

Hotel Occupancy Tax Two-Part Test

Definition of tourist: An individual who travels from his residence to a different municipality, county, state, or country for pleasure, recreation, or culture.

Part 1. Does the project directly attracts tourists and promote the lodging industry?

Part 2. Does the project fit within the statutorily authorized categories?

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

Paying the administrative costs for facilitating convention registration.

Paying for tourism-related advertising and promotion of the city or its vicinity that is directly related to increasing tourism and the convention and hotel industry.

Funding programs that enhance the arts that directly promote tourism and the hotel and convention industry. Cities of less than 125,000 population are limited to a maximum of 15% of the total revenue produced by the hotel tax.

Funding historical restoration or preservation programs that directly promote tourism and the hotel and convention industry. If a city does not allocate at least some of its hotel tax money for acquiring, constructing, improving, maintaining or operating a convention center or visitor information center, the maximum for historical restoration or preservation programs is 50% of the hotel tax revenue.

Funding costs to hold sporting events in cities located in a county with a population of one million or less provided that the majority of participants are tourists.

Enhancing and upgrading existing sport facilities or fields if the facility is:

- Owned by the city; and

- The sports facility or field has been used, in preceding calendar year, a combined total of more than 10 times for district, state, regional or national sports tournaments; and

- The city has a population of 80,000 or more and is located in a county with a population of 350,000 or less; or

- The city has a population of between 65,000 and 70,000 and is located in a county with a population of 155,000 or less; or

- The city has a population of between 34,000 and 36,000 and located in a county with a population of 90,000 or less.

Funding transportation systems for tourists if the funds are used to transport tourists from hotels in and near the city to:

- 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.

The reimbursed transportation system must be owned and operated by the city, or financed in part by the city.

Signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality