

Hotel Occupancy Tax (HOT) Fund Scoring Guide with Definitions and Examples

This document provides comprehensive scoring guidance, definitions, and examples for evaluating Hotel Occupancy Tax (HOT) Fund applications. The primary purpose of HOT funding is to directly promote tourism and generate overnight stays, in accordance with Texas Tax Code Chapter 351.

SECTION A: Eligibility & Compliance (Pass/Fail)

Applicants must be a government entity or nonprofit and must demonstrate alignment with eligible HOT fund uses including tourism promotion, arts, or convention-related activities.

PASS Example:

Nonprofit organization hosting a event with confirmed hotel room blocks and tourism promotion.

FAIL Example:

Local neighborhood event attended exclusively by local residents with no tourism component.

SECTION B: Tourism Impact (0–25 Points)

Measures the applicant's ability to generate overnight stays and attract visitors from outside the local area.

0–5 Points (Limited)

No hotel data provided. Event is primarily attended by local residents.

Example: Local community fair with no hotel partnerships.

6–15 Points (Moderate)

Some regional draw with estimated hotel usage.

Example: Event attracting visitors from nearby cities and utilizing hotel blocks coordinated with the CVB.

16–25 Points (Strong)

Strong documented hotel impact with confirmed room blocks.

Example: Multi-day event generating hotel nights and utilizing hotel blocks coordinated with the CVB.

SECTION C: Economic Impact (0–15 Points)

Measures measurable benefit to the local economy including restaurants, retail, and other local businesses.

0–5 Points (Limited)

Minimal economic impact.

Example: Small local event with limited attendance.

6–10 Points (Moderate)

Moderate attendance and economic activity.

Example: Regional event with moderate attendance.

11–15 Points (Strong)

Significant economic impact across multiple sectors.

Example: Large multi-day festival benefiting hotels, restaurants, and local businesses.

SECTION D: Marketing Plan (0–15 Points)

Measures the applicant's ability to effectively promote tourism.

0–5 Points (Limited)

Limited marketing efforts.

Example: Social media posts, local advertising only.

6–10 Points (Moderate)

Regional marketing plan.

Example: Paid regional advertising targeting the DFW metroplex.

11–15 Points (Strong)

Comprehensive marketing strategy targeting tourists.

Example: Regional and Statewide advertising campaign with tourism partnerships.

SECTION E: Budget & Fiscal Responsibility (0–15 Points)

Measures financial sustainability and responsible budgeting.

0–5 Points (Limited)

Limited budget without other funding sources.

Example: Requesting HOT funding to cover all event expenditures.

6–10 Points (Moderate)

Budget with some additional funding sources.

Example: HOT funds represent more than 50% of total funding.

11–15 Points (Strong)

Detailed budget with multiple funding sources.

Example: HOT funds represent less than 50% of total funding.

SECTION F: Organizational Capacity (0–10 Points)

Measures ability to successfully execute the project.

0–3 Points (Limited)

Limited evidence of planning and organizational capacity.

4–7 Points (Moderate)

A generalized plan that includes dedicated staff and volunteers.

8–10 Points (Strong)

Organization presents a detailed plan on event preparation and execution.

SECTION G: Community Benefit & Alignment (0–10 Points)

Measures cultural and tourism value.

0–3 Points (Limited)

Limited information provided on tourism or cultural value of the event.

4–7 Points (Moderate)

Moderate cultural and community benefit.

8–10 Points (Strong)

Strong alignment with tourism and community identity.

SECTION H: Reporting & Evaluation Plan (0–10 Points)

Measures accountability and reporting.

0–3 Points (Limited)

No reporting plan.

4–7 Points (Moderate)

Basic attendance reporting.

8–10 Points (Strong)

Detailed reporting including hotel impact tracking.

OUTSIDE FUNDING GUIDE

Strong applications include diversified funding.

High Scoring Example:

40% HOT funds, 40% sponsorships, 20% ticket revenue.

Low Scoring Example:

100% reliance on HOT funds.

FINAL SCORING INTERPRETATION

90–100 Points:	Exceptional – Priority funding
75–89 Points:	Strong – Recommended funding
60–74 Points:	Moderate – Partial funding consideration
Below 60 Points:	Not recommended