

Tourism Taxes Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Bridger Bolinder
Senate Sponsor:

LONG TITLE

General Description:

This bill addresses reporting requirements for tourism-related taxes.

Highlighted Provisions:

This bill:

- includes the 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);
- authorizes the state auditor to audit expenditures reported by counties as part of the analysis for county expenditure reports;
- 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
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

(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:

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

(i) for revenue generated by the transient room tax, according to the allowable expenditure categories described in Subsection 17-78-702(2); and

(ii) for revenue generated by the tourism, recreation, cultural, convention, and airport facilities tax, according to the allowable expenditure categories described in Sections 59-12-602 and 59-12-603; and

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

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

(i) a breakdown of promotion expenditures;

(ii) if the county caused revenue generated by the transient room tax to be expended by a municipality within the county, as described in Subsection 17-78-702(8), a description:

(A) of each interlocal agreement the county entered into with a municipality; and

(B) the amount of revenue the county shared with a municipality in accordance with an interlocal agreement;

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

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

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

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

(vii)(A) data on the percentages of individuals on whose behalf the county incurred the cost of search and rescue or emergency medical services who were in-state visitors to the county, out-of-state visitors to the county, or residents of the county; and

(B) if data described in Subsection (2)(a)(vii)(A) is unavailable regarding an individual on whose behalf the county incurred the cost of search and rescue or emergency medical services, the number of individuals whose data described in Subsection (2)(a)(vii)(A) is unavailable.

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

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

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

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

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

(A) the Revenue and Taxation Interim Committee; and

(B) the Political Subdivisions Interim Committee~~[-and]~~ .

~~[(C) the state auditor.]~~

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

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

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

and the Office of the Legislative Fiscal Analyst shall include a copy of the county's written report with the summary described in Subsection (4)(a)(ii)[to the entities described in Subsections (4)(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 reporting 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).

(2)(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).

(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.

(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.

(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:

(i) money held by the state; and

(ii) money held in an account of a financial institution by:

(A) contacting the entity's financial institution and requesting that the institution prohibit access to the account; or

(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.

(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.

(4) The state auditor may take the action described in Subsection (3) in regard to revenue 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.