City of Crystal Lake

Hotel/Motel Tax Funding Guidelines

Annual Awards for
May 2026 through December 2026 &
January 2027 through December 2027

Hotel Tax Funding Guidelines

The City of Crystal Lake Hotel Tax was established to improve the quality of life for its residents, corporate citizens and visitors. These funds are invested back into the community through designated events and activities that will enhance visitor appeal and encourage overnight stays.

Eligible Organizations
The City welcomes funding requests from eligible organizations. Both federally recognized, tax-exempt, not-for-profit organizations and for profit organizations may apply. For profit organizations will be subject to additional restrictions, as outlined below.

Not every worthwhile project may be funded. Resources are directed to those areas where public support will have the greatest impact. In general, the following are not considered for funding:

- Individuals
- Organizations that support political candidates or political philosophies
- Organizations whose primary purpose is to influence, promote or attempt to initiate legislation
- Organizations in need of funding for travel outside of Crystal Lake
- Organizations with budget deficits incurred prior to application
- Endowments

Priorities
The City is interested in funding organizations that demonstrate they have planned their projects with respect to the community's overall needs. When requesting funds, keep in mind priority is given to projects that:

- Generate overnight stays in Crystal Lake hotels/motels
- Encourage support of Crystal Lake businesses, restaurants and attractions
- Attract positive coverage in local, regional and national media
- Reach a broad section of the community
- Seek multiple sources of support rather than relying solely on the City of Crystal Lake
- Yield benefits to the community for the resources invested
- Promote cooperation among event organizers to reduce costs
- Enhance or improve the community
- Originate from Crystal Lake based organizations
- Demonstrate collaboration, support, and cooperation among local organizations

Eligible Expenses for Reimbursement
All expenses submitted for reimbursement must be to support a specific event(s) or activities occurring within Crystal Lake. Examples of expenses include marketing and promotion, contracted entertainers, or event supplies. Documentation will be required to prove eligibility based on staff review.

Expenses that will NOT be eligible for funding reimbursement include:

- Organization operational expenses not specifically related to the event(s) or activities held in Crystal Lake
- Travel expenses outside of Crystal Lake
- Salary/benefit expenses of personnel
- Purchase of permanent equipment

In addition to these requirements, all for-profit organizations must prove the generation of overnight stays within Crystal Lake hotels related to their event or activity. A certified report from a Crystal Lake hotel or motel referencing the number of stays, the room rate(s) and the name of the event will be required. A Crystal Lake for-profit organization may want to consider an arrangement with a local hotel for an event/activity code that attendees can provide with their reservation. For-profit organizations will be limited to reimbursement up to the amount of hotel tax generated within the program time period.

Funds must be used by the applicant, and for the purposes approved. The City reserves the right to request additional documentation to substantiate compliance with the program guidelines. Applicant may not provide funding received to a secondary organization. The City also reserves the right to withhold Hotel/Motel Tax Funding disbursement to any organization with amounts due the City in arrears until the organization is current on all outstanding amounts.

Application Process:
Submit one electronic copy of the application to swrolson@crystallake.org, along with supplemental materials. Not-for-profit organizations will need to include a copy of the Treasury letter certifying tax-exempt status as an organization that is not a private foundation and a copy of the organization's most recent Form 990- Income Tax Return of Organization Exempt for Income Tax. Letters of support, articles or data relating to the project may be included. Requests for funding must be typed and all questions contained within the application must be answered in a complete and thorough manner.

Applications and all supplemental materials must be submitted electronically by **5:00 p.m. on Tuesday, December 23, 2025**. An email confirming successful submission will be sent in reply. Applications and all supplemental materials received after that date will not be considered.

Review and Award:
All applications will be reviewed by City Staff and presented to the City Council for review and consideration of award. At City Council discretion, a workshop may be held regarding the discussion of potential awards, which would be open to the public for attendance and comment. Applicants may be asked for supplemental materials to present to City Council, highlighting the purpose of the requested funds. Staff anticipates the City Council to approve the final award in early 2026.

Request of Funds:
All organizations will need to submit a request for reimbursement. The City will provide a request form that must be completed in its entirety and submitted with any required documentation.

Requests will be reviewed by staff for compliance. All funding requests will be provided to City Council for approval of release at a regular, semi-monthly City Council meeting via the Account Payables agenda item. Funds will not be released prior to City Council approval.

Availability of Funds:
Funding for this program is made available exclusively from receipts of the Hotel/Motel Tax. Awards will be announced based on the funding available from receipts of the previous period, but may be amended by the City at any time. The City may reduce annual awards if sufficient funding is not expected to be available. In the event the event(s)/activity described in the application does not take place in any given year, awarded funds will not be disbursed.

The City of Crystal Lake chooses to reinvest the Hotel/Motel Tax funds into the community, particularly for events or activities that encourage overnight hotel stays and tourism. The City reserves the right to allocate some or all of the Hotel/Motel Tax to other uses. This may include grants for agencies promoting tourism within Crystal Lake, public art installations or other items as deemed appropriate by the City Council and/or City Manager.

Contact:
If you should you have any questions or need additional information, please feel free to contact Jodie Hartman at jhartman@crystallake.org or by phone at 815-459-2020 ext. 3652.