

## PARKS AND ENVIRONMENT PROJECTS/ACTIVITIES ELIGIBLE FOR HOT FUNDING

### Tourism-Promoting Advertising, Solicitations, and Promotional Programs

Statutory Basis: Tax Code Sec. 351.101(a)(3) (“(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to ... (3) **advertising and conducting solicitations and promotional programs** to attract tourists and convention delegates or registrants to the municipality or its vicinity”).

Geographic Limitation: None

Maintenance and Operation Funding: No

Statutory Cap: None.

Statutory Minimum: According to “What Cities Need to Know to Administer Municipal Hotel Occupancy Taxes,” state law requires 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. Tax Code §§ 351.103, 351.1035, 351.104(d), 351.105(b), and 351.106(a). ***Statutory basis for this assertion is unclear.***

Real World Examples: Visit Austin expends HOT on tourism advertising, solicitations, and promotional programs, including paying musicians to promote Austin tourism.

Proposed Project Description: Hiring musicians to play in our parks. Paying artists for public art in parkland. Funding for a promotional guide to area parks, such as an expanded version of SBCA’s “Explorer’s Guide to the Hill Country Oasis.”

Additional “advertising” and “promotional programs” funding could be applied to parks or park projects that are featured in documentary, tv series, social media, or other tourism promotion efforts, such as "lifeguards of Austin," "park rangers of Austin," "restoring the historic Victory Grill," "trailbuilders of Austin," "restoring the neglected neighborhood pools of East Austin," "rowing racers of Lady Bird Lake," "Nature schools of Austin," "eel hunters of the Colorado", "community farms of Boggy Creek," "reversing climate change in Austin," "restoring habitat of endangered wildlife of Central Texas," etc. In addition to funding filmmakers and social media producers that feature Austin parks and environmental settings, “advertising” and “promotional programs” funding could be applied to the work or activities being filmed, such performers and musicians in such promotional projects, thereby employing the Austin creative community while also protecting our environment, improving our parks, etc.

Texas Municipal League: Allowable use unless used to improperly avoid funding caps for historic/cultural arts projects.

### **Cultural Arts and Commercial Music**

Statutory Basis: Tax Code Sec. 351.101(a)(4) (“(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to ... (4) **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**”).

Geographic Limitation: None

Maintenance and Operation Funding: No

Statutory Cap: Not more than 15 percent of the hotel occupancy tax revenue collected by a municipality or the amount of tax received by the municipality at the rate of one percent of the cost of a room, whichever is greater, may be used to fund cultural arts projects. Tax Code Section 351.103 (c).

Real World Examples: The City has funded cultural arts projects for years at the full, 15% cap amount

Proposed Project Description: HOT funding for cultural art projects in our parks, including “the encouragement, promotion, improvement, and application of the arts,” such as park performances.

Texas Municipal League: Allowable use.

### **Visitor Information Centers**

Statutory Basis: Tax Code Sec. 351.101(a)(1) (“(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to ... (1) **the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of ... visitor information centers...**”). "Visitor information center" or "tourism information center" means a building or a portion of a building used to distribute or disseminate information to tourists. Tax Code Sec. 351.001(8).

Geographic Limitation: None

Maintenance and Operation Funding: Yes

Statutory Cap: None

Real World Examples: Visitor Centers are located in numerous Texas cities, including Austin, Dallas, El Paso, Fort Worth, Houston, etc.

Proposed Project Description: Visitor information kiosks in parks. In addition, a Zilker Park Visitor Education/Welcome Center has been proposed by the Barton Springs Pool Master Plan, the Zilker Park Bathhouse Zone Feasibility Study, Visitor Impact Task Force Report, Mayor Adler's "Downtown Puzzle" proposal, and the Tourism Commission's recommendation to Council. Additional options include: Mary Gay Maxwell Education Center; Nature Center at Walter E. Long Park and Barrera Native Grass Preserve; Chisholm Trail Crossing of Colorado River (Guerrero Park); Affinity Trail projects such as but not limited to the Austin's Lost Communities Trail, Music Legacy Trail, Cowboy Trail, Hidden Springs Trail, and Mexican American Cultural Heritage Corridor; similar projects in all Council Districts.

Texas Municipal League: Allowable use.

### **Historic Restoration and Preservation Projects, Activities or Advertising/Solicitation/Promotional Programs for Visiting Historic Sites**

Statutory Basis: Tax Code Sec. 351.101(a)(5) ("(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to ... (5) **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...**").

Geographic Limitation: The funded projects/activities must be located "(A) at or in the immediate vicinity of convention center facilities or visitor information centers; or (B) located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates."

Maintenance and Operation Funding: No

Statutory Cap: Not more than 15 percent of the hotel occupancy tax revenue may be used to fund historic preservation projects/activities. Tax Code Section 351.103 (c).

Real World Examples: In recent years, the City has funded historic preservation projects for at the full, 15% cap amount. Numerous park-related projects have been funded under this category, including the Mayfield Park, Barton Springs Bathhouse, Zilker Park

Clubhouse, the Oakwood Cemetery project, the Downs Field Grandstands restoration project, and the acquisition of the "Montopolis Negro School" property. HOT-funded historic restoration projects also include the historic Union Pacific Railroad Trestle bridge at W. 3rd & Shoal Creek and the 1920's Tudor Cottage at Pease Park.

Proposed Project Description:

HOT funding for historical restoration and preservation projects in our parks, such as Mary Gay Maxwell Education Center on the Mary Gay Maxwell Water Quality Protection Lands Tract. The Seaholm Waterfront Project could also qualify as an historical restoration and preservation project.

HOT funding for historical restoration and preservation activities in our parks, such as historic education programming, talks, and/or tours on the topic of historic parks, such as Zilker Park, Pease Park, Festival Beach, etc.

HOT funding for advertising to encourage tourists and convention delegates to visit preserved historic sites in our parks, such as \_\_\_\_\_ .

HOT funding for conducting solicitations to encourage tourists and convention delegates to visit preserved historic sites in our parks, such as \_\_\_\_\_ .

HOT funding for conducting promotional programs to encourage tourists and convention delegates to visit preserved historic sites in our parks, such as \_\_\_\_\_ .

Texas Municipal League: Allowable use?

**Wayfinding Signage**

Statutory Basis: Tax Code Sec. 351.101(a)(9) (“(a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to ... (9) **signage directing the public to sights and attractions** that are visited frequently by hotel guests in the municipality.”).

Geographic Limitation: None

Maintenance and Operation Funding: No

Statutory Cap: None

Real World Examples: \_\_\_\_\_

Proposed Project Description: Wayfinding signage in parks to guide visitors to park amenities, including the Butler Hike and Bike Trail, as well as larger metropolitan parks visited by tourists, such as Waller Creek, Palm Park, Shoal Creek, Pease Park, and Zilker Park. PARD Preserves need signage. So would trail signage at Barton Creek and other

trails identified in the Urban Trail Plan to identify projects throughout the entire city, including the Red Line Trail, the Colorado River trail, and Garza Park signs. Access/routing signs to navigate to parks.

Texas Municipal League: Allowable use unless used to improperly avoid funding caps for historic/cultural arts projects.

### **Transportation Systems for Tourists**

Statutory Basis: Tax Code Sec. 351.110(a) (“a municipality may use the revenue derived from the tax imposed under this chapter for **a transportation system to transport tourists from hotels in and near the municipality to**: (1) the commercial center of the municipality; (2) a convention center in the municipality; (3) other hotels in or near the municipality; and (4) **tourist attractions in or near the municipality**.”). However, Sec. 351.110 “does not authorize the use of revenue derived from the tax imposed under this chapter for a transportation system that serves the general public other than for a system that transports tourists as described by Subsection (a).”

Geographic Limitation: From hotels to commercial center, convention center, other hotels, and tourist attractions in/near the municipality.

Maintenance and Operation Funding: No

Statutory Cap: None

Real World Examples: Please see the legislative history for Tax Code Sec. 351.110(a) for support of HOT funding for a Dillo-style shuttle in Plano. \_\_\_\_\_

Proposed Project Description: If qualified, trails and bikeways could be considered “transportation systems”. Gondolas to/from Zilker Park or downtown area. See Urban Trails plan. Additional proposed transportation system projects could include a free shuttle, like the old Dillo, between downtown, other neighborhoods with hotels nearby, and Barton Springs and other parks.

Texas Municipal League: Apart from funding direct tourist transportation (e.g., shuttle services or ride shares?) from hotels to commercial/convention center, other hotels, and tourist attractions, not an allowed use.

### **Improvements Or Additions To A Parks And Recreation System, Or An Area Or Facility That Is Part Of A Municipal Parks And Recreation System**

Statutory Basis: Tax Code §334.001(1)(D) and §334.2515(1) (Permissible venue projects under LGC §334.001(D) would include “**a municipal parks and recreation system, or**

improvements or additions to a parks and recreation system, or an area or facility that is part of a municipal parks and recreation system”).

Geographic Limitation: No

Maintenance and Operation Funding: No

Statutory Cap: None.

Real World Examples: \_\_\_\_\_

Proposed Project Description: \_\_\_\_\_.

Texas Municipal League: ?

**A Recharge, Recharge Area, Or Recharge Feature Protection Project; A Conservation Easement; Or An Open-Space Preservation Program Intended To Protect Water**

Statutory Basis: Tax Code §334.001(1)(F) and §334.2517 (Permissible venue projects under LGC §334.001(F) would include “~~a watershed protection and preservation project, a recharge, recharge area, or recharge feature protection project; a conservation easement; or an open-space preservation program intended to protect water~~”).

Geographic Limitation: No

Maintenance and Operation Funding: No

Statutory Cap: None.

Real World Examples: \_\_\_\_\_

Proposed Project Description: Under the category of “open-space preservation program intended to protect water,” what about Mary Gay Maxwell education programming and other water quality protection programs and spaces such as the Shudde Fath Tract and the East Onion and Williamson Creek Greenbelts.

Texas Municipal League: ?