

***Effective 5/12/2020***

***Superseded 5/5/2021***

**17-31-2 Purposes of transient room tax and expenditure of revenue -- Purchase or lease of facilities -- Mitigating impacts of recreation, tourism, or conventions -- Issuance of bonds.**

(1) As used in this section:

- (a) "Aircraft" means the same as that term is defined in Section 72-10-102.
- (b) "Airport" means the same as that term is defined in Section 72-10-102.
- (c) "Airport authority" means the same as that term is defined in Section 72-10-102.
- (d) "Airport operator" means the same as that term is defined in Section 72-10-102.
- (e) "Base year revenue" means the amount of revenue generated by a transient room tax and collected by a county for fiscal year 2018-19.
- (f) "Base year promotion expenditure" means the amount of revenue generated by a transient room tax that a county spent for the purpose described in Subsection (2)(a) during fiscal year 2018-19.
- (g) "Eligible town" means a town that:
  - (i) is located within a county that has a national park within or partially within the county's boundaries; and
  - (ii) imposes a resort communities tax authorized by Section 59-12-401.
- (h) "Emergency medical services provider" means an eligible town, a local district, or a special service district.
- (i) "Town" means a municipality that is classified as a town in accordance with Section 10-2-301.
- (j) "Transient room tax" means a tax at a rate not to exceed 4.25% authorized by Section 59-12-301.

(2) Subject to the requirements of this section, a county legislative body may impose the transient room tax for the purposes of:

- (a) establishing and promoting recreation, tourism, film production, and conventions;
- (b) acquiring, leasing, constructing, furnishing, maintaining, or operating:
  - (i) convention meeting rooms;
  - (ii) exhibit halls;
  - (iii) visitor information centers;
  - (iv) museums;
  - (v) sports and recreation facilities including practice fields, stadiums, and arenas;
  - (vi) related facilities;
  - (vii) if a national park is located within or partially within the county, the following on any route designated by the county legislative body:
    - (A) transit service, including shuttle service; and
    - (B) parking infrastructure; and
  - (viii) an airport, if:
    - (A) the county is a county of the fourth, fifth, or sixth class; and
    - (B) the county is the airport operator of the airport;
- (c) acquiring land, leasing land, or making payments for construction or infrastructure improvements required for or related to the purposes listed in Subsection (2)(b);
- (d) as required to mitigate the impacts of recreation, tourism, or conventions in counties of the fourth, fifth, and sixth class, paying for:
  - (i) solid waste disposal operations;
  - (ii) emergency medical services;
  - (iii) search and rescue activities;
  - (iv) law enforcement activities; and

- (v) road repair and upgrade of:
    - (A) class B roads, as defined in Section 72-3-103;
    - (B) class C roads, as defined in Section 72-3-104; or
    - (C) class D roads, as defined in Section 72-3-105; and
  - (e) making the annual payment of principal, interest, premiums, and necessary reserves for any of the aggregate of bonds authorized under Subsection (5).
- (3)
- (a) The county legislative body of a county that imposes a transient room tax at a rate of 3% or less may expend the revenue generated as provided in Subsection (4), after making any reduction required by Subsection (6).
  - (b) The county legislative body of a county that imposes a transient room tax at a rate that exceeds 3% or increases the rate of transient room tax above 3% may expend:
    - (i) the revenue generated from the transient room tax at a rate of 3% as provided in Subsection (4), after making any reduction required by Subsection (6); and
    - (ii) the revenue generated from the portion of the rate that exceeds 3%:
      - (A) for any combination of the purposes described in Subsections (2) and (5); and
      - (B) regardless of the limitation on expenditures for the purposes described in Subsection (4).
- (4) Subject to Subsection (6), a county may not expend more than 1/3 of the revenue generated by a rate of transient room tax that does not exceed 3%, for any combination of the purposes described in Subsections (2)(b) through (2)(e).
- (5)
- (a) The county legislative body may issue bonds or cause bonds to be issued, as permitted by law, to pay all or part of any costs incurred for the purposes set forth in Subsections (2)(b) through (2)(d) that are permitted to be paid from bond proceeds.
  - (b) If a county legislative body does not need the revenue generated by the transient room tax for payment of principal, interest, premiums, and reserves on bonds issued as provided in Subsection (2)(e), the county legislative body shall expend that revenue for the purposes described in Subsection (2), subject to the limitation of Subsection (4).
- (6)
- (a) In addition to the purposes described in Subsection (2), a county legislative body may expend up to 4% of the total revenue generated by a transient room tax to pay a provider for emergency medical services in one or more eligible towns.
  - (b) A county legislative body shall reduce the amount that the county is authorized to expend for the purposes described in Subsection (4) by subtracting the amount of transient room tax revenue expended in accordance with Subsection (6)(a) from the amount of revenue described in Subsection (4).
- (7)
- (a) A county legislative body in a county of the fourth, fifth, or sixth class shall expend the revenue generated by a transient room tax as follows:
    - (i) an amount equal to the county's base year promotion expenditure for the purpose described in Subsection (2)(a);
    - (ii) an amount equal to the difference between the county's base year revenue and the county's base year promotion expenditure in accordance with Subsections (3) through (6); and
    - (iii)
      - (A) 37% of the revenue that exceeds the county's base year revenue for the purpose described in Subsection (2)(a); and
      - (B) subject to Subsection (7)(b), 63% of the revenue that exceeds the county's base year revenue for any combination of the purposes described in Subsections (2)(b) through (e)

or to pay an emergency medical services provider for emergency medical services in one or more eligible towns.

- (b) A county legislative body in a county of the fourth, fifth, or sixth class may not:
  - (i) expend more than 4% of the revenue generated by a transient room tax to pay an emergency medical services provider for emergency medical services in one or more eligible towns; or
  - (ii) expend revenue generated by a transient room tax for the purpose described in Subsection (2)(e) in an amount that exceeds the county's base year promotion expenditure.
- (c) The provisions of this Subsection (7) apply notwithstanding any other provision of this section.
- (d) If the total amount of revenue generated by a transient room tax in a county of the fourth, fifth, or sixth class is less than the county's base year promotion expenditure:
  - (i) Subsections (7)(a) through (c) do not apply; and
  - (ii) the county legislative body shall expend the revenue generated by the transient room tax in accordance with Subsections (3) through (6).