



Discussion points between City Attorney Curtis Hayes with the Lodger's Tax Committee:

Two legal tasks that funding has to pass:

1. Does it fall within the statutory guidelines "advertise, publicize, and promote" while observing what is was meant by the legislative intent for the statute. The intention as Curtis Hayes interpreted is pulling people from outside, "heads in beds." He interprets the intention of the statute is to draw in visitors to stay overnight.
2. Anti-donation. Any government agency cannot give something of value without getting something in return (without consideration).

Mr. Hayes reviewed Attorney General information about a community event in Dona Ana and the 2018 Las Cruces audit with the Lodgers Tax Committee and how that applies to both Lodger's Tax and anti-donation as case studies.

There are four future considerations for events:

1. Use of City Employees, facilities, and materials to support an event (this is being handled internally with city facility contract revisions to include facility support expectations versus event operations). Need to be careful about anti-donation.
2. General Event Administrative Costs. These are not within the allowed expenses of Lodgers tax, and it is key for the Lodger's Tax committee to consider if an expenditure could be considered essential to the operation of the event, which would disqualify it from the intention of the statute, "advertise, publicize, and promote".
3. Promotional Materials- City Attorney Hayes felt this is the greyest/most challenging area of all with regard to interpretation. This is hard pressed due to the lack of data to support the usage from a promotion standpoint. Furthermore, this presents a stronger case for anti-donation, that this due to the lack of industry wide data that this is a give-away without getting something in return.
4. Prizes and awards- this is also a grey area, but has more room for justification as an incentive for event participants. This is not a give-away in that the participant has to be here to earn it.

Mr. Hayes wrapped up his discussion with the Lodger's Tax committee by stating that if there is limited resources and funding, two considerations should be made moving forward:

1. Work within items that are clearly allowable
2. If it is questionable and could get you into trouble, why go grey? Are you willing to be the test case?

After much discussion, the Lodger's Tax Committee chose to analyze event funding by the following:

1. The "advertise, publicize, and promote" expenditures should be to draw people pre-event, not something during an event, with the exception of prizes/awards.
2. If the item is removed, can the event operate without it? If the event requires the item, it is a cost of operation, not related to advertising, publicizing or promotion.
3. Resale is a no go. This means no items or materials may be resold, nor can space on Lodger's Tax funded print materials be sold for sponsorships. This is anti-donation.

Not-Allowed
<ul style="list-style-type: none"> • Resale of any Lodger's Tax funded materials • Sale of sponsorship space on a Lodger's Tax print or digital advertising medium • Back numbers • Tickets, admission badges • Banners- exception: for a sports team prize/award. Not allowed for posting sponsorships, event schedules, or other on-site purposes • tents or other physical structures • Give-aways- t-shirts, hats, cups, small items, sports equipment (balls, frisbees, etc). These items may not be considered awards.

Allowed Expenses
<ul style="list-style-type: none"> • Print Ads • Digital Space, digital newsletters, static ads • Social Media • Billboards • Radio • Print guides/magazines- with no advertising or sponsorships sold • Website- only to Gallup specific event, not whole business or other events. One time design, annual fee for domains • Photo and video (required to submit 3 photos and/or 1 video from service) • Prizes and Awards: May include banners, trophies, saddles, buckles. Must have tourism logo, may include shared sponsorship

Funding Available for FY22: \$130,000

Applications become available May 12th. They will be emailed, there will be an online submission option, or print copies will be available in the Tourism mailbox at the City Clerk's office.

Application Deadlines:

- May 18, 5pm deadline: Round 1- all events before September 30, 2021 required; later events optional. Lodger's Tax meeting on May 19th at 11:00 am in El Morro Events Center. Must submit by May 18th for consideration. Funding recommendations will be taken to City Council for approval on May 25th.
- August 6, 5pm deadline: Round 2- all events between October 1-December 31 required; later events optional
- December 10, 5pm deadline: Round 3- all events between January 1- March 31, 2022 required; later events optional
- February 25, 5pm deadline: Round 4- all events remaining before June 30, 2022.

Required means that this is the last deadline to apply for events during the listed window. Events MAY and are encouraged apply in an earlier round.