

# City of Houston

## Hotel Occupancy Tax (HOT) dedicated to the arts

The Texas Tax Code states that the revenue from the municipal hotel occupancy tax may only be used to promote tourism and the convention and hotel industry for certain purposes including the encouragement, promotion, improvement, and application of the arts (Chapter 351).

**Local Hotel Tax Rate is 17 percent**



**\$ 100.00 hotel room**

**=**

**\$17.00 hotel tax revenue**

<b>Local Tax Distribution \$ 17.00</b>		
	<b>of \$17.00</b>	<b>2014</b>
<b>State of Texas</b>	<b>\$ 6.00</b>	
<b>Harris County</b>	<b>\$ 2.00</b>	
<b>Harris County Sports Authority</b>	<b>\$ 2.00</b>	
<b>City of Houston</b>	<b><u>\$ 7.00</u></b>	\$ 89,046,584
	<b>\$ 17.00</b>	

<b>City of Houston Distribution \$ 7.00</b>		
	<b>of \$17.00</b>	<b>2014</b>
<b>Houston First</b>	<b>\$ 4.00</b>	\$ 50,845,600
<b>Greater Houston Convention and Visitors Bureau</b>	<b>\$ 1.65</b>	\$ 21,014,994
<b>City of Houston dedicated to the arts (19.3%<sup>1</sup>)</b>	<b><u>\$ 1.35</u></b>	<u>\$ 17,185,991</u>
	<b>\$ 7.00</b>	\$ 89,046,584

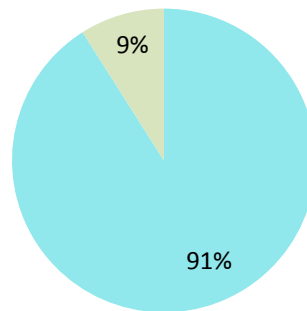
<b>City of Houston dedicated to the arts \$ 1.35</b>		
	<b>of \$17.00</b>	<b>2014</b>
<b>Mayor's Office of Cultural Affairs &amp; Houston Civic Events</b>	<b>\$ .12</b>	\$ 1,471,491
<b>HOT Contract with the four arts groups (based on 2014)</b>	<b><u>\$ 1.23</u></b>	<u>\$ 15,714,500</u>
	<b>\$ 1.35</b>	\$ 17,185,991

<sup>1</sup> The maximum allowed by State statute

<b>HOT Contract with the four arts groups \$1.23 (based on 2014)</b>		
	<b>of \$17.00</b>	<b>2014</b>
<b>1) Houston Arts Alliance (39.5%)</b>	<b>\$ .48</b>	\$ 6,207,227
<b>City's Initiative Program – through HAA (2.5%)<sup>2</sup></b>	<b>\$ .03</b>	\$ 392,862
<b>2) Houston Museum District Association (18%)</b>	<b>\$ .22</b>	\$ 2,828,610
<b>3) Miller Theatre Advisory Board (16%)</b>	<b>\$ .20</b>	\$ 2,514,320
<b>4) Theater District Improvement (24%)</b>	<b>\$ .30</b>	\$ 3,771,480
	<b>\$ 1.23</b>	\$ 15,714,500

### **HOT Dedicated to the Arts (based on 2014)**

■ HOT Contract ■ Mayor's Office



<b>HOT Contract with the four arts groups</b>
<ul style="list-style-type: none"> <li>• <b>2016 is year three of a five year agreement</b></li> <li>• <b>The arts groups are guaranteed a base allocation of about \$15.7 million, plus 50 percent of the growth, if any, of HOT over the preceding year</b></li> <li>• <b>Annual funding allocation is determined by the Finance Department using the formula in the contract</b></li> </ul>

<b>Contractor</b>	<b>Re-granting/ Disbursements</b>	<b>Programs, Marketing, Operations &amp; Personnel</b>	<b>Total</b>
<b>Houston Arts Alliance<sup>3</sup></b>	\$ 4,242,915	\$ 2,357,174	\$ 6,600,089
<b>Houston Museum District Assoc.</b>	\$ 2,618,893	\$ 209,717	\$ 2,828,610
<b>Miller Theatre Advisory Board</b>	\$ 1,409,350	\$ 1,104,970	\$ 2,514,320
<b>Theater District Improvement</b>	\$ 3,571,480	\$ 200,000	\$ 3,771,480

<sup>2</sup> Applications are reviewed and recommended by HAA under the Program Guidelines developed by the Mayor's Office. Final approval is by the Mayor's Office; payments are made by HAA

<sup>3</sup> Includes City's Initiative Program