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**Tourism Taxes Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Bridger Bolinder**

Senate Sponsor:

2

**LONG TITLE**

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**General Description:**

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This bill addresses reporting requirements for tourism-related taxes.

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**Highlighted Provisions:**

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This bill:

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- ▶ includes the state auditor in the analysis conducted by the Office of the Legislative Fiscal Analyst to determine by consensus whether county expenditure reports sufficiently demonstrate compliance with the expenditure requirements for revenue generated by a transient room tax (TRT) or a tourism, recreation, cultural, convention, and airport facilities tax (TRCC);

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- ▶ authorizes the state auditor to audit expenditures reported by counties as part of the analysis for county expenditure reports;

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- ▶ clarifies the state auditor's authority to prohibit counties from accessing revenue generated by a TRT or TRCC if the state auditor and the Office of the Legislative Fiscal Analyst determine a county's expenditure report does not sufficiently demonstrate compliance with the expenditure requirements; and

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- ▶ makes technical and conforming changes.

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**Money Appropriated in this Bill:**

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None

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**Other Special Clauses:**

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None

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**Utah Code Sections Affected:**

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**AMENDS:**

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**17-78-704**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

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**51-2a-401**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16

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

31       Section 1. Section **17-78-704** is amended to read:

32       **17-78-704 . Report by county legislative body -- Content -- Analysis,**  
33       **determination, and summary by state auditor and Office of the Legislative Fiscal Analyst.**

34       (1) The legislative body of each county that imposes a transient room tax under Section  
35       59-12-301 or a tourism, recreation, cultural, convention, and airport facilities tax under  
36       Section 59-12-603 shall:

37       (a) ensure that the annual financial report required by Section 17-63-603 includes a  
38       breakdown of expenditures:

39           (i) for revenue generated by the transient room tax, according to the allowable  
40           expenditure categories described in Subsection 17-78-702(2); and  
41           (ii) for revenue generated by the tourism, recreation, cultural, convention, and airport  
42           facilities tax, according to the allowable expenditure categories described in  
43           Sections 59-12-602 and 59-12-603; and

44       (b) prepare annually a written report in accordance with Subsection (2).

45       (2)(a) For the transient room tax, the written report described in Subsection (1)(b) shall  
46       include:

47           (i) a breakdown of promotion expenditures;  
48           (ii) if the county caused revenue generated by the transient room tax to be expended  
49           by a municipality within the county, as described in Subsection 17-78-702(8), a  
50           description:  
51              (A) of each interlocal agreement the county entered into with a municipality; and  
52              (B) the amount of revenue the county shared with a municipality in accordance  
53              with an interlocal agreement;

54           (iii) the number of search and rescue efforts conducted by the county in the previous  
55           fiscal year;

56           (iv) the total cost of search and rescue efforts and emergency medical services that  
57           were related to tourism or recreation within the eligible county in the previous  
58           fiscal year;

59           (v) a description of any factors that made a search and rescue effort or emergency  
60           medical service more expensive or difficult, including the condition of roads  
61           within the county;

62           (vi) what money, if any, the county was able to recover in the previous fiscal year  
63           from an individual on whose behalf the county incurred the cost of search and  
64           rescue or emergency medical services; and

65 (vii)(A) data on the percentages of individuals on whose behalf the county  
66 incurred the cost of search and rescue or emergency medical services who were  
67 in-state visitors to the county, out-of-state visitors to the county, or residents of  
68 the county; and  
69 (B) if data described in Subsection (2)(a)(vii)(A) is unavailable regarding an  
70 individual on whose behalf the county incurred the cost of search and rescue or  
71 emergency medical services, the number of individuals whose data described  
72 in Subsection (2)(a)(vii)(A) is unavailable.

73 (b) A county legislative body preparing a report required under this section shall utilize  
74 the form created by the state auditor under Section 17E-2-406.

75 (3) On or before October 1, the county legislative body shall provide a copy of the annual  
76 written report described in Subsection (1)(b) for the previous fiscal year to the state  
77 auditor and the Office of the Legislative Fiscal Analyst.

78 (4)(a) On or before December 1 of each year, the state auditor and the Office of the  
79 Legislative Fiscal Analyst shall:

80 (i) analyze each written report received under Subsection (3) to determine, by  
81 consensus, if the information in the report sufficiently demonstrates that the  
82 county is expending revenue in accordance with the requirements of Sections  
83 17-78-702, 59-12-301, and 59-12-603; and

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

86 (A) the Revenue and Taxation Interim Committee; and

87 (B) the Political Subdivisions Interim Committee[; and].

88 [(C) the state auditor.]

89 (b)(i) The state auditor may perform an audit of expenditures reported by counties  
90 under this section to assist in the analysis and determination required by  
91 Subsection (4)(a)(i).

92 (ii) If the state auditor performs an audit of county expenditures under this Subsection  
93 (4)(b), the state auditor shall include a report on the state auditor's audit findings  
94 with the summary described in Subsection (4)(a)(ii).

95 [(b)] (c) If the state auditor and the Office of the Legislative Fiscal Analyst [determines]  
96 determine by consensus under Subsection (4)(a)(i) that a county written report does  
97 not sufficiently demonstrate that a county is expending revenue in accordance with  
98 the requirements of Sections 17-78-702, 59-12-301, and 59-12-603, the state auditor

99 and the Office of the Legislative Fiscal Analyst shall include a copy of the county's  
100 written report with the summary described in Subsection (4)(a)(ii)[~~to the entities~~  
101 described in Subsections (4)(a)(ii)(A) through (C)].

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

103 **51-2a-401 . Prohibiting access to and withholding funds from an entity that does**  
104 **not comply with reporting requirements.**

105 (1) If a political subdivision, interlocal organization, or other local entity does not comply  
106 with the accounting report requirements of Section 51-2a-201, the state auditor may:  
107 (a) withhold allocated state funds to pay the cost of the accounting report, in accordance  
108 with Subsection (2); or  
109 (b) prohibit financial access, in accordance with Subsection (3).

110 (2)(a) If the state auditor does not prohibit financial access in accordance with  
111 Subsection (3), the state auditor may withhold allocated state funds sufficient to pay  
112 the cost of the accounting report from any local entity described in Subsection (1).  
113 (b) If no allocated state funds are available for withholding, the local entity shall  
114 reimburse the state auditor for any cost incurred in completing the accounting reports  
115 required under Section 51-2a-402.

116 (c) The state auditor shall release the withheld funds if the local entity meets the  
117 accounting report requirements either voluntarily or by action under Section  
118 51-2a-402.

119 (3)(a) If the state auditor does not withhold funds in accordance with Subsection (2), the  
120 state auditor may prohibit any local entity described in Subsection (1) from accessing:  
121 (i) money held by the state; and  
122 (ii) money held in an account of a financial institution by:  
123 (A) contacting the entity's financial institution and requesting that the institution  
124 prohibit access to the account; or  
125 (B) filing an action in a court with jurisdiction under Title 78A, Judiciary and  
126 Judicial Administration, requesting an order of the court to prohibit a financial  
127 institution from providing the entity access to the account.

128 (b) The state auditor shall remove the prohibition on accessing funds described in  
129 Subsection (3)(a) if the local entity meets the accounting report requirements either  
130 voluntarily or by action under Section 51-2a-402.

131 (4) The state auditor may take the action described in Subsection (3) in regard to revenue  
132 generated by a county's imposition of a transient room tax under Section 59-12-301 or a

133 tourism, recreation, cultural, convention, and airport facilities tax under Section  
134 59-12-603 if, after completing the analysis and determination required by Subsection  
135 17-78-704(4)(a)(i), the state auditor and the Office of the Legislative Fiscal Analyst  
136 determine by consensus that the county's written report does not sufficiently demonstrate  
137 that the county is expending revenue in accordance with the requirements of Sections  
138 17-78-702, 59-12-301, and 59-12-603.

139 [(4) After receiving a report from the Office of Legislative Fiscal Analyst under Section  
140 17-78-704 indicating that a county is not expending revenue in accordance with the  
141 requirements of Sections 17-78-702, 59-12-301, and 59-12-603, the state auditor:]  
142 [(a) shall make an independent finding about the county's written report described in  
143 Section 17-78-704; and]  
144 [(b) if the state auditor confirms the determination of the Office of Legislative Fiscal  
145 Analyst, may take the action described in Subsection (3) in regard to revenue  
146 generated by the county's imposition of a transient room tax under Section 59-12-301  
147 or the imposition of a tourism, recreation, cultural, convention, and airport facilities  
148 tax under Section 59-12-603.]

149 **Section 3. Effective Date.**

150 This bill takes effect on May 6, 2026.