

SB0261S01 compared with SB0261

~~{Omitted text}~~ shows text that was in SB0261 but was omitted in SB0261S01

inserted text shows text that was not in SB0261 but was inserted into SB0261S01

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1 **Tourism Related Tax Reporting Amendments**
 2025 GENERAL SESSION
 STATE OF UTAH
 Chief Sponsor: Brady Brammer
 House Sponsor: Bridger Bolinder

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3 **LONG TITLE**
4 **General Description:**
5 This bill deals with reporting requirements for a county that imposes a transient room tax or
6 a tourism, recreation, cultural, convention, and airport facilities tax.
7 **Highlighted Provisions:**
8 This bill:
9 ▸ requires the Office of the Legislative Fiscal Analyst (office) to analyze a county's written report
 on the county's use of transient room tax revenue and tourism, recreation, cultural, convention, and
 airport facilities tax revenue and make a determination;
12 ▸ requires the office to provide a summary of the office's analysis to the Revenue and Taxation and
 Political Subdivisions Interim committees and the state auditor;
14 ▸ requires the state auditor to review the office's determination that a county's written report does
 not sufficiently demonstrate the county is complying with statutory requirements for a transient room tax
 or a tourism, recreation, cultural, convention, and airport facilities tax and make an independent finding;
18 ▸ if the state auditor finds the county's written report does not sufficiently demonstrate the county
 is complying with statutory requirements for a transient room tax or a tourism, recreation, cultural,

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convention, and airport facilities tax, allows the state auditor to withhold funds generated by a transient room tax or a tourism, recreation, cultural, convention, and airport facilities tax from the county until the county complies with county report requirements; {and}

▸ makes technical and conforming changes{:} ; and

▸ provides a coordination clause with H.B. 456, Transient Room Tax Amendments, regarding Section 17-31-5.5.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a coordination clause.

AMENDS:

17-31-5.5 , as last amended by Laws of Utah 2023, Chapter 479 , as last amended by Laws of Utah 2023, Chapter 479

51-2a-401 , as last amended by Laws of Utah 2024, Chapter 158 , as last amended by Laws of Utah 2024, Chapter 158

Utah Code Sections affected by Coordination Clause:

17-31-5.5 , as last amended by Laws of Utah 2023, Chapter 479 , as last amended by Laws of Utah 2023, Chapter 479

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

Section 1. Section **17-31-5.5** is amended to read:

17-31-5.5. Report by county legislative body -- Content.

(1) The legislative body of each county that imposes a transient room tax under Section 59-12-301 or a tourism, recreation, cultural, convention, and airport facilities tax under Section 59-12-603 shall prepare annually a written report in accordance with Subsection (2).

(2) The written report described in Subsection (1) shall include a breakdown of expenditures into the following categories:

(a) for the transient room tax, identification of expenditures for:

(i) establishing and promoting:

(A) recreation;

(B) tourism;

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- 47 (C) film production; and
48 (D) conventions;
49 (ii) acquiring, leasing, constructing, furnishing, or operating:
50 (A) convention meeting rooms;
51 (B) exhibit halls;
52 (C) visitor information centers;
53 (D) museums; and
54 (E) related facilities;
55 (iii) acquiring or leasing land required for or related to the purposes listed in Subsection (2)(a)(ii);
56 (iv) mitigation costs as identified in Subsection 17-31-2(2)(d); and
57 (v) making the annual payment of principal, interest, premiums, and necessary reserves for any or the
58 aggregate of bonds issued to pay for costs referred to in Subsections 17-31-2(2)(e) and (5)(a); and
59 (b) for the tourism, recreation, cultural, convention, and airport facilities tax, identification of
60 expenditures for:
61 (i) financing tourism promotion, which means an activity to develop, encourage, solicit, or market
62 tourism that attracts transient guests to the county, including planning, product development, and
63 advertising;
64 (ii) the development, operation, and maintenance of the following facilities as defined in Section
65 59-12-602:
66 (A) an airport facility;
67 (B) a convention facility;
68 (C) a cultural facility;
69 (D) a recreation facility; and
70 (E) a tourist facility;
71 (iii) mitigation costs as identified in Subsection 59-12-603(2)(b); and
72 (iv) a pledge as security for evidences of indebtedness under Subsection 59-12-603(3).
73 (3) For the transient room tax, the written report described in Subsection (1) shall include a breakdown
74 of each expenditure described in Subsection (2)(a)(i), including:
75 (a) whether the expenditure was used for in-state and out-of-state promotion efforts;
76 (b) an explanation of how the expenditure targeted a cost created by tourism; and
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(c) an accounting of the expenditure showing that the expenditure was used only for costs directly related to a cost created by tourism.

(4) On or before October 1, the county legislative body shall provide a copy of the annual written report described in Subsection (1) for the previous fiscal year to:

(a) the Utah Office of Tourism within the Governor's Office of Economic Opportunity;

(b) the county's tourism tax advisory board; and

(c) the Office of the Legislative Fiscal Analyst.

(5)

(a) On or before December 1 of each year, the Office of the Legislative Fiscal Analyst shall:

(i) analyze each written report received under Subsection (4)(c) to determine if the information in the report sufficiently demonstrates that the county is expending revenue in accordance with the requirements of Sections 17-31-2, 59-12-301, and 59-12-603; and

(ii) provide a summary of the analysis and determination described in Subsection (5)(a)(i) to:

(A) the Revenue and Taxation Interim Committee;

(B) the Political Subdivisions Interim Committee; and

(C) the state auditor.

(b) If the Office of the Legislative Fiscal Analyst determines a county written report does not sufficiently demonstrate that a county is expending revenue in accordance with the requirements of Section 17-31-2, 59-12-301, and 59-12-603, the Office of the Legislative Fiscal Analyst shall include a copy of the county's written report with the summary described in Subsection (5)(a)(ii) to the entities described in Subsections (5)(a)(ii)(A) through (C).

Section 2. Section **51-2a-401** is amended to read:

51-2a-401. Prohibiting access to and withholding funds from an entity that does not comply with the accounting report requirements.

(1) If a political subdivision, interlocal organization, or other local entity does not comply with the accounting report requirements of Section 51-2a-201, the state auditor may:

(a) withhold allocated state funds to pay the cost of the accounting report, in accordance with Subsection (2); or

(b) prohibit financial access, in accordance with Subsection (3).

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- (a) If the state auditor does not prohibit financial access in accordance with Subsection (3), the state auditor may withhold allocated state funds sufficient to pay the cost of the accounting report from any local entity described in Subsection (1).
- 114 (b) If no allocated state funds are available for withholding, the local entity shall reimburse the state auditor for any cost incurred in completing the accounting reports required under Section 51-2a-402.
- 117 (c) The state auditor shall release the withheld funds if the local entity meets the accounting report requirements either voluntarily or by action under Section 51-2a-402.
- 120 (3)
- (a) If the state auditor does not withhold funds in accordance with Subsection (2), the state auditor may prohibit any local entity described in Subsection (1) from accessing:
- 122 (i) money held by the state; and
- 123 (ii) money held in an account of a financial institution by:
- 124 (A) contacting the entity's financial institution and requesting that the institution prohibit access to the account; or
- 126 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, requesting an order of the court to prohibit a financial institution from providing the entity access to the account.
- 129 (b) The state auditor shall remove the prohibition on accessing funds described in Subsection (3)(a) if the local entity meets the accounting report requirements either voluntarily or by action under Section 51-2a-402.
- 132 (4) After receiving a report from the Office of Legislative Fiscal Analyst under Section 17-31-5.5 indicating that a county is not expending revenue in accordance with the requirements of Sections 17-31-2, 59-12-301, and 59-12-603, the state auditor:
- 135 (a) shall make an independent finding about the county's written report described in Subsection 17-31-5.5(1); and
- 137 (b) if the state auditor confirms the determination of the Office of Legislative Fiscal Analyst, may take the action described in Subsection (3) in regard to revenue generated by the county's imposition of a transient room tax under Section 59-12-301 or the imposition of a tourism, recreation, cultural, convention, and airport facilities tax under Section 59-12-603.

Section 3. **Effective date.**

Effective Date.

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This bill takes effect on May 7, 2025.

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Section 4. **Coordinating S.B. 261 with H.B. 456.**

If S.B. 261, Tourism Related Tax Reporting Amendments, and H.B. 456, Transient Room Tax Amendments, both pass and become law, the Legislature intends that on July 1, 2025, Subsection 17-31-5.5(3) in H.B. 456 be amended to read:

" [(4)] (3) On or before October 1, the county legislative body shall provide a copy of the annual written report described in Subsection [(4)] (1)(b) for the previous fiscal year to:

(a)[the Utah Office of Tourism within the Governor's Office of Economic Opportunity;]the state auditor; and

[(b)the county's tourism tax advisory board; and]

(c)the Office of the Legislative Fiscal Analyst."

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