

HOTEL OCCUPANCY TAX USE GUIDELINES UNDER TEXAS STATE LAW

2026 Allocation Schedule

Application Due Date: May 7, 2025 by 5:00 p.m.

Approval Date: Applications are reviewed and will be presented for Commissioners Court consideration during the June budget hearing on June 24, 2025 starting @ 2:30.

The purpose of the Cooke County Hotel Occupancy Tax funding is to assist with and support qualified events/programs/projects, not to be the majority funds provider for the entity. It should be the intention of the applicant to become self-sustaining. If you are applying for multiple events/programs/projects, it is important you capture that information on the application form.

Funds will be available for 2025 from the Cooke County Hotel Occupancy Tax fund for assistance of 501(c) nonprofits with events/programs/projects to promote tourism in Cooke County. Some funds may be reserved to meet existing tourism-related activities which have been previously approved by the Cooke County Commissioners Court, and the Court reserves the right to reduce or partially fund requests based on review of applications received and funds available.

Cooke County reserves the right to independently survey hotels, motels, inns, and bed-and-breakfast establishments for any entity receiving Hotel Occupancy Tax revenues. If it appears there is little or no benefit from the applicant's event/program/project, it shall be noted for future funding requests.

State Law: By law of the State of Texas, Cooke County collects a Hotel Occupancy Tax (hereinafter known as HOT) from hotels, motels, bed & breakfasts, and inns located in the within Cooke County. Under state law, the revenue from the HOT may be used only for specific tourism-related purposes. Tax funds may only be used if **both parts** of the following two-part test are met. **Part One** requires that usage of the HOT funds directly enhances and promotes the tourism and/or convention and hotel industry by being expended to attract out-of-town visitors who will likely spend the night in a **Cooke County** lodging venue; and **Part Two (under Chapter 352 of the Tax Code)** states that the use of these funds is limited to the following:

- i. **Convention Centers and Visitor Information Centers:** the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing operation and maintenance of convention center facilities, visitor information centers, or other similar facilities that serve the purpose of attracting visitors and tourist to the county;
- ii. **Registration of Convention Delegates:** the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
- iii. **Advertising, Solicitations and Promotions that Directly Promote Tourism and the Hotel and Convention Industry:** advertising and

- conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the county or its vicinity.
- iv. **Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention Industry:** that 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 picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms; and
 - v. **Historical Restoration and Preservation Activities that Directly Promote Tourism and the Hotel and Convention Industry:** 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.

For more details on Chapter 352 of the Hotel Occupancy Tax Code, please go to the State Comptrollers website at www.window.state.tx.us/taxinfo/hotel and click on the link “Chapter 352 Tax Code (County)”.

All Cooke County Hotel Occupancy Tax application policies and procedures are intended to strictly support statutes and guidelines set forth by the State of Texas.

County Policy: Cooke County accepts applications from groups and businesses whose program fits into one or more of the above categories. All requests for funds should be submitted in writing accompanied by the official application. The applicant may be asked to be present when their paperwork is reviewed to answer any additional questions regarding the application. The final decision on your request will be determined by Commissioners Court.

Application Submission Deadlines: Application packets, along with any required supporting documentation must be fully completed and submitted to the [Cooke County Judge’s Office, 101 S. Dixon, Gainesville, Texas 76240 by the close of business \(5:00 p.m.\) on May 7, 2025.](#) Applications may not be faxed; however, they may be submitted via email to john.roane@co.cooke.tx.us or chelsea.terry@co.cooke.tx.us **Late submissions will not be accepted.** A copy of all completed applications will be available for public viewing in the Cooke County Judge’s office.

All applications submitted by deadline will be reviewed by Commissioners Court. The Cooke County Judge’s Office will send notification letters to applicants informing them of the decision by the Cooke County Commissioners Court. Correspondence may include requirements of other materials due and deadlines for submission of same. The decision of the Cooke County Commissioners Court, both as to the grant or denial of funding and as to the amount of funding will be final. Applicants receiving funding are in effect entering into an agreement with Cooke County and are required to execute all subsequent documentation as described. Failure to receive funding in one budget year does not prevent a re-submission in the next budget year. Primarily, events/programs/projects will be evaluated on the overall quality of the plan, the visitor appeal,

and the administrative ability of those making the request. Among the criteria evaluated, but not limited to, will be:

QUALITY

High artistic and/or programmatic quality as perceived by peers, critics, or others.

Innovative and creative originality.

Effective use of community resources.

Quality of marketing materials, marketing plan, and reach of marketing effort.

VISITOR APPEAL

Organizations commitment to attract visitors from outside the area to encourage overnight stays.

Verifiable information regarding past success (prior attendance figures, demographics, etc.)

Days and hours of operation and relation to potential off-peak seasons.

Number of programs, events, and opportunities for visitor participation.

ADMINISTRATIVE ABILITY

History of organizational growth and stability long-range and short-range planning.

Governing or oversight board which meets regularly.

Budgets and financial accountability.

Community involvement, use of community resources including cooperation with other entities.

Diverse funding sources.

Eligibility and Priority for Hotel Tax Funds: Priority will be given to those events/programs/projects based on their ability to generate overnight visitors to Cooke County. If an event will not generate any meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds. Events can prove this potential to generate overnight visitors by:

- a) Historic information on the number of room nights used during previous years of the same events/programs/projects;
- b) Current information on the size of a room block that has been reserved at area hotels to accommodate anticipated overnight guests attending the event/program/project requesting hotel tax funds;
- c) Historical information on the number of guests at hotel or other lodging facilities that attended the funded event/program/project; and/or
- d) Examples of marketing of the events/programs/projects that are likely to generate and encourage overnight visitors to local lodging properties.

Use of Local Vendors: Cooke County encourages all event/program/project organizers to patronize Cooke County businesses.

Use of Revenues from Event: A portion of the revenues from any event/program/project receiving any type of funding assistance from the HOT funds should be channeled back into the future costs of operating that same event or the continued operation of the project. No other outside event(s), project, charity, etc., sponsored by the host organization may profit from Cooke County's funding of a particular event/program/project unless outlined in the proposed budget.

Post Event Report, Invoices, and Proofs of Payment: These materials must be submitted not later than sixty (60) days following the event/program/project and should be submitted to the Cooke County Judge. The post event report should mirror the budget presented in the applicant's original application, and **proofs of payment must be original receipts or copies of receipts that reflect actual monies expended.** If the applicant did not spend the total amount of funding received or were unlawfully used, then that amount must be returned or repaid to Cooke County. Cooke County Commissioners Court may also request a verbal follow-up report during a regular scheduled meeting if deemed necessary.

Contract/Agreement Responsibilities: Once an application for HOT funds is approved by Cooke County, a contract exists between the county and the successful applicant. This contract/agreement may be terminated by Cooke County upon thirty (30) day notice of noncompliance with the terms of the contract/agreement or noncompliance with state statutes. Any expended HOT funds under these circumstances shall be re-funded to Cooke County.

All reports, questions, or correspondence related to the expenditure of Hotel Occupancy Tax must be submitted to the Cooke County Judge's Office, 101 S. Dixon St. Gainesville, Texas 76240. The phone number is 940.668.5435.

Thank you for your interest in promoting the tourism industry in Cooke County. Remember, the Cooke County Hotel Occupancy Tax is very limited to its use as outlined in State Law. These statutes are the basis on which decisions will be made as to the use of this tax. Please do not hesitate to call if you need assistance. Again, that number is 940.668.5435.