1 # TOURISM MARKETING PERFORMANCE AMENDMENTS

2 2015 GENERAL SESSION

3 STATE OF UTAH

4

5 **LONG TITLE**

6 **General Description:**

7 This bill modifies provisions of the Tourism Marketing Performance Account.

8 **Highlighted Provisions:**

9 This bill:

10 ▸ modifies the formula for determining potential increases in legislative

11 appropriations for the Tourism Marketing Performance Account; and

12 ▸ makes technical changes.

13 **Money Appropriated in this Bill:**

14 None

15 **Other Special Clauses:**

16 This bill takes effect on July 1, 2015.

17 **Utah Code Sections Affected:**

18 AMENDS:

19 **63M-1-1406**, as last amended by Laws of Utah 2014, Chapter 423

20

21 *Be it enacted by the Legislature of the state of Utah:*

22 Section 1. Section **63M-1-1406** is amended to read:

23 **63M-1-1406. Tourism Marketing Performance Account.**

24 (1) There is created within the General Fund a restricted account known as the Tourism

25 Marketing Performance Account.

26 (2) The account shall be administered by the office for the purposes listed in

27 Subsection (5).

28 (3) (a) The account shall earn interest.

29 (b) All interest earned on account money shall be deposited into the account.

30 (4) The account shall be funded by appropriations made to the account by the

31 Legislature in accordance with this section.

32 (5) The director shall use account money appropriated to the office to pay for the

33 statewide advertising, marketing, and branding campaign for promotion of the state as
34 conducted by the office.
35 (6) (a) For [~~a~~] each fiscal year beginning on or after July 1, 2007, the office shall
36 annually allocate 10% of the account money appropriated to the office to a sports organization
37 for advertising, marketing, branding, and promoting Utah in attracting sporting events into the
38 state.
39 (b) The sports organization shall:
40 (i) provide an annual written report to the office that gives a complete accounting of
41 the use of money the sports organization receives under this Subsection (6); and
42 (ii) partner with the office to promote the state and to encourage economic growth in
43 the state.
44 (c) For purposes of this Subsection (6), "sports organization" means an organization
45 that is:
46 (i) exempt from federal income taxation in accordance with Section 501(c)(3), Internal
47 Revenue Code; and
48 (ii) created to foster national and international sports competitions in the state,
49 including competitions related to Olympic sports, and to promote and encourage sports tourism
50 throughout the state, including advertising, marketing, branding, and promoting Utah for the
51 purpose of attracting sporting events into the state.
52 (7) Money deposited into the account shall [~~consist of~~] include a legislative
53 appropriation from the cumulative sales and use tax revenue increases [~~identified~~] described in
54 Subsection (8), plus any additional appropriation made by the Legislature.
55 (8) (a) In fiscal years 2006 through 2019, a portion of the state sales and use tax
56 revenues determined under this Subsection (8) shall be certified as a set-aside for the account
57 by the State Tax Commission and reported to the Office of Legislative Fiscal Analyst.
58 (b) [~~The~~] For fiscal years 2016 through 2019, the State Tax Commission shall
59 [~~determine~~] calculate the set-aside under this Subsection (8) in each fiscal year by applying the
60 following formula: if the increase in the state sales and use tax revenues derived from the retail
61 sales of tourist-oriented goods and services, in the fiscal year two years prior to the fiscal year
62 in which the set-aside is to be made for the account, is at least 3% over the state sales and use
63 tax revenues derived from the retail sales of tourist-oriented goods and services generated in

64 the fiscal year three years prior to the fiscal year in which the set-aside is to be made, an
65 amount equal to [~~1/2 of~~] the state sales and use tax revenues generated above the 3% increase
66 shall be calculated by the commission and set aside by the state treasurer for appropriation to
67 the account.
68 (c) The total money appropriated to the account in [~~any~~] a fiscal year under Subsections
69 (8)(a) and (b) may not exceed the amount [~~in the account under this section in the fiscal year~~
70 ~~immediately preceding the current~~] appropriated to the account in the preceding fiscal year by
71 more than $3,000,000.
72 (d) As used in this Subsection (8), "state sales and use tax revenues" are revenues
73 collected under Subsections 59-12-103(2)(a)(i)(A) and 59-12-103(2)(c)(i).
74 [~~(d)~~] (e) As used in this Subsection (8), "retail sales of tourist-oriented goods and
75 services" are [~~those sales by businesses~~] calculated by adding the following percentages of
76 sales from each business registered with the State Tax Commission under one of the following
77 codes of the [~~1997~~] 2012 North American Industry Classification System of the federal
78 Executive Office of the President, Office of Management and Budget:
79 [~~(i) NAICS Code 453 Miscellaneous Store Retailers;~~]
80 [~~(ii) NAICS Code 481 Passenger Air Transportation;~~]
81 [~~(iii) NAICS Code 487 Scenic and Sightseeing Transportation;~~]
82 [~~(iv) NAICS Code 711 Performing Arts, Spectator Sports and Related Industries;~~]
83 [~~(v) NAICS Code 712 Museums, Historical Sites and Similar Institutions;~~]
84 [~~(vi) NAICS Code 713 Amusement, Gambling and Recreation Industries;~~]
85 [~~(vii) NAICS Code 721 Accommodations;~~]
86 [~~(viii) NAICS Code 722 Food Services and Drinking Places;~~]
87 [~~(ix) NAICS Code 4483 Jewelry, Luggage, and Leather Goods Stores;~~]
88 [~~(x) NAICS Code 4853 Taxi and Limousine Service;~~]
89 [~~(xi) NAICS Code 4855 Charter Bus;~~]
90 [~~(xii) NAICS Code 5615 Travel Arrangement and Reservation Services;~~]
91 [~~(xiii) NAICS Code 44611 Pharmacies and Drug Stores;~~]
92 [~~(xiv) NAICS Code 45111 Sporting Goods Stores;~~]
93 [~~(xv) NAICS Code 45112 Hobby Toy and Game Stores;~~]
94 [~~(xvi) NAICS Code 45121 Book Stores and News Dealers;~~]

95 [~~(xvii) NAICS Code 445120 Convenience Stores without Gas Pumps;~~]

96 [~~(xviii) NAICS Code 447110 Gasoline Stations with Convenience Stores;~~]

97 [~~(xix) NAICS Code 447190 Other Gasoline Stations;~~]

98 [~~(xx) NAICS Code 532111 Passenger Car Rental; and~~]

99 [~~(xxi) NAICS Code 532292 Recreational Goods Rental.~~]

100 [~~(c) The Division of Finance shall for each fiscal year transfer the first $6,000,000 of~~

101 ~~ongoing money in the account to the General Fund.~~]

102 [~~(9) By October 1, 2014, the office shall provide a written report to the Economic~~

103 ~~Development and Workforce Services Interim Committee containing:~~]

104 [~~(a) a recommendation, based on economic modeling, for an updated definition of~~

105 ~~"sales of tourist-oriented goods and services" to replace the definition in Subsection (8)(d);~~

106 ~~and~~]

107 [~~(b) information describing the extent to which the state benefits annually from~~

108 ~~activities funded by the Tourism Marketing Performance Account.~~]

109 (i) 80% of the sales from each business under NAICS Codes:

110 (A) 532111 Passenger Car Rental;

111 (B) 53212 Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing;

112 (C) 5615 Travel Arrangement and Reservation Services;

113 (D) 7211 Traveler Accommodation; and

114 (E) 7212 RV (Recreational Vehicle) Parks and Recreational Camps;

115 (ii) 25% of the sales from each business under NAICS Codes:

116 (A) 51213 Motion Picture and Video Exhibition;

117 (B) 532292 Recreational Goods Rental;

118 (C) 711 Performing Arts, Spectator Sports, and Related Industries;

119 (D) 712 Museums, Historical Sites, and Similar Institutions; and

120 (E) 713 Amusement, Gambling, and Recreation Industries;

121 (iii) 20% of the sales from each business under NAICS Code 722 Food Services and

122 Drinking Places;

123 (iv) 18% of the sales from each business under NAICS Codes:

124 (A) 447 Gasoline Stations; and

125 (B) 81293 Parking Lots and Garages;

126 (v) 14% of the sales from each business under NAICS Code 8111 Automotive Repair
127 and Maintenance; and
128 (vi) 5% of the sales from each business under NAICS Codes:
129 (A) 445 Food and Beverage Stores;
130 (B) 446 Health and Personal Care Stores;
131 (C) 448 Clothing and Clothing Accessories Stores;
132 (D) 451 Sporting Goods, Hobby, Musical Instrument, and Book Stores;
133 (E) 452 General Merchandise Stores; and
134 (F) 453 Miscellaneous Store Retailers.
135 Section 2. **Effective date.**
136 This bill takes effect on July 1, 2015.