



## City of Rockwall

*The New Horizon*

June 3, 2016

Dear Organization President:

You are receiving this letter because your organization has received or applied for Hotel Occupancy Tax funding from the City of Rockwall in support of local tourism and the arts. The Rockwall City Council provides financial support for eligible community programs and events in exchange for advertisement promoting Tourism; the Arts and Historical Preservation projects held inside the Rockwall city limits. The City Council adopted guidelines for allocating these funds are 1) Heads in beds – does the event/program increase the number of occupied hotel rooms, 2) Nine categories of funding authorized by State statute and 3) Event advertising is a key element.

This year's application packet will look slightly different in that 1) the number of application questions has been reduced, 2) a Form W-9 is required and 3) a Form 1295 is required.

I will be available to meet with you to discuss this funding program; provide assistance with completing the application and facilitate the required supporting documentation. To schedule a meeting, please call me at 972-772-6418 or email [lewing@rockwall.com](mailto:lewing@rockwall.com). The 2017 application is available on the City's web site using this link <http://www.rockwall.com/finance.asp>, click on *Forms and Applications*.

Applications for 2017 fiscal year funding are due to me on or before July 15, 2016. If you have not submitted your 2016 Event Report to me, please remember to include this Report with your 2017 application. If your 2016 event is scheduled after July 15<sup>th</sup>, then submit your 2015 Event Report.

The City Council and staff look forward to working with your organization to further Rockwall's tourism goals and your program opportunities.

Best regards,

Lea Ann Ewing  
Finance Department  
[lewing@rockwall.com](mailto:lewing@rockwall.com)  
[www.rockwall.com](http://www.rockwall.com)  
972-771-7700

# LOCAL HOTEL OCCUPANCY TAX

## PURPOSE

If a hotel guest is motivated to come to an area or to extend his/her stay to enjoy activities of funded entities, the local and state economies benefit. In turn the room tax on the additional hotel nights operates as a continuing endowment to fund future activities and tourism related facilities in the area.

## AUTHORIZED ENTITIES AND TAX RATE

Both general law and home rule cities are authorized to adopt a local hotel occupancy tax within the city limits. City of Rockwall's hotel occupancy tax rate is 13 % of the price paid for the use of a hotel room. The City receives 7% and the remaining 6% goes to the State.

## USE OF LOCAL HOTEL OCCUPANCY TAX REVENUES

There is a two-part test that every expenditure of local hotel occupancy tax must meet to be valid.

**Test #1: Every expenditure must DIRECTLY enhance and promote tourism and the convention and hotel industry.**

A funded event or facility must be likely to do two things:

1. Directly promote tourism (Tourism is defined under Texas State law as bringing visitors from outside of the city into the city or its vicinity)
2. Directly promote the convention and hotel industry (This requirement has consistently been interpreted by the Attorney General's Municipal Affairs Section and by the Texas Municipal League. They have historically indicated that to directly promote hotel or convention activity, the event must be likely to cause increased hotel or convention activity.) If the funded activity or event or facility is not reasonably likely to have such an effect, local hotel occupancy tax revenues cannot be funded. It is important to note that state law also provides that the hotel occupancy tax may not, in any circumstances, be used for purposes that the city usually expends its general revenues. It also may not be used to pay for governmental expenses that are not directly related to increasing tourism and hotel and convention activity.

**Test #2: Every expenditure of the hotel occupancy tax must clearly fit into one of nine (9) statutorily provided categories for expenditure of local hotel occupancy tax revenues.**

1. The establishment, improvement or maintenance of a convention or visitor center or both.
2. Administrative costs for facilitating convention registration (facilities, personnel, and materials).
3. The advertising, solicitations, and promotions that attract tourists and convention delegates to the City.
4. Encouragement, promotion, improvement and application of the arts (instrumental, vocal, dance, drama, architecture, painting, sculpture, photography, radio, television etc.)
5. Historical restoration and preservation projects and activities to encourage tourists to visit preserved historic sites and museums.
6. Sporting events to increase hotel activity.
7. Enhancement of existing sports facilities and/or fields.
8. Tourist Transportation systems.
9. Signage directing the public to sights and attractions frequently visited by hotel guests in the City.

If the City cannot fit an expenditure within one of these nine categories, hotel occupancy tax revenues cannot be used for that purpose.

# **City of Rockwall, Texas**

## **Hotel Occupancy Tax "HOT" Revenue Request for Funding Timeline For Fiscal Year 2017**

Application due date: July 15, 2016

City Representative: Lea Ann Ewing, Finance Department  
City Hall, 385 S. Goliad, Rockwall 75087  
972-772-6418 Voice 972-771-7728 Fax  
[lewing@rockwall.com](mailto:lewing@rockwall.com)  
[www.rockwall.com](http://www.rockwall.com) and <http://www.rockwall.com/hotels.asp>

Application process timeline:

- June
  - City announces HOT Program for fiscal year 2016-2017.
  - Organizations who would like to apply for funding may schedule a meeting with City Representative for an overview of the application and request process. (meeting not required for funding consideration)
- July/August
  - **Applications completed with all documentation due to City on July 15, 2016.**
  - Applications may be submitted by hand-delivery, fax, US Postal Service or email to the above City representative.
  - Applications received are reviewed for accuracy and content by the City's Finance Department.
  - Finance Department presents the applications to the City Council Hotel Motel Subcommittee for review and funding recommendation to the full Council.
- September
  - Council Subcommittee presents their funding recommendations to the full Council at a regularly scheduled Council meeting.
  - City Council award of funding is communicated to the organizations by letter.
  - City's Finance Department prepares the funding contracts for those organizations that were approved funding and contracts mailed.
  - Organization must execute contract and return it to the Finance Representative before funding checks can be processed.
  - Funding checks are processed based on contract payment dates. Checks will be processed after October 1, 2016.

**Reminder. . . Organizations are required by contract to make and render to the City Council a written report (profit loss report form) not later than thirty (30) days after the previous year's Hotel Occ. Tax funded Program/Event. The reports will include in reasonable detail how the funds have been expended and for what purposes and the beneficial results.**



City of Rockwall  
*The New Horizon*

**City Council**

**Hotel Occupancy Tax Subcommittee Members:**

Council Member Dennis Lewis [dlewis@rockwall.com](mailto:dlewis@rockwall.com)

Council Member David White [dwhite@rockwall.com](mailto:dwhite@rockwall.com)

Council Member Scott Milder [smilder@rockwall.com](mailto:smilder@rockwall.com)

**City Staff Contacts:**

Mary Smith, Assistant City Manager [msmith@rockwall.com](mailto:msmith@rockwall.com)

972-772-6420

Lea Ann Ewing, Finance [lewing@rockwall.com](mailto:lewing@rockwall.com)

972-772-6418



**PUBLIC NOTICE  
CITY OF ROCKWALL, TEXAS**

The City of Rockwall City Council provides financial support for eligible community programs and events under Title 3 Local Taxation, Subtitle D, Chapter 351, Municipal Hotel Occupancy Taxes, Subchapter B; Section 351.101 in exchange for advertisement promoting Tourism; the Arts and Historical Preservation projects held inside the Rockwall city limits. The City is accepting Request for Funding Applications for its 2016-2017 budget year. Application submission deadline is July 15, 2016. Application packet is available on the City's website [www.rockwall.com](http://www.rockwall.com). Interested persons should contact Lea Ann Ewing, Finance Dept., City of Rockwall, 385 S. Goliad, 972-771-7700, or [lewing@rockwall.com](mailto:lewing@rockwall.com).

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*Publish text above this line only*

Publish Dates:	Rockwall Herald Banner	June 10, 2016
		June 17, 2016
		June 24, 2016



**City of Rockwall**  
*The New Horizon*

## Hotel Occupancy Tax

**Program Year 2017**

## Application

MUST BE TYPED or PRINTED

DELIVER TO:

City of Rockwall Finance Office  
Attn: Lea Ann Ewing  
385 S. Goliad St., Rockwall, TX 75087  
972-771-7700 [lewing@rockwall.com](mailto:lewing@rockwall.com)

**Organization Name:**

Name of Event:

Date(s) of Event:

Funding Request \$:

Website Address:

Mailing Address:

Physical Address:

Telephone:

Fax:

**Primary Contact Name:**

(Project Director)

Mailing Address:

Email Address:

Telephone:

Fax:

**Secondary Contact Name:**

(President/ Board Chairman)

Mailing Address:

Email Address:

Telephone:

Fax:

- ▶ COMPLETE AN APPLICATION FOR EACH EVENT/PROGRAM REQUESTING FUNDS
- ▶ INCOMPLETE APPLICATIONS WILL NOT BE FORWARDED TO THE COUNCIL SUBCOMMITTEE

1. Mark an "X" next to the category or categories that your organization is requesting funds:

- ☐ **Advertising/Tourism**      **Requested funding amount \$**  
Conducting solicitation or promotional programs that encourage tourists and delegates to come to the City of Rockwall.
- ☐ **Arts**      **Requested funding amount \$**  
Providing encouragement, promotion, improvement and application of the arts as it relates to the presentation, performance execution or exhibition of the major art forms in the City of Rockwall.
- ☐ **Historical**      **Requested funding amount \$**  
Providing historical restoration, preservation, programs and encouragement to visit preserved historic sites or museums located in the City of Rockwall.

2. Describe the program or event for the upcoming fiscal year (Oct 1, 2016 - Sept. 30, 2017) that the requested Hotel funding. What is your event and why are you having it?
3. How does the event/program meet the definition of the categories marked in #1 (promotion of tourism and the hotel industry in Rockwall)?
4. Is the event/program that the organization is requesting Hotel Tax funds held in/on City-owned property? If no, skip Question #5.  
Yes      Name location:
5. Will your organization provide special event insurance coverage for the event/program if held on City property?  
Yes      Name of Insurance Company:
6. Provide 3 years attendance history for the above listed programs, activities, exhibits or event in #9 above.

Event	Year	Event Duration (in Days)	Audience Size	# of Attendees in hotel rooms

7. What specific market will you target with the event/program's marketing plan? Attach up to 3 examples and evidence of marketing area and readership (Label Exhibit C).

8. The City of Rockwall must require segregated accounting of its Hotel funds. Organizations must maintain and account for revenue provided from the tax authorized by section 351.101(a) within one of the two options listed below.
- a) Separate checking account without combining with any other revenues or maintained in any other bank account or
  - b) Maintain a line item accounting, whereby the Hotel revenues may not be combined with any other revenues or expenditures. The funds may be maintained in the same bank account, provided they are reported as a separate line item in the organization's budget. Interest earned on the Hotel revenues must be used to support the event/program as well.

Will the organization be able to segregate the accounting process in either a) or b) above?                      Yes

9. Provide all of the following documentation with this application and label each as outlined below.

Exhibit A	Proposed budget for each event/program using attached form
Exhibit B	Letter of determination certifying federal tax exempt 501(c)(3) status
Exhibit C	Examples and evidence of marketing area and readership (limit 3)
Exhibit D	List members of the governing body including name, position, mailing address and phone number
Exhibit E	Form W-9
Exhibit F	Form 1295

We certify, to the best of our ability, that the information in this application, including all exhibits and supporting documentation is true and correct to the best of our knowledge. It is understood and agreed that any funds awarded as a result of this application will be used for the purpose set for herein and the program guidelines.

**President/Board Chairman:**

Print Name

Date

\_\_\_\_\_  
Signature

**Event/Program Director:**

Print Name

Date

\_\_\_\_\_  
Signature

Both signatures are required for application to be considered complete.



**EXHIBIT A****Hotel Occupancy Tax Funding Request  
Event/Program Budget - Program Year 2017**

Financial information (round to the nearest dollar). Include a completed copy of this budget with funding request.

Organization Name: \_\_\_\_\_  
 Event/Program Name: \_\_\_\_\_  
 Requested Funding: \$ \_\_\_\_\_

Expenses (for this project only)		Funding Request	Cash from all other sources		Total a + b
		a	b		= c
1. Personnel					
Administrative					
Artistic					
Technical					
Other personnel					
2. Fees for outside professional service					
Administrative					
Artistic					
Technical					
3. Space Rental					
4. Equipment Rental					
5. Travel/Transportation					
6. Promotion/Printing					
7. Costumes/Royalties					
8. Other (supplies, postage etc.)					
9. Sub -Totals					
10. Total Expenses					

Revenues (for this project only)				
1. Total Amount of funding request				
2. Admissions (ticket and concessions)				
3. Donations				
4. Organizational funds budgeted				
5. Grants (State)				
6. Other (list):				
7. Other (list):				
8. Other (list):				
9. Other (list):				
10. Total income and contributions				
11. Total In-Kind				
12. Total Revenues				

Financial Information (for this project only)				
Fiscal Year (Oct 1 <sup>st</sup> – Sept 30 <sup>th</sup> )		2013	2014	2015
Total Revenues				
Total Expenses				
Total Prior Year Hotel funds awarded				

## Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only <b>one</b> of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number								
				-				
or								
Employer identification number								
				-				

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

**CERTIFICATE OF INTERESTED PARTIES  
FORM 1295**

**Definition and Instructions**

Section 2252.908 of the Texas Government Code states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million.

All vendors entering into a contract that is approved by City Council must complete a Form 1295.

A business entity must enter the required information on Form 1295 online at <https://www.ethics.state.tx.us/File/> and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with City.

**CERTIFICATE OF INTERESTED PARTIES****FORM 1295**

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

☐**6 AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

\_\_\_\_\_  
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said \_\_\_\_\_, this the \_\_\_\_\_ day  
of \_\_\_\_\_, 20 \_\_\_\_\_, to certify which, witness my hand and seal of office.

\_\_\_\_\_  
Signature of officer administering oath

\_\_\_\_\_  
Printed name of officer administering oath

\_\_\_\_\_  
Title of officer administering oath

**ADD ADDITIONAL PAGES AS NECESSARY**

**Additional documents are welcome. Please attach them to the end of this application.**

**If you have not submitted your last Event Report to the City, attach it to this application.**