

Senator Scott K. Jenkins proposes the following substitute bill:

TOURISM MARKETING PERFORMANCE ACCOUNT

AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad R. Wilson

Senate Sponsor: Scott K. Jenkins

LONG TITLE

General Description:

This bill modifies Title 63M, Chapter 1, Governor's Office of Economic Development, by amending provisions related to the Tourism Marketing Performance Account and related provisions.

Highlighted Provisions:

This bill:

§→ ▶ modifies requirements related to a sports organization receiving money from the Tourism Marketing Performance Account; ←§

▶ extends from fiscal year 2015 to fiscal year 2019 the number of years that growth in tourism-oriented sales tax revenue is calculated as part of a formula to potentially increase annual funding for the Tourism Marketing Performance Account;

▶ requires certain one-time reporting by the Governor's Office of Economic Development;

▶ provides for the repeal of the one-time reporting requirement; and

▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

1st Sub. H.B. 34



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **63I-2-263**, as last amended by Laws of Utah 2013, Second Special Session, Chapters 1
29 and 230 **63M-1-1406**, as last amended by Laws of Utah 2011, Chapters 303 and 342

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32 *Be it enacted by the Legislature of the state of Utah:*33 Section 1. Section **63I-2-263** is amended to read:34 **63I-2-263. Repeal dates, Title 63A to Title 63M.**

35 (1) Section 63A-1-115 is repealed on July 1, 2014.

36 (2) Subsection 63J-1-218(3) is repealed on December 1, 2013.

37 (3) Subsection 63J-1-218(4) is repealed on December 1, 2013.

38 (4) Subsection 63M-1-903(1)(d) is repealed on July 1, 2015.

39 (5) Subsection 63M-1-1406(9) is repealed on January 1, 2015.40 Section 2. Section **63M-1-1406** is amended to read:41 **63M-1-1406. Tourism Marketing Performance Account.**42 (1) There is created within the General Fund a restricted account known as the Tourism
43 Marketing Performance Account.44 (2) The account shall be administered by the office for the purposes listed in
45 Subsection (5).

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

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

48 (4) The account shall be funded by appropriations made to the account by the
49 Legislature in accordance with this section.50 (5) The director [~~may~~] shall use account money appropriated to the office to pay for the
51 statewide advertising, marketing, and branding campaign for promotion of the state as
52 conducted by the office.53 (6) (a) For ~~the~~ a ~~fiscal year beginning~~ on or after ~~July 1, 2007, the~~
53a [director] office shall annually allocate 10% of the
54 account money appropriated to the office ~~[to be distributed]~~ to a sports organization for
55 advertising, marketing, branding, and promoting Utah in attracting sporting events into the
56 state ~~[as determined by the office.]~~

57 ~~§→ [(b) For a fiscal year beginning on or after July 1, 2008, the amount distributed under~~
58 ~~Subsection (6)(a) shall be indexed from the July 1, 2007 fiscal year to reflect a percent increase~~
59 ~~or decrease of money set aside into the account as compared to the previous fiscal year.] ←§~~
60 ~~§→ [(c) (b) ←§ §→ [The office shall provide for an annual accounting to the office by a~~
60a ~~sports~~
61 ~~organization of the use of money it receives under Subsection (6)(a) or (b).] The sports organization~~
61a ~~shall:~~
61b ~~(i) provide an annual written report to the office that gives a complete accounting of the use of~~
61c ~~money the sports organization receives under this Subsection (6); and~~
61d ~~(ii) partner with the office to promote the state and to encourage economic growth in the state.~~
61e ~~←§~~

62 ~~§→ [(d) (c) ←§~~ For purposes of this Subsection (6), "sports organization" means an
62a organization
63 that is:
64 (i) exempt from federal income taxation in accordance with Section 501(c)(3), Internal
65 Revenue Code; and
66 (ii) ~~§→ [created to foster national and international amateur sports competitions to be held~~
67 ~~in the state and sports tourism throughout the state, to include advertising, marketing, branding,~~
68 ~~and promoting Utah for the purpose of attracting sporting events into the state.] created to foster~~
68a ~~national and international sports competitions in the state, including competitions related to~~
68b ~~Olympic sports, and to promote and encourage sports tourism throughout the state, including~~
68c ~~advertising, marketing, branding, and promoting Utah for the purpose of attracting sporting~~
68d ~~events into the state. ←§~~

69 (7) Money deposited into the account shall consist of a legislative appropriation from
70 the cumulative sales and use tax revenue increases identified in Subsection (8), plus any
71 appropriation made by the Legislature.

72 (8) (a) In fiscal years 2006 through ~~[2015]~~ 2019, a portion of the state sales and use tax
73 revenues determined under this Subsection (8) shall be certified as a set-aside for the account
74 by the State Tax Commission and reported to the Office of Legislative Fiscal Analyst.

75 (b) The State Tax Commission shall determine the set-aside under this Subsection (8)
76 in each fiscal year by applying the following formula: if the increase in the state sales and use
77 tax revenues derived from the retail sales of tourist-oriented goods and services₂ in the fiscal
78 year two years prior to the fiscal year in which the set-aside is to be made for the account₂ is at
79 least 3% over the state sales and use tax revenues derived from the retail sales of
80 tourist-oriented goods and services generated in the fiscal year three years prior to the fiscal
81 year in which the set-aside is to be made, an amount equal to 1/2 of the state sales and use tax
82 revenues generated above the 3% increase shall be calculated by the commission and set aside