
- Contracts, 22
- Convention center, 15, 20, 21, 25, 26, 28, 29
- Convention Center funding, 15
- Convention registration, 15
- Converse, 19
- Coppell, 19
- Copperas Cove, 19
- Corinth, 19
- Corpus Christi, 19, 24, 25, 26, 28
- Dallas, 24, 25, 26
- Deer Park, 19
- Del Rio, 19
- Delegating the Management of Funded Activities, 22
- Dickinson, 19
- Dilley, 33
- Donna, 19
- Dormitories, 4
- Duncanville, 19
- Edinburg, 19
- Educational, Charitable, and Religious entities, 9
- El Paso, 3, 24, 25
- Eligible Central Municipalities, 25
- Eligible Coastal Municipalities, 30
- Enforcement Authority of a City, 12
- Exemptions from the Tax, 5, 8, 9
- Extraterritorial Jurisdiction (ETJ), 3
- Farmers Branch, 19
- Federal Employees, 5, 8
- Fiduciary duty, 22
- Food and beverages, 4
- Foreign Diplomats, 8
- Fort Worth, 24, 25, 26
- Friendswood, 19
- Frisco, 25
- Galveston, 29, 30, 31
- Garland, 24
- Grand Prairie, 27
- Greenville, 19
- Groves, 19
- Harker Heights, 19
- Health Facilities Development Corporations, 9
- Hewitt, 19
- Highland Village, 19
- Historical restoration and preservation, 18, 24, 27, 28
- Horizon City, 19
- Hospitals, 4
- Houston, 3, 24
- How the City Receives the Tax, 10
- Humble, 19
- Hurst, 19
- Hutto, 19
- Ingleside, 31
- Interest on unpaid taxes, 11
- Irving, 24
- Jamaica Beach, 32
- Jourdanton, 33
- Katy, 19
- Killeen, 19, 27
- La Marque, 19
- La Porte, 19, 31
- Lake Jackson, 19
- Lancaster, 19
- Laredo, 19, 24
- League City, 19
- Leander, 19
- Letter of No Tax Due, 12
- Letter of tax exemption, 7, 8, 9
- List of activities, 22
- Little Elm, 19
- Live Oak, 19
- Longview, 19
- Lubbock, 19, 24
- Lufkin, 19
- McAllen, 19, 27
- McKinney, 27

Meeting rooms, 4  
Mercedes, 19  
Mesquite, 27  
Midland, 19, 25  
Mission, 19  
Murphy, 19  
Nacogdoches, 25, 26  
Nassau Bay, 32  
Nederland, 19  
Nursing homes, 4  
Odessa, 19, 25  
Open Records, 12  
Package rates, 5  
Palacios, 31  
Paris, 19  
Pasadena, 27  
Pearland, 19  
Pecos, 33  
Penalties for Failure to Report or Collect the Tax, 11  
Permanent resident exemption, 5, 6  
Permanent Residents, 9  
Pharr, 19  
Plano, 24, 25  
Pleasanton, 33  
Port Aransas, 31  
Port Lavaca, 31  
Port Neches, 19  
Portland, 19, 31  
Post event form, 14, 34  
Reimbursement of Hotel for Collection Expenses, 10  
Religious entities, 5, 7  
Reporting, 22  
Rio Grande City, 19  
Rockport, 31  
Rosenberg, 19  
Round Rock, 25  
Sachse, 19  
Saginaw, 19  
Sales tax, 7, 31  
San Angelo, 19  
San Antonio, 3, 24, 25, 26  
San Benito, 19  
San Juan, 19  
San Marcos, 20  
Sanitariums, 4  
Schertz, 19  
Seabrook, 31  
Seagoville, 19  
Separately stated, 5  
Seven percent local hotel tax rate, 21  
Signage, 21  
Simplified, Basic Hotel Occupancy Tax Exemption Rules, 8  
Sleeping rooms, 5  
Socorro, 19  
South Houston, 19  
**South Padre Island**, 30, 31, 32, 33  
Southlake, 19  
Sporting events, 18  
Sports facilities or sports fields, 19, 20  
Stafford, 19  
State Employees, 6, 9  
State officials, 5  
Statute of limitations, 12  
Tax Exemption Certificate, 5  
Taylor, 19  
Texas Attorney General XE "Attorney General" \t "See  
    Texas Attorney General's Office" 's Office, 16  
Texas Attorney General's Office, 7  
Texas Attorney General's Office, 18  
Texas City, 31  
Texas Comptroller's Office, 3, 5, 10, 11, 12, 30  
Texas Educational Organizations, 8  
The Colony, 19  
Transportation systems for tourists, 20  
Tyler, 19, 25  
Universal City, 19  
University Park, 19  
Use of Local Hotel Occupancy Tax Revenues Criteria #2, 15,  
    21  
Victoria, 19  
Visitor Information Center funding, 15  
Waco, 19  
Watauga, 19  
Weslaco, 19  
West University Place, 19  
White Settlement, 19  
Wichita Falls, 19

## *Agenda Item 7*

*Conduct a public hearing to receive citizen input on the proposed increase of water and sewer rates.*

### **BACKGROUND OF ISSUE:**

This public hearing allows Council to receive public input on the proposed increase of water and sewer rates. The proposed increase in water and sewer rates is to absorb projected increases in sewer treatment costs from the North Texas Municipal Water District.

### **FINANCIAL IMPACT:**

None

## *Agenda Item 8*

*Discuss and consider First Reading of an Ordinance amending Chapter 19, Division 2, Rates and Charges, by amending section 19.03.061, Water Rates and Section 19.03.062, Sewer Rates, to provide new rates for water and sewer services within the city; providing for a penalty clause; repealing conflicting ordinances; providing for the publication of the caption hereof; and providing an effective date.*

### **BACKGROUND OF ISSUE:**

To discuss and consider changes to the ordinance to incorporate proposed increases to water and sewer fees.

### **FINANCIAL IMPACT:**

Proposes an increase in water/sewer rates in the amount of \$15.30 monthly and \$27.25 monthly to the average monthly user of 5,000 gallons and 10,000 gallons.

**AN ORDINANCE OF THE CITY OF SEAGOVILLE, TEXAS**

**ORDINANCE NO. 27-16**

**AN ORDINANCE OF THE CITY OF SEAGOVILLE, TEXAS AMENDING THE CODE OF ORDINANCES, CHAPTER 19, DIVISION 2, RATES AND CHARGES, BY AMENDING SECTION 19.03.061, WATER RATES AND SECTION 19.03.062, SEWER RATES, TO PROVIDE NEW RATES FOR WATER AND SEWER SERVICES WITHIN THE CITY; PROVIDING FOR A PENALTY CLAUSE; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Seagoville has established charges for water and sewer rates in Section 19.03.061 and 19.03.062 of the Code of Ordinances; and

**WHEREAS**, after reviewing said fees, the City has determined that the fees are inappropriate and should be amended; and

**WHEREAS**, the City Council of the City of Seagoville, Texas, has determined that Section 19.03.061 and 19.03.062 of the Code of Ordinances should be amended to provide new charges for water rates and sewer rates within the City;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEA GO VILLE, TEXAS:**

**SECTION 1.** That the Chapter 19, Division 2, Section 19.03.061, Water Rates, and Section 19.03.062, Sewer Rates, be amended to read as follows:

"Chapter 19. WATER, SEWER AND SEWAGE DISPOSAL

**DIVISION 2. RATES AND CHARGES**

**Sec. 19.03.061. Water rates.**

The monthly water rates charged by the City of Seagoville to all residential and commercial customers within the city limits, shall be, for the first two thousand (2,000) gallons or any portion thereof depending on the size of the customer's water meter, as shown in the charts below:

Apartments and Manufactured Homes (per unit):

Water Meter Size (Inches)	Rate
------------------------------------	------

3/4 or less	\$22.24
1"	\$22.24
1.5"	\$22.24
2"	\$22.24
4"	\$22.24
6"	\$22.24
8"	\$22.24

All Others:

<b>Water Meter Size (Inches)</b>	<b>Rate</b>
3/4 or less	\$22.24
1"	\$33.99
1.5"	\$53.62
2"	77.08
3"	\$143.64
4"	\$210.19
6"	\$741.56
8" or larger	\$1,102.92

Water usage in excess of two thousand (2,000) gallons charged and collected at the following table rate per one thousand (1,000) gallons:

<b>Water Usage in</b>	<b>Rate</b>
2,001 - 5,000 gallons	\$2.68
5,001 - 10,000 gallons	\$3.35
10,001 - 15,000 gallons	\$4.04
15,001 - 20,000 gallons	\$4.71

20,001 - 25,000 gallons	\$5.36
Over 25,000 gallons	\$6.05

The above rates shall also apply to all water for resale or to water districts.

**Sec. 22-28. Sewer rates.**

(a) The monthly sewer rates charged by the city to all sewer utility customers within the city limits shall be fourteen dollars and eighty-seven cents (\$17.61) minimum bill, up to two thousand (2,000) gallons of water usage, plus seven dollars and fifteen cents (\$8.47) per one thousand (1,000) for consumption above 2,000 gallons of water usage.

(b) Each residential customer's average water usage for the months of December, January, February, and March will be computed, using the three (3) months with the least usage to average and determine that customer's billing volume for the twelve month period beginning in April of each year.

(c) Charges for new customers will be based on the city average of 4500 gallons until an average is established during December, January, February, and March.

(d) For commercial customers, the billing volumes are based on actual water usage."

**SECTION 2.** That all provisions of the Ordinances of the City of Seagoville, Texas, in conflict with the provisions of this ordinance be, and the same are hereby amended, repealed, and all other provisions of the Ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 3.** That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, or of the Code of Ordinances, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance or the Code of Ordinances, as amended hereby, which

shall remain in full force and effect.

**SECTION 4.** Any person, firm, corporation or business entity violating this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine not to exceed the sum of FIVE HUNDRED DOLLARS (\$500.00), unless the violation relates to fire safety, zoning or public health and sanitation, including dumping and refuse, in which the fine shall not exceed the sum of TWO THOUSAND AND NO/ 100 DOLLARS (\$2,000.00). Each continuing day's violation under this Ordinance shall constitute a separate offense. The penal provisions imposed under this Ordinance shall not preclude Seagoville from filing suit to enjoin the violation. Seagoville retains all legal rights and remedies available to it pursuant to local, state and federal law.

**SECTION 5.** This ordinance shall be in full force and affect after its passage and publication as required by law.

**DULY PASSED** by the City Council of the City of Seagoville, Texas, on the first reading on the 15<sup>th</sup> day of August, 2016.

**DULY PASSED** on second and final reading by the City Council of the City of Seagoville, Texas, on the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY SECRETARY

## *Agenda Item 9*

*Receive presentation on the Seagoville Economic Development Corporation proposed FY 2016-2017 budget.*

### **BACKGROUND OF ISSUE:**

*This item has been placed on the agenda at the request of Mayor Childress.*

Seagoville Economic Development Corporation (SEDC) Executive Director Kirk Clennan will be present to provide the presentation.

SEDC Board Members initially approved their budget on or about June 30, 2016 and ratified the action at their July 19, 2016 meeting to be submitted to the City as part of the City's proposed FY 2016-2017 proposed budget.

### **FINANCIAL IMPACT:**

# Memorandum

**To:** Mr. Patrick Harvey, Finance Director, City of Seagoville  
**From:** Kirk D. Clennan, Executive Director  
**cc:** Dr. C. Don Cole, Chairman  
**Date:** June 24, 2016  
**Re:** SEDC 4B Sales Tax Corporation, Fiscal Year 2016-2017 Budget

The attached SEDC Fiscal Year (FY) 2016-2017 Budget is provided for inclusion in the City of Seagoville's budget preparation.

There are eight tabbed pages referenced at the bottom of the Excel Workbook. The following are notes associated with these budget categories.

Balance Sheet – the City's Finance Department will input this information for SEDC Board and Council review

General – a revenue summary the City's Finance Department will input

Administration – payroll the City's Finance Department will input

Operation – Columns "C" and "D" provide Fiscal Year comparisons between 2015-2016 and 2016-2017 (year-over-year increases are "blue" and decreases are "green")

Description	2015-2016 Year Budget	2016-2017 Year Budget	Notes
Office Supplies	\$ 650.00	\$ 1,500.00	Full-time Staff additions and consistent meetings require increase Full-time Staff additions and improved communications with development allies
Copies & Postage	\$ 650.00	\$ 750.00	
	<b>\$ 1,300.00</b>	<b>\$ 2,250.00</b>	
Building Maintenance	\$ 4,840.00	\$ 3,000.00	Finance Director guidance on building maintenance paid for from "SEDC Tenant Rental Income"
	<b>\$ 4,840.00</b>	<b>\$ 3,000.00</b>	
Copier Lease	\$ 3,100.00	\$ 3,100.00	
Bookkeeping	\$ 1,800.00	\$ 1,800.00	
Legal Fees	\$ 12,000.00	\$ 12,000.00	

Description	2015-2016 Year Budget	2016-2017 Year Budget	Notes
Consulting & Survey Fees	\$ 6,000.00	\$ 10,000.00	Increase due to potential Economic Development Plan, Policies, Procedures Review; and other professional services
Reference Materials	\$ 350.00	\$ 100.00	Decrease due to availability of online resources and other partnerships
	<b>\$23,250.00</b>	<b>\$ 27,000.00</b>	
Public Notices	\$ 300.00	\$ 300.00	
	<b>\$ 300.00</b>	<b>\$ 300.00</b>	
Building Insurance	\$ 6,640.00	\$ 5,600.00	Adjustment based upon 2015-2016 annual expenditures
	<b>\$ 6,640.00</b>	<b>\$ 5,600.00</b>	
Water & Sewer	\$ 900.00	\$ 650.00	Adjustment based upon 2015-2016 annual expenditures
Gas & Heating	\$ 1,000.00	\$ 1,000.00	
Electricity	\$ 1,000.00	\$ 1,000.00	
Telephone	\$ 2,000.00	\$ 1,500.00	Adjustment based upon 2015-2016 annual expenditures
Internet	\$ 1,000.00	\$ 750.00	Adjustment based upon 2015-2016 annual expenditures
Alarm Monitoring	\$ 360.00	\$ 360.00	
	<b>\$ 6,260.00</b>	<b>\$ 5,260.00</b>	
Other Contract Maintenance	\$ 500.00	\$ 1,000.00	
	<b>\$ 500.00</b>	<b>\$ 1,000.00</b>	
Rental Property Maintenance	\$ 5,000.00	\$ 2,500.00	Finance Director guidance on building maintenance paid for from "SEDC Tenant Rental Income"
	<b>\$ 5,000.00</b>	<b>\$ 2,500.00</b>	
Advertising/Promotion/Trade Shows	\$ 10,000.00	\$ 35,000.00	Building SEDC communication tools to include at least an aerial brochure; web site; social media integration; Primary Employer's Directory; Site/Facility Inventory; Economic Indicators database; aerial images; etc. Participation in the Texas Economic Development Council; International Economic Development Council; Texas Marketing Team; DFW Marketing Team; International Council of Shopping Centers; The Real Estate Council; etc.
Membership & Subscription	\$ 2,500.00	\$ 10,000.00	Attendance at Texas Economic Development Council; International Economic Development Council; Texas Marketing Team; DFW Marketing Team; International Council of Shopping Centers; The Real Estate Council; etc.
Conference & Public Relations	\$ 1,500.00	\$ 35,000.00	Attendance at Texas Economic Development Council; International Economic Development Council; Texas Marketing Team; DFW Marketing Team; International Council of Shopping Centers; The Real Estate Council; etc.
Education/Travel/Seminars	\$ 500.00	\$ 2,000.00	Needs Increase, Texas Economic Development Council; International Economic Development Council; Texas

			Film Commission; Texas Main Street Program; etc.
Demolition	\$ 10,000.00	\$ -	
Other Approved Expense	\$ -	\$ -	
	<b>\$24,500.00</b>	<b>\$ 82,000.00</b>	
Office Equipment & Furniture	\$ 500.00	\$ 500.00	
	<b>\$ 500.00</b>	<b>\$ 500.00</b>	
	\$ 73,090.00	\$129,410.00	
Operation	\$ 73,090.00	\$129,410.00	

Economic Development Projects – used for Incentive Agreements (this requires Council approval and budget adjustments throughout the year)

Façade Improvement – unassigned and based upon applications from area businesses on a first-come, first-serve basis

Debt Service – the City’s Finance Department will input

City Projects & Special Events – Columns “C” and “D” provide Fiscal Year comparisons between 2015-2016 and 2016-2017 (year-over-year increases are “blue” and decreases are “green”)

Columns “E,” “F,” “G” and “H” have been zeroed out to not confuse FY 2015-2016 expenditures with FY 2016-2017

The “City Projects & Special Events” bottom row reflects SEDC revenue under the “General” page/tab minus (-) the “City Projects & Special Events” subtotal

Finance Department input for revenue, payroll and debt service will provide a very accurate accounting of FY 2016-2017 budget expectations.

**Seagoville Economic Development Corporation (4B) Budget  
1 October 2016 thru 30 September 2017**

Account Number	Description	Debit	Credit
10-0098-00-01	SEDC Money Market	\$ -	\$ -
10-0099-00-01	SEDC Cash Account	\$ -	\$ -
10-0100-00-01	SEDC Petty Cash	\$ -	\$ -
10-0105-00-01	SEDC CD # American National Bank	\$ -	\$ -
10-0130-00-01	SEDC Accounts Receivable Sales Tax	\$ -	\$ -
10-0140-00-01	SEDC Investments/Land	\$ -	\$ -
10-0150-00-01	SEDC Rental Cash Account #14144	\$ -	\$ -
10-0190-00-01	Building	\$ -	\$ -
10-0200-00-01	SEDC - Due to the City	\$ -	\$ -
10-0201-00-01	Land and Easements	\$ -	\$ -
10-0215-00-01	Construction in Progress	\$ -	\$ -
10-0220-00-01	Accumulated Depreciation	\$ -	\$ -
10-0260-00-01	Current Long-term Debt Payable	\$ -	\$ -
10-0340-00-01	Refunded Notes Payable (Long-term)	\$ -	\$ -
10-0349-00-01	SEDC Accounts Payable Tenants Deposit	\$ -	\$ -
10-0400-00-01	SEDC Fund Balance	\$ -	\$ -
	Current Year Revenue/Expense	\$ -	\$ -
	<b>Fund Totals</b>	<b>\$ -</b>	<b>\$ -</b>

**Seagoville Economic Development Corporation (4B) Budget  
1 October 2016 thru 30 September 2017**

<b>Account Number</b>	<b>Description</b>	<b>Year Budget</b>	<b>Month Actual</b>	<b>Year-to-Date Actual</b>	<b>Budget Balance</b>	<b>Percent Collected Expensed</b>
10-9120-00-00	SEDC Sales Tax	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Subtotal</b>		\$ -	\$ -	\$ -	\$ -	<b>#DIV/0!</b>
10-9601-00-00	SEDC Interest	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Subtotal</b>		\$ -	\$ -	\$ -	\$ -	<b>#DIV/0!</b>
10-9731-00-00	Insurance Recovery	\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-9770-00-00	SEDC Tenant Rental Income	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Subtotal</b>		\$ -	\$ -	\$ -	\$ -	<b>#DIV/0!</b>
Program Number		\$ -	\$ -	\$ -	\$ -	#DIV/0!
Department Number	General	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Revenue</b>	<b>Subtotal</b>	\$ -	\$ -	\$ -	\$ -	<b>#DIV/0!</b>

**Seagoville Economic Development Corporation (4B) Budget  
1 October 2016 thru 30 September 2017**

<b>Account Number</b>	<b>Description</b>	<b>Year Budget</b>	<b>Month Actual</b>	<b>Year-to-Date Actual</b>	<b>Budget Balance</b>	<b>Percent Collected Expensed</b>
10-1101-02-00	Wages & Salaries	\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-1106-02-00	Longevity	\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-1109-02-00	Cell Allowance	\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-1121-02-00	FICA	\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-1151-02-00	Group Insurance	\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-1152-02-00	TMRS	\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-1156-02-00	Group Dental	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Subtotal</b>		\$ -	\$ -	\$ -	\$ -	<b>#DIV/0!</b>
Program Number		\$ -	\$ -	\$ -	\$ -	#DIV/0!
Department Number	Administration	\$ -	\$ -	\$ -	\$ -	#DIV/0!

**Seagoville Economic Development Corporation (4B) Budget**  
**1 October 2016 thru 30 September 2017**

Account Number	Description	2015-2016 Year Budget	2016-2017 Year Budget	Month Actual	Year-to- Date Actual	Budget Balance	Percent Collecte d Expense d
10-2101-50-00	Office Supplies	\$ 650.00	\$ 1,500.00	\$ -	\$ -	\$ 650.00	0.00%
10-2102-50-00	Copies & Postage	\$ 650.00	\$ 750.00	\$ -	\$ -	\$ 650.00	0.00%
	<b>Subtotal</b>	<b>\$ 1,300.00</b>	<b>\$ 2,250.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,300.00</b>	<b>0.00%</b>
10-2367-50-00	Building Maintenance	\$ 4,840.00	\$ 3,000.00	\$ -	\$ -	\$ 4,840.00	0.00%
	<b>Subtotal</b>	<b>\$ 4,840.00</b>	<b>\$ 3,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,840.00</b>	<b>0.00%</b>
10-3102-50-00	Copier Lease	\$ 3,100.00	\$ 3,100.00	\$ -	\$ -	\$ 3,100.00	0.00%
10-3103-50-00	Bookkeeping	\$ 1,800.00	\$ 2,400.00	\$ -	\$ -	\$ 1,800.00	0.00%
10-3104-50-00	Legal Fees	\$ 12,000.00	\$ 12,000.00	\$ -	\$ -	\$ 12,000.00	0.00%
10-3105-50-00	Consulting & Survey Fees	\$ 6,000.00	\$ 10,000.00	\$ -	\$ -	\$ 6,000.00	0.00%
10-3145-50-00	Reference Materials	\$ 350.00	\$ 100.00	\$ -	\$ -	\$ 350.00	0.00%
	<b>Subtotal</b>	<b>#####</b>	<b>\$ 27,600.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,250.00</b>	<b>0.00%</b>
10-3301-50-00	Public Notices	\$ 300.00	\$ 300.00	\$ -	\$ -	\$ 300.00	0.00%
	<b>Subtotal</b>	<b>\$ 300.00</b>	<b>\$ 300.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300.00</b>	<b>0.00%</b>
10-3403-50-00	Building Insurance	\$ 6,640.00	\$ 5,600.00	\$ -	\$ -	\$ 6,640.00	0.00%
	<b>Subtotal</b>	<b>\$ 6,640.00</b>	<b>\$ 5,600.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,640.00</b>	<b>0.00%</b>
10-3500-50-00	Water & Sewer	\$ 900.00	\$ 650.00	\$ -	\$ -	\$ 900.00	0.00%
10-3501-50-00	Gas & Heating	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	0.00%
10-3502-50-00	Electricity	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	0.00%
10-3504-50-00	Telephone	\$ 2,000.00	\$ 1,500.00	\$ -	\$ -	\$ 2,000.00	0.00%
10-3506-50-00	Internet	\$ 1,000.00	\$ 750.00	\$ -	\$ -	\$ 1,000.00	0.00%
10-3595-50-00	Alarm Monitoring	\$ 360.00	\$ 360.00	\$ -	\$ -	\$ 360.00	0.00%
	<b>Subtotal</b>	<b>\$ 6,260.00</b>	<b>\$ 5,260.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,260.00</b>	<b>0.00%</b>
10-3690-50-00	Other Contract Maintenance	\$ 500.00	\$ 1,000.00	\$ -	\$ -	\$ 500.00	0.00%

**Seagoville Economic Development Corporation (4B) Budget  
1 October 2016 thru 30 September 2017**

Account Number	Description	2015-2016 Year Budget	2016-2017 Year Budget	Month Actual	Year-to- Date Actual	Budget Balance	Percent Collecte d Expense d
<b>Subtotal</b>		<b>\$ 500.00</b>	<b>\$ 1,000.00</b>	\$ -	\$ -	<b>\$ 500.00</b>	<b>0.00%</b>
10-3700-50-00	Rental Property Maintenance	\$ 5,000.00	\$ 2,500.00	\$ -	\$ -	\$ 5,000.00	0.00%
<b>Subtotal</b>		<b>\$ 5,000.00</b>	<b>\$ 2,500.00</b>	\$ -	\$ -	<b>\$ 5,000.00</b>	<b>0.00%</b>
10-3900-50-00	Advertising/Promotion/Trade Shows	\$ 10,000.00	\$ 35,000.00	\$ -	\$ -	\$ 10,000.00	0.00%
10-3901-50-00	Membership & Subscription	\$ 2,500.00	\$ 10,000.00	\$ -	\$ -	\$ 2,500.00	0.00%
10-3902-50-00	Conference & Public Relations	\$ 1,500.00	\$ 35,000.00	\$ -	\$ -	\$ 1,500.00	0.00%
10-3903-50-00	Education/Travel/Seminars	\$ 500.00	\$ 7,500.00	\$ -	\$ -	\$ 500.00	0.00%
10-3925-50-00	Demolition	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 10,000.00	0.00%
10-3992-50-00	Other Approved Expense	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Subtotal</b>		<b>#####</b>	<b>\$ 87,500.00</b>	\$ -	\$ -	<b>\$ 24,500.00</b>	<b>0.00%</b>
10-4310-50-00	Office Equipment & Furniture	\$ 500.00	\$ 500.00	\$ -	\$ -	\$ 500.00	0.00%
<b>Subtotal</b>		<b>\$ 500.00</b>	<b>\$ 500.00</b>	\$ -	\$ -	<b>\$ 500.00</b>	<b>0.00%</b>
Program Number		\$ 73,090.00	#####	\$ -	\$ -	\$ 73,090.00	0.00%
Department Number	Operation	\$ 73,090.00	#####	\$ -	\$ -	\$ 73,090.00	0.00%



**Seagoville Economic Development Corporation (4B) Budget  
1 October 2016 thru 30 September 2017**

<b>Account Number</b>	<b>Description</b>	<b>Year Budget</b>	<b>Month Actual</b>	<b>Year-to-Date Actual</b>	<b>Budget Balance</b>	<b>Percent Collected Expensed</b>
10-7050-52-00	Unassigned	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	0.00%
<b>Subtotal</b>		<b>\$ 50,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000.00</b>	<b>0.00%</b>
Program Number		\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	0.00%
Department Number	Façade Improvement	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	0.00%

**Seagoville Economic Development Corporation (4B) Budget  
1 October 2016 thru 30 September 2017**

<b>Account Number</b>	<b>Description</b>	<b>Year Budget</b>	<b>Month Actual</b>	<b>Year-to-Date Actual</b>	<b>Budget Balance</b>	<b>Percent Collected Expensed</b>
10-5215-53-00	American National Bank (ANB) Debt Service	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Subtotal</b>		\$ -	\$ -	\$ -	\$ -	#DIV/0!
10-5995-53-00	Principal Reduction Amount		\$ -	\$ -	\$ -	#DIV/0!
<b>Subtotal</b>		\$ -	\$ -	\$ -	\$ -	#DIV/0!
Program Number		\$ -	\$ -	\$ -	\$ -	#DIV/0!
Department Number	Debt Service	\$ -	\$ -	\$ -	\$ -	#DIV/0!

**Seagoville Economic Development Corporation (4B) Budget**  
**1 October 2016 thru 30 September 2017**

Account Number	Description	2015-2016 Year Budget	2016-2017 Year Budget	Month Actual	Year-to-Date Actual	Budget Balance	Percent Collected Expensed
10-3820-54-00	Fireworks	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	0.00%
10-3825-54-00	Kidfish Event	\$ 1,250.00	\$ 1,250.00	\$ -	\$ -	\$ 1,250.00	0.00%
	Seagoville Chamber of Commerce: roundtables, coffees, etc.	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	#DIV/0!
10-3827-54-00	2015 Bearden Park Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
	<b>Subtotal</b>	<b>\$ 6,250.00</b>	<b>\$ 8,250.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,250.00</b>	<b>0.00%</b>
10-3990-54-00	Quality of Life	\$ 100,000.00	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	0.00%
	<b>Subtotal</b>	<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000.00</b>	<b>0.00%</b>
	Program Number	\$ 106,250.00	\$ 108,250.00	\$ -	\$ -	\$ 106,250.00	0.00%
	Department Number	\$ 106,250.00	\$ 108,250.00	\$ -	\$ -	\$ 106,250.00	0.00%
	City Projects/Special Events	\$ 106,250.00	\$ 108,250.00	\$ -	\$ -	\$ 106,250.00	0.00%
	Expenditure	\$ 229,340.00	\$ 243,760.00	\$ -	\$ -	\$ 229,340.00	0.00%
	<b>Subtotal</b>	<b>\$ 229,340.00</b>	<b>\$ 243,760.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 229,340.00</b>	<b>0.00%</b>
<b>Fund Number</b>	<b>10 Seagoville Economic Development Corporation (4B)</b>	<b>\$(229,340.00)</b>	<b>\$(243,760.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (229,340.00)</b>	<b>0.00%</b>

## *Agenda Item 10*

*Receive Councilmember Reports.*

### **BACKGROUND OF ISSUE:**

Items of community interest regarding which no action will be taken, as authorized by Section 551.0415 of the Government Code.

### **FINANCIAL IMPACT:**

N/A

## *Agenda Item 11*

*Receive Citizen Comments.*

### **BACKGROUND OF ISSUE:**

Citizens may speak 6 minutes each on any matter, other than personnel matters, or matters under litigation.

### **FINANCIAL IMPACT:**

N/A

## *Agenda Item 12*

*Receive Future Agenda Items.*

### **BACKGROUND OF ISSUE:**

If a Councilmember should wish for an item to be placed on a future agenda it may be requested at this time. Please keep in mind, there **CANNOT** be a discussion amongst the City Council regarding this item because it is not listed on the posted agenda.

### **FINANCIAL IMPACT:**

N/A

## *Agenda Item 13 and 14*

### **ITEM 13.**

Recess into Executive Session in compliance with Texas Government Code Section 551.074, Personnel, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee to wit: City Manager and City Secretary.

### **ITEM 14.**

Discuss any item and/or take any action necessary as a result of the Executive Session.

## *Agenda Item 15*

*Adjourn.*

### **BACKGROUND OF ISSUE:**

At this time, the Mayor may adjourn the meeting if there is no further business to conduct.

### **FINANCIAL IMPACT:**

N/A