

1 **TOURISM MARKETING PERFORMANCE ACCOUNT**

2 **AMENDMENTS**

3 2014 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Brad R. Wilson**

6 Senate Sponsor: Scott K. Jenkins

8 **LONG TITLE**

9 **General Description:**

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

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ modifies requirements related to a sports organization receiving money from the
- 16 Tourism Marketing Performance Account;
- 17 ▶ extends from fiscal year 2015 to fiscal year 2019 the number of years that growth in
- 18 tourism-oriented sales tax revenue is calculated as part of a formula to potentially
- 19 increase annual funding for the Tourism Marketing Performance Account;
- 20 ▶ requires certain one-time reporting by the Governor's Office of Economic
- 21 Development;
- 22 ▶ provides for the repeal of the one-time reporting requirement; and
- 23 ▶ makes technical changes.

24 **Money Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63I-2-263**, as last amended by Laws of Utah 2013, Second Special Session, Chapters 1
31 and 2

32 **63M-1-1406**, as last amended by Laws of Utah 2011, Chapters 303 and 342

33

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

35 Section 1. Section **63I-2-263** is amended to read:

36 **63I-2-263. Repeal dates, Title 63A to Title 63M.**

- 37 (1) Section **63A-1-115** is repealed on July 1, 2014.
- 38 (2) Subsection **63J-1-218(3)** is repealed on December 1, 2013.
- 39 (3) Subsection **63J-1-218(4)** is repealed on December 1, 2013.
- 40 (4) Subsection **63M-1-903(1)(d)** is repealed on July 1, 2015.
- 41 (5) Subsection **63M-1-1406(9)** is repealed on January 1, 2015.

42 Section 2. Section **63M-1-1406** is amended to read:

43 **63M-1-1406. Tourism Marketing Performance Account.**

44 (1) There is created within the General Fund a restricted account known as the Tourism
45 Marketing Performance Account.

46 (2) The account shall be administered by the office for the purposes listed in
47 Subsection (5).

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

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

50 (4) The account shall be funded by appropriations made to the account by the
51 Legislature in accordance with this section.

52 (5) The director [~~may~~] shall use account money appropriated to the office to pay for the
53 statewide advertising, marketing, and branding campaign for promotion of the state as
54 conducted by the office.

55 (6) (a) For [~~the~~] a fiscal year beginning on or after July 1, 2007, the [~~director~~] office
56 shall annually allocate 10% of the account money appropriated to the office [~~to be distributed~~]
57 to a sports organization for advertising, marketing, branding, and promoting Utah in attracting

58 sporting events into the state [~~as determined by the office~~].

59 [~~(b) For a fiscal year beginning on or after July 1, 2008, the amount distributed under~~
60 ~~Subsection (6)(a) shall be indexed from the July 1, 2007 fiscal year to reflect a percent increase~~
61 ~~or decrease of money set aside into the account as compared to the previous fiscal year.]~~

62 [~~(c) The office shall provide for an annual accounting to the office by a sports~~
63 ~~organization of the use of money it receives under Subsection (6)(a) or (b).]~~

64 (b) The sports organization shall:

65 (i) provide an annual written report to the office that gives a complete accounting of
66 the use of money the sports organization receives under this Subsection (6); and

67 (ii) partner with the office to promote the state and to encourage economic growth in
68 the state.

69 [~~(d)~~] (c) For purposes of this Subsection (6), "sports organization" means an
70 organization that is:

71 (i) exempt from federal income taxation in accordance with Section 501(c)(3), Internal
72 Revenue Code; and

73 [~~(ii) created to foster national and international amateur sports competitions to be held~~
74 ~~in the state and sports tourism throughout the state, to include advertising, marketing, branding,~~
75 ~~and promoting Utah for the purpose of attracting sporting events into the state.]~~

76 (ii) created to foster national and international sports competitions in the state,
77 including competitions related to Olympic sports, and to promote and encourage sports tourism
78 throughout the state, including advertising, marketing, branding, and promoting Utah for the
79 purpose of attracting sporting events into the state.

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

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

86 (b) The State Tax Commission shall determine the set-aside under this Subsection (8)
87 in each fiscal year by applying the following formula: if the increase in the state sales and use
88 tax revenues derived from the retail sales of tourist-oriented goods and services₂ in the fiscal
89 year two years prior to the fiscal year in which the set-aside is to be made for the account₂ is at
90 least 3% over the state sales and use tax revenues derived from the retail sales of
91 tourist-oriented goods and services generated in the fiscal year three years prior to the fiscal
92 year in which the set-aside is to be made, an amount equal to 1/2 of the state sales and use tax
93 revenues generated above the 3% increase shall be calculated by the commission and set aside
94 by the state treasurer for appropriation to the account.

95 (c) ~~[Total]~~ The total money ~~[to be]~~ appropriated to the account in any fiscal year under
96 Subsections (8)(a) and (b) may not exceed the amount in the account under this section in the
97 fiscal year immediately preceding the current fiscal year by more than \$3,000,000.

98 (d) As used in this Subsection (8), "sales of ~~[tourism-oriented]~~ tourist-oriented goods
99 and services" are those sales by businesses registered with the State Tax Commission under the
100 following codes of the 1997 North American Industry Classification System of the federal
101 Executive Office of the President, Office of Management and Budget:

- 102 (i) NAICS Code 453 Miscellaneous Store Retailers;
- 103 (ii) NAICS Code 481 Passenger Air Transportation;
- 104 (iii) NAICS Code 487 Scenic and Sightseeing Transportation;
- 105 (iv) NAICS Code 711 Performing Arts, Spectator Sports and Related Industries;
- 106 (v) NAICS Code 712 Museums, Historical Sites and Similar Institutions;
- 107 (vi) NAICS Code 713 Amusement, Gambling and Recreation Industries;
- 108 (vii) NAICS Code 721 Accommodations;
- 109 (viii) NAICS Code 722 Food Services and Drinking Places;
- 110 (ix) NAICS Code 4483 Jewelry, Luggage, and Leather Goods Stores;
- 111 (x) NAICS Code 4853 Taxi and Limousine Service;
- 112 (xi) NAICS Code 4855 Charter Bus;
- 113 (xii) NAICS Code 5615 Travel Arrangement and Reservation Services;

- 114 (xiii) NAICS Code 44611 Pharmacies and Drug Stores;
- 115 (xiv) NAICS Code 45111 Sporting Goods Stores;
- 116 (xv) NAICS Code 45112 Hobby Toy and Game Stores;
- 117 (xvi) NAICS Code 45121 Book Stores and News Dealers;
- 118 (xvii) NAICS Code 445120 Convenience Stores without Gas Pumps;
- 119 (xviii) NAICS Code 447110 Gasoline Stations with Convenience Stores;
- 120 (xix) NAICS Code 447190 Other Gasoline Stations;
- 121 (xx) NAICS Code 532111 Passenger Car Rental; and
- 122 (xxi) NAICS Code 532292 Recreational Goods Rental.

123 (e) The Division of Finance shall for each fiscal year transfer the first \$6,000,000 of
124 ongoing money in the account to the General Fund.

125 (9) By October 1, 2014, the office shall provide a written report to the Economic
126 Development and Workforce Services Interim Committee containing:

127 (a) a recommendation, based on economic modeling, for an updated definition of
128 "sales of tourist-oriented goods and services" to replace the definition in Subsection (8)(d); and

129 (b) information describing the extent to which the state benefits annually from
130 activities funded by the Tourism Marketing Performance Account.