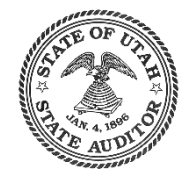


GRAND COUNTY AUDIT OF TOURISM-RELATED TAXES

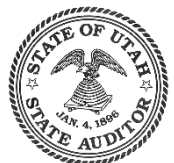


OFFICE OF THE
STATE AUDITOR

Revenue and Taxation Interim Committee
August 21, 2024

Transient Room Tax (TRT)

- Tax imposed on short-term rentals to promote tourism
 - Used to attract transient guests to county [UCA 17-31-2(1)(i)]
 - Promotion brings people into the county from without the county [OLAG 2019-03]
 - Statute imposes minimum spending threshold
- Tax may be used for mitigation



Transient Room Tax

- For a limited period, promotion was expanded to allow economic diversification
 - Allowable use ended June 30, 2023
 - “...county legislative body may impose the [TRT]...”
 - We understand expanded use to apply to tax revenue collected during that period



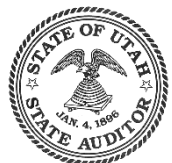
Transient Room Tax

- Audit Issues:
 - County underspent on promotion and overspent on mitigation
 - County improperly claimed certain expenses as promotion
 - Trail ambassadors
 - Trail etiquette videos
 - County did not comply with GAAP for prepaid expenses



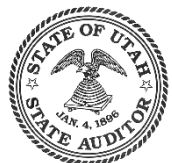
Tourism, Recreation, Cultural, Convention, and Airport Tax (TRCC)

- TRCC may be imposed to finance tourism-related facilities, like convention facilities
 - “...any publicly owned or operated convention center, sports arena, or other facility at which conventions, conferences, and other gatherings are held and whose primary business or function is to host such conventions, conferences, and other gatherings.” [UCA 59-12-602]



Tourism, Recreation, Cultural, Convention, and Airport Tax (TRCC)

- County improperly claimed Grand Center as a convention facility
 - Grand Center is primarily a senior center
 - Excess capacity rented twice during 2023
- County claims use meets statute as “other facilities” for “other gatherings”
- Rationalization erodes TRCC limits
 - Would justify spending for county courthouse, county jail, etc.



THANK YOU

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