

Delta Policy

Hotel Occupancy Tax (HOT) taxes are collected and reported by Houston First and remitted to the City of Houston for distribution to Houston Arts Alliance to be used in compliance with the HOT contract between the City of Houston and HAA, and Texas Tax Code Chapters 351 and 352.

Every November, Houston First releases a projection of the amount of HOT revenues anticipated for the subsequent year. By the very nature of projections, the actual collections will be over or under the projected amount. This policy addresses these differences as the delta.

When the actual HOT revenue for any year exceeds the projected HOT revenue, all grants will be paid in full, and the delta will be added to the projected revenue for the upcoming cycle. If the delta is less than actual HOT revenue for any year compared to the projected revenue, the SO grant payments for the current cycle will be reduced to compensate for the delta.

Since SACI, Festivals, and LCH are based on collected funds, the corresponding decrease in funding will be realized by these programs with a decrease in overall available funds for the next grant cycle.

The program allocation of the delta will be decided in the planning of the upcoming cycle in cooperation with MOCA and with adherence to City/HAA contract terms. The delta does not have to coincide with the historical allocation percentages for the grant programs.