

Effective 5/12/2015

**Part 5
New Convention Facility Development Incentives**

63N-2-501 Title.

This part is known as "New Convention Facility Development Incentives."

Renumbered and Amended by Chapter 283, 2015 General Session

Contingently Superseded 1/1/2025

63N-2-502 Definitions.

As used in this part:

- (1) "Agreement" means an agreement described in Section 63N-2-503.
- (2) "Base taxable value" means the value of hotel property before the construction on a qualified hotel begins, as that value is established by the county in which the hotel property is located, using a reasonable valuation method that may include the value of the hotel property on the county assessment rolls the year before the year during which construction on the qualified hotel begins.
- (3) "Certified claim" means a claim that the office has approved and certified as provided in Section 63N-2-505.
- (4) "Claim" means a written document submitted by a qualified hotel owner or host local government to request a convention incentive.
- (5) "Claimant" means the qualified hotel owner or host local government that submits a claim under Subsection 63N-2-505(1)(a) for a convention incentive.
- (6) "Commission" means the Utah State Tax Commission.
- (7) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- (8) "Construction revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring during the eligibility period as a result of the construction of the hotel property, including purchases made by a qualified hotel owner and its subcontractors.
- (9) "Convention incentive" means an incentive for the development of a qualified hotel, in the form of payment from the incentive fund as provided in this part, as authorized in an agreement.
- (10) "Eligibility period" means:
 - (a) the period that:
 - (i) begins the date construction of a qualified hotel begins; and
 - (ii) ends:
 - (A) for purposes of the state portion, 20 years after the date of initial occupancy of that qualified hotel; or
 - (B) for purposes of the local portion and incremental property tax revenue, 25 years after the date of initial occupancy of that hotel; or
 - (b) as provided in an agreement between the office and a qualified hotel owner or host local government, a period that:
 - (i) begins no earlier than the date construction of a qualified hotel begins; and
 - (ii) is shorter than the period described in Subsection (10)(a).
- (11) "Endorsement letter" means a letter:
 - (a) from the county in which a qualified hotel is located or is proposed to be located;
 - (b) signed by the county executive; and

- (c) expressing the county's endorsement of a developer of a qualified hotel as meeting all the county's criteria for receiving the county's endorsement.
- (12) "Host agency" means the community reinvestment agency of the host local government.
- (13) "Host local government" means:
 - (a) a county that enters into an agreement with the office for the construction of a qualified hotel within the unincorporated area of the county; or
 - (b) a city or town that enters into an agreement with the office for the construction of a qualified hotel within the boundary of the city or town.
- (14) "Hotel property" means a qualified hotel and any property that is included in the same development as the qualified hotel, including convention, exhibit, and meeting space, retail shops, restaurants, parking, and other ancillary facilities and amenities.
- (15) "Incentive fund" means the Convention Incentive Fund created in Section 63N-2-503.5.
- (16) "Incremental property tax revenue" means the amount of property tax revenue generated from hotel property that equals the difference between:
 - (a) the amount of property tax revenue generated in any tax year by all taxing entities from hotel property, using the current assessed value of the hotel property; and
 - (b) the amount of property tax revenue that would be generated that tax year by all taxing entities from hotel property, using the hotel property's base taxable value.
- (17) "Local portion" means the portion of new tax revenue that is generated by local taxes.
- (18) "Local taxes" means a tax imposed under:
 - (a) Section 59-12-204;
 - (b) Section 59-12-301;
 - (c) Sections 59-12-352 and 59-12-353;
 - (d) Subsection 59-12-603(1)(a); or
 - (e) Section 59-12-1102.
- (19) "New tax revenue" means construction revenue, offsite revenue, and onsite revenue.
- (20) "Offsite revenue" means revenue generated from state taxes and local taxes imposed on transactions by a third-party seller occurring other than on hotel property during the eligibility period, if:
 - (a) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act; and
 - (b) the third-party seller voluntarily consents to the disclosure of information to the office, as provided in Subsection 63N-2-505(2)(b)(i)(E).
- (21) "Onsite revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring on hotel property during the eligibility period.
- (22) "Public infrastructure" means:
 - (a) water, sewer, storm drainage, electrical, telecommunications, and other similar systems and lines;
 - (b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public transportation facilities; and
 - (c) other buildings, facilities, infrastructure, and improvements that benefit the public.
- (23) "Qualified hotel" means a full-service hotel development constructed in the state on or after July 1, 2014 that:
 - (a) requires a significant capital investment;
 - (b) includes at least 85 square feet of convention, exhibit, and meeting space per guest room; and
 - (c) is located within 1,000 feet of a convention center that contains at least 500,000 square feet of convention, exhibit, and meeting space.
- (24) "Qualified hotel owner" means a person who owns a qualified hotel.

- (25) "Review committee" means the independent review committee established under Section 63N-2-504.
- (26) "Significant capital investment" means an amount of at least \$200,000,000.
- (27) "State portion" means the portion of new tax revenue that is generated by state taxes.
- (28) "State taxes" means a tax imposed under Subsection 59-12-103(2)(a)(i), (2)(b)(i), (2)(c)(i), or (2)(e)(i)(A).
- (29) "Third-party seller" means a person who is a seller in a transaction:
 - (a) occurring other than on hotel property;
 - (b) that is:
 - (i) the sale, rental, or lease of a room or of convention or exhibit space or other facilities on hotel property; or
 - (ii) the sale of tangible personal property or a service that is part of a bundled transaction, as defined in Section 59-12-102, with a sale, rental, or lease described in Subsection (29)(b)(i); and
 - (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.

Amended by Chapter 459, 2023 General Session

Contingently Effective 1/1/2025

63N-2-502 Definitions.

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- (1) "Agreement" means an agreement described in Section 63N-2-503.
- (2) "Base taxable value" means the value of hotel property before the construction on a qualified hotel begins, as that value is established by the county in which the hotel property is located, using a reasonable valuation method that may include the value of the hotel property on the county assessment rolls the year before the year during which construction on the qualified hotel begins.
- (3) "Certified claim" means a claim that the office has approved and certified as provided in Section 63N-2-505.
- (4) "Claim" means a written document submitted by a qualified hotel owner or host local government to request a convention incentive.
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- (6) "Commission" means the Utah State Tax Commission.
- (7) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- (8) "Construction revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring during the eligibility period as a result of the construction of the hotel property, including purchases made by a qualified hotel owner and its subcontractors.
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 - (a) the period that:
 - (i) begins the date construction of a qualified hotel begins; and
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 - (A) for purposes of the state portion, 20 years after the date of initial occupancy of that qualified hotel; or

- (B) for purposes of the local portion and incremental property tax revenue, 25 years after the date of initial occupancy of that hotel; or
- (b) as provided in an agreement between the office and a qualified hotel owner or host local government, a period that:
 - (i) begins no earlier than the date construction of a qualified hotel begins; and
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 - (a) from the county in which a qualified hotel is located or is proposed to be located;
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- (12) "Host agency" means the community reinvestment agency of the host local government.
- (13) "Host local government" means:
 - (a) a county that enters into an agreement with the office for the construction of a qualified hotel within the unincorporated area of the county; or
 - (b) a city or town that enters into an agreement with the office for the construction of a qualified hotel within the boundary of the city or town.
- (14) "Hotel property" means a qualified hotel and any property that is included in the same development as the qualified hotel, including convention, exhibit, and meeting space, retail shops, restaurants, parking, and other ancillary facilities and amenities.
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 - (a) the amount of property tax revenue generated in any tax year by all taxing entities from hotel property, using the current assessed value of the hotel property; and
 - (b) the amount of property tax revenue that would be generated that tax year by all taxing entities from hotel property, using the hotel property's base taxable value.
- (17) "Local portion" means the portion of new tax revenue that is generated by local taxes.
- (18) "Local taxes" means a tax imposed under:
 - (a) Section 59-12-204;
 - (b) Section 59-12-301;
 - (c) Sections 59-12-352 and 59-12-353;
 - (d) Subsection 59-12-603(1)(a); or
 - (e) Section 59-12-1102.
- (19) "New tax revenue" means construction revenue, offsite revenue, and onsite revenue.
- (20) "Offsite revenue" means revenue generated from state taxes and local taxes imposed on transactions by a third-party seller occurring other than on hotel property during the eligibility period, if:
 - (a) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act; and
 - (b) the third-party seller voluntarily consents to the disclosure of information to the office, as provided in Subsection 63N-2-505(2)(b)(i)(E).
- (21) "Onsite revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring on hotel property during the eligibility period.
- (22) "Public infrastructure" means:
 - (a) water, sewer, storm drainage, electrical, telecommunications, and other similar systems and lines;
 - (b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public transportation facilities; and

- (c) other buildings, facilities, infrastructure, and improvements that benefit the public.
- (23) "Qualified hotel" means a full-service hotel development constructed in the state on or after July 1, 2014 that:
 - (a) requires a significant capital investment;
 - (b) includes at least 85 square feet of convention, exhibit, and meeting space per guest room; and
 - (c) is located within 1,000 feet of a convention center that contains at least 500,000 square feet of convention, exhibit, and meeting space.
- (24) "Qualified hotel owner" means a person who owns a qualified hotel.
- (25) "Review committee" means the independent review committee established under Section 63N-2-504.
- (26) "Significant capital investment" means an amount of at least \$200,000,000.
- (27) "State portion" means the portion of new tax revenue that is generated by state taxes.
- (28) "State taxes" means a tax imposed under Subsection 59-12-103(2)(a)(i), (2)(b)(i), or (2)(e)(i) (A).
- (29) "Third-party seller" means a person who is a seller in a transaction:
 - (a) occurring other than on hotel property;
 - (b) that is:
 - (i) the sale, rental, or lease of a room or of convention or exhibit space or other facilities on hotel property; or
 - (ii) the sale of tangible personal property or a service that is part of a bundled transaction, as defined in Section 59-12-102, with a sale, rental, or lease described in Subsection (29)(b)(i); and
 - (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.

Amended by Chapter 459, 2023 General Session

63N-2-503 Agreement for development of new convention hotel -- Convention incentive authorized -- Agreement requirements.

- (1) The office, with the board's advice, may enter into an agreement with a qualified hotel owner or a host local government:
 - (a) for the development of a qualified hotel; and
 - (b) to authorize a convention incentive:
 - (i) to the qualified hotel owner or host local government, but not both;
 - (ii) for a period not to exceed the eligibility period;
 - (iii) in the amount of new tax revenue, subject to Subsection (2) and notwithstanding any other restriction provided by law;
 - (iv) if:
 - (A) the county in which the qualified hotel is proposed to be located has issued an endorsement letter endorsing the qualified hotel owner; and
 - (B) all applicable requirements of this part and the agreement are met; and
 - (v) that is reduced by \$1,900,000 per year during the first two years of the eligibility period, as described in Subsection (2)(c).
- (2) An agreement under Subsection (1) shall:
 - (a) specify the requirements for the qualified hotel owner or host local government to qualify for a convention incentive;
 - (b) require compliance with the terms of the endorsement letter issued by the county in which the qualified hotel is proposed to be located;

- (c) require the amount of certified claims for the first two years of the eligibility period to be reduced by \$1,900,000 per year;
 - (d) with respect to the state portion of the convention incentive:
 - (i) specify the maximum dollar amount that the qualified hotel owner or host local government may receive, subject to a maximum of:
 - (A) for any calendar year, the amount of the state portion in that calendar year; and
 - (B) \$75,000,000 in the aggregate for the qualified hotel owner or host local government during an eligibility period, calculated as though the two \$1,900,000 reductions of the convention incentive amount under Subsection (1)(b)(iv) had not occurred; and
 - (ii) specify the maximum percentage of the state portion that may be used in calculating the portion of the convention incentive that the qualified hotel owner or host local government may receive during the eligibility period for each calendar year and in the aggregate;
 - (e) establish a shorter period of time than the period described in Subsection 63N-2-502(10)(a) during which the qualified hotel owner or host local government may claim the convention incentive or that the host agency may be paid incremental property tax revenue, if the office and qualified hotel owner or host local government agree to a shorter period of time;
 - (f) require the qualified hotel owner to retain books and records supporting a claim for the convention incentive as required by Section 59-1-1406;
 - (g) allow the transfer of the agreement to a third party if the third party assumes all liabilities and responsibilities in the agreement;
 - (h) limit the expenditure of funds received under the convention incentive as provided in Section 63N-2-512; and
 - (i) require the qualified hotel owner or host local government to submit to any audit and to provide any audit level review or other level of review the office considers appropriate for verification of any claim.
- (3) Notwithstanding any other provision of law, a county or city in which a qualified hotel is located may contribute property to the qualified hotel owner or host local government without consideration, to be used as provided in Subsection 63N-2-508(3)(a).

Amended by Chapter 282, 2021 General Session

63N-2-503.5 Convention Incentive Fund.

- (1) There is created an expendable special revenue fund known as the Convention Incentive Fund.
- (2)
 - (a) The incentive fund shall be funded by new tax revenue, as provided in Subsection (3).
 - (b) No legislative appropriation is required to fund the incentive fund.
 - (c) All interest generated from the investment of money in the incentive fund shall be deposited into the incentive fund.
- (3)
 - (a) During the portion of the eligibility period specified by the office under Subsection 63N-2-505(7)(a), the commission shall cause new tax revenue to be deposited into the incentive fund as provided in this Subsection (3).
 - (b) To the extent the commission is able to identify sellers involved in transactions generating state taxes or local taxes before the payment of those taxes, the commission shall deposit new tax revenue directly into the incentive fund, notwithstanding Subsection 59-12-103(3) and before the allocations required by Section 59-12-204, Subsection 59-12-205(2), Section 59-12-401, Section 59-12-603, and Section 59-12-1102.

- (c) The commission shall, within 30 days after the office provides the information required under Subsection 63N-2-505(7)(b):
 - (i) except as provided in Subsection (3)(d), withhold from distribution to counties, cities, and towns the local portion of new tax revenue not deposited into the incentive fund under Subsection (3)(b) and transfer that local portion to the incentive fund; and
 - (ii) transfer to the incentive fund any state portion of new tax revenue not deposited into the incentive fund under Subsection (3)(b).
- (d) The commission may equalize over a 12-month period the withholding required under Subsection (3)(c)(i) for a county, city, or town that requests equalization.
- (4) One year after the end of the eligibility period, the commission shall transfer any money remaining in the incentive fund to the Stay Another Day and Bounce Back Fund created in Section 63N-2-511, except to the extent the money is needed to pay an unpaid certified claim.
- (5) Except as otherwise provided in this chapter, an agreement with or approval by a local government entity is not required for the use of the state portion or local portion to fund a convention incentive.
- (6) Distributions of money from the incentive fund shall be in accordance with Section 63N-2-505.

Enacted by Chapter 417, 2015 General Session

63N-2-504 Independent review committee.

- (1) In accordance with rules adopted by the office under Section 63N-2-509, the GO Utah board shall establish a separate, independent review committee to provide recommendations to the office regarding the terms and conditions of an agreement and to consult with the office as provided in this part or in rule.
- (2) The review committee shall consist of:
 - (a) one member appointed by the executive director to represent the office;
 - (b) two members appointed by the mayor or chief executive of the county in which the qualified hotel is located or proposed to be located;
 - (c) two members appointed by:
 - (i) the mayor of the municipality in which the qualified hotel is located or proposed to be located, if the qualified hotel is located or proposed to be located within the boundary of a municipality; or
 - (ii) the mayor or chief executive of the county in which the qualified hotel is located or proposed to be located, in addition to the two members appointed under Subsection (2)(b), if the qualified hotel is located or proposed to be located outside the boundary of a municipality;
 - (d) an individual representing the hotel industry, appointed by the Utah Hotel and Lodging Association;
 - (e) an individual representing the commercial development and construction industry, appointed by the president or chief executive officer of the local chamber of commerce;
 - (f) an individual representing the convention and meeting planners industry, appointed by the president or chief executive officer of the local convention and visitors bureau; and
 - (g) one member appointed by the GO Utah board.
- (3)
 - (a) A member serves an indeterminate term and may be removed from the review committee by the appointing authority at any time.
 - (b) A vacancy may be filled in the same manner as an appointment under Subsection (2).
- (4) A member of the review committee may not be paid for serving on the review committee and may not receive per diem or expense reimbursement.

(5) The office shall provide any necessary staff support to the review committee.

Amended by Chapter 282, 2021 General Session

63N-2-505 Submission of written claim for convention incentive -- Disclosure of tax returns and other information -- Determination of claim.

- (1) The office may not pay any money from the incentive fund to a qualified hotel owner or host local government unless:
- (a) the qualified hotel owner or host local government submits a claim and other required documentation, as provided in this section; and
 - (b) the office approves and certifies the claim, as provided in this section.
- (2) A qualified hotel owner or host local government that desires to qualify for a convention incentive shall submit to the office:
- (a) a written claim for a convention incentive;
 - (b)
 - (i) for a claim submitted by a qualified hotel owner:
 - (A) a certification by the individual signing the claim that the individual is duly authorized to sign the claim on behalf of the qualified hotel owner;
 - (B) documentation of the new tax revenue previously generated, itemized by construction revenue, offsite revenue, onsite revenue, type of sales or use tax, and the location of the transaction generating the new tax revenue as determined under Sections 59-12-211, 59-12-211.1, 59-12-212, 59-12-213, 59-12-214, and 59-12-215;
 - (C) the identity of sellers collecting onsite revenue and the date the sellers will begin collecting onsite revenue;
 - (D) a document in which the qualified hotel owner expressly directs and authorizes the commission to disclose to the office the qualified hotel owner's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;
 - (E) a document in which the qualified hotel's direct vendors, lessees, or subcontractors, as applicable, expressly direct and authorize the commission to disclose to the office the tax returns and other information of those vendors, lessees, or subcontractors that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;
 - (F) a document in which a third-party seller expressly and voluntarily directs and authorizes the commission to disclose to the office the third-party seller's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;
 - (G) documentation verifying that the qualified hotel owner is in compliance with the terms of the agreement; and
 - (H) any other documentation that the agreement or office requires; and
 - (ii) for an application submitted by a host local government, documentation of the new tax revenue generated during the preceding year;
 - (c) if the host local government intends to assign the convention incentive to a community reinvestment agency, a document signed by the governing body members of the community reinvestment agency that expressly directs and authorizes the commission to disclose to the office the agency's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

- (d) an audit level attestation, or other level of review approved by the office, from an independent certified public accountant, hired by the claimant, attesting to the accuracy and validity of the amount of the state portion and the local portion being claimed by the claimant.
- (3)
 - (a) The office shall submit to the commission the documents described in Subsections (2)(b)(i) (C), (D), and (E) and (2)(c) authorizing disclosure of the tax returns and other information.
 - (b) Upon receipt of the documents described in Subsection (3)(a), the commission shall provide to the office the tax returns and other information described in those documents.
- (4) If the office determines that the tax returns and other information are inadequate to enable the office to approve and certify a claim, the office shall inform the claimant that the tax returns and other information were inadequate and request the tax credit applicant to submit additional documentation to validate the claim.
- (5) If the office determines that the returns and other information, including any additional documentation provided under Subsection (4), comply with applicable requirements and provide reasonable justification to approve and certify the claim, the office shall:
 - (a) approve and certify the claim;
 - (b) determine the amount of the certified claim; and
 - (c) disburse money from the incentive fund to pay the certified claim as provided in Subsection (6).
- (6) The office shall pay claims from available money in the incentive fund at least annually.
- (7) For each certified claim, the office shall provide the commission:
 - (a) for onsite revenue:
 - (i) the identity of sellers operating upon the hotel property;
 - (ii) the date that the commission is to begin depositing or transferring onsite revenue under Section 63N-2-503.5 for each seller operating upon the hotel property;
 - (iii) the date that the commission is to stop depositing or transferring onsite revenue to the incentive fund under Section 63N-2-503.5 for each seller operating upon the hotel property; and
 - (iv) the type of sales or use tax subject to the commission's deposit or transfer to the incentive fund under Section 63N-2-503.5;
 - (b) for construction revenue and offsite revenue:
 - (i) the amount of new tax revenue authorized under the agreement constituting construction revenue or offsite revenue;
 - (ii) the location of the transactions generating the construction revenue and offsite revenue, as determined under Sections 59-12-211, 59-12-211.1, 59-12-212, 59-12-213, 59-12-214, and 59-12-215; and
 - (iii) the type of sales or use tax that constitutes the construction revenue of offsite revenue described in Subsection (7)(b)(ii); and
 - (c) any other information the commission requires.

Amended by Chapter 350, 2016 General Session

63N-2-507 Assigning convention incentive.

- (1) A host local government that enters into an agreement with the office may, by resolution, assign a convention incentive to a community reinvestment agency, in accordance with rules adopted by the office.
- (2) A host local government that adopts a resolution assigning a convention incentive under Subsection (1) shall provide a copy of the resolution to the office.

Amended by Chapter 350, 2016 General Session

63N-2-508 Payment of incremental property tax revenue.

- (1) As used in this section:
 - (a) "Displaced tax increment" means the amount of tax increment that a county would have paid to the host agency, except for Subsection (2)(b), from tax increment revenue generated from the project area in which the hotel property is located.
 - (b) "Secured obligations" means bonds or other obligations of a host agency for the payment of which the host agency has, before March 13, 2015, pledged tax increment generated from the project area in which the hotel property is located.
 - (c) "Tax increment" means the same as that term is defined in Section 17C-1-102.
 - (d) "Tax increment shortfall" means the amount of displaced tax increment a host agency needs to receive, in addition to any other tax increment the host agency receives from the project area in which the hotel property is located, to provide the host agency sufficient tax increment funds to be able to pay the debt service on its secured obligations.
- (2)
 - (a) In accordance with rules adopted by the office and subject to Subsection (5), a county in which a qualified hotel is located shall retain incremental property tax revenue during the eligibility period.
 - (b) The amount of incremental property tax revenue that a county retains under Subsection (2)(a) for a taxable year reduces by that amount any tax increment that the county would otherwise have paid to the host agency for that year, subject to Subsection (5).
 - (c) For any taxable year in which a reduction of tax increment occurs as provided in Subsection (2)(b), the county shall provide the host agency a notice that:
 - (i) states the amount of displaced tax increment for that year;
 - (ii) states the number of years remaining in the eligibility period;
 - (iii) provides a detailed accounting of how the displaced tax increment was used; and
 - (iv) explains how the displaced tax increment will be used in the following taxable year.
- (3) Incremental property tax revenue may be used only for:
 - (a) the purchase of or payment for, or reimbursement of a previous purchase of or payment for:
 - (i) tangible personal property used in the construction of convention, exhibit, or meeting space on hotel property;
 - (ii) tangible personal property that, upon the construction of hotel property, becomes affixed to hotel property as real property; or
 - (iii) any labor and overhead costs associated with the construction described in Subsections (3)(a)(i) and (ii); and
 - (b) public infrastructure.
- (4)
 - (a) Incremental property tax:
 - (i) is not tax increment; and
 - (ii) is not subject to:
 - (A) Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act; or
 - (B) any other law governing tax increment, except as provided in Subsection (4)(c).
 - (b) The payment and use of incremental property tax, as provided in this part, is not subject to the approval of any taxing entity, as defined in Section 17C-1-102.

- (c) Revenue from an increase in the taxable value of hotel property is considered to be a redevelopment adjustment for purposes of calculating the certified tax rate under Section 59-2-924.
- (5)
- (a) Subject to Subsection (5)(b), a county may not spend the portion of incremental property tax revenue that is displaced tax increment until after 30 days after the county provides the notice required under Subsection (2)(c).
 - (b) If, within 30 days after the county provides the notice required under Subsection (2)(c), a host agency provides written notice to the county that the host agency will experience a tax increment shortfall, the county shall, unless the host agency agrees otherwise, pay to the host agency displaced tax increment in the amount of the tax increment shortfall.

Amended by Chapter 350, 2016 General Session

63N-2-509 Rulemaking authority -- Requirements for rules.

- (1) The office shall, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to carry out its responsibilities under this part and to implement the provisions of this part.
- (2) The rules the office makes under Subsection (1) shall:
 - (a) establish, consistent with this part, the conditions required for a convention incentive;
 - (b) require that a significant capital investment be made in the development of the hotel property;
 - (c) require a claimant to meet all applicable requirements in order to receive a distribution from the incentive fund;
 - (d) require that a qualified hotel owner meet the county's requirements to receive an endorsement letter; and
 - (e) provide for the establishment of an independent review committee, in accordance with the requirements of Section 63N-2-504.

Renumbered and Amended by Chapter 283, 2015 General Session

Amended by Chapter 417, 2015 General Session

63N-2-510 Report by office -- Posting of report.

- (1) The office shall include the following information in the office's annual written report described in Section 63N-1a-306:
 - (a) the state's success in attracting new conventions and corresponding new state revenue;
 - (b) the estimated amount of convention incentive commitments and the associated calculation made by the office and the period of time over which convention incentives are expected to be paid;
 - (c) the economic impact on the state related to generating new state revenue and providing convention incentives; and
 - (d) the estimated and actual costs and economic benefits of the convention incentive commitments that the office made.
- (2) Upon the commencement of the construction of a qualified hotel, the office shall send a written notice to the Division of Finance:
 - (a) referring to the two annual deposits required under Subsection 59-12-103(10); and
 - (b) notifying the Division of Finance that construction on the qualified hotel has begun.

Amended by Chapter 471, 2023 General Session

63N-2-511 Stay Another Day and Bounce Back Fund.

- (1) As used in this section:
 - (a) "Bounce back fund" means the Stay Another Day and Bounce Back Fund, created in Subsection (2).
 - (b) "Tourism board" means the Board of Tourism Development created in Section 63N-7-201.
- (2) There is created an expendable special revenue fund known as the Stay Another Day and Bounce Back Fund.
- (3) The bounce back fund shall:
 - (a) be administered by the tourism board;
 - (b) earn interest; and
 - (c) be funded by:
 - (i) annual payments under Section 17-31-9 from the county in which a qualified hotel is located;
 - (ii) money transferred to the bounce back fund under Section 63N-2-503.5 or 63N-2-512; and
 - (iii) any money that the Legislature chooses to appropriate to the bounce back fund.
- (4) Interest earned by the bounce back fund shall be deposited into the bounce back fund.
- (5) The tourism board may use money in the bounce back fund to pay for a tourism program of advertising, marketing, and branding of the state, taking into consideration the long-term strategic plan, economic trends, and opportunities for tourism development on a statewide basis.

Amended by Chapter 362, 2022 General Session

63N-2-512 Hotel Impact Mitigation Fund.

- (1) As used in this section:
 - (a) "Affected hotel" means a hotel built in the state before July 1, 2014.
 - (b) "Direct losses" means affected hotels' losses of hotel guest business attributable to the qualified hotel room supply being added to the market in the state.
 - (c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection (2).
- (2) There is created an expendable special revenue fund known as the Hotel Impact Mitigation Fund.
- (3) The mitigation fund shall:
 - (a) be administered by the GO Utah board;
 - (b) earn interest; and
 - (c) be funded by:
 - (i) payments required to be deposited into the mitigation fund by the Division of Finance under Subsection 59-12-103(10);
 - (ii) money required to be deposited into the mitigation fund under Subsection 17-31-9(2) by the county in which a qualified hotel is located; and
 - (iii) any money deposited into the mitigation fund under Subsection (6).
- (4) Interest earned by the mitigation fund shall be deposited into the mitigation fund.
- (5)
 - (a) In accordance with office rules, the GO Utah board shall annually pay up to \$2,100,000 of money in the mitigation fund:
 - (i) to affected hotels;
 - (ii) for four consecutive years, beginning 12 months after the date of initial occupancy of the qualified hotel occurs; and
 - (iii) to mitigate direct losses.

(b)

- (i) If the amount the GO Utah board pays under Subsection (5)(a) in any year is less than \$2,100,000, the GO Utah board shall pay to the Stay Another Day and Bounce Back Fund, created in Section 63N-2-511, the difference between \$2,100,000 and the amount paid under Subsection (5)(a).
 - (ii) The GO Utah board shall make any required payment under Subsection (5)(b)(i) within 90 days after the end of the year for which a determination is made of how much the GO Utah board is required to pay to affected hotels under Subsection (5)(a).
- (6) A host local government or qualified hotel owner may make payments to the Division of Finance for deposit into the mitigation fund.
- (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall, in consultation with the Utah Hotel and Lodging Association and the county in which the qualified hotel is located, make rules establishing procedures and criteria governing payments under Subsection (5)(a) to affected hotels.

Amended by Chapter 471, 2023 General Session

63N-2-513 Authorized expenditures of convention incentive.

- (1) A qualified hotel owner or host local government may spend money received from the state portion of a convention incentive only for a purpose described in Subsection 63N-2-508(2)(a).
- (2) A qualified hotel owner or host local government may spend money received from the local portion of a convention incentive only for:
 - (a) a purpose described in Subsection (1);
 - (b) public infrastructure; and
 - (c) other purposes as specified in the agreement.

Renumbered and Amended by Chapter 283, 2015 General Session

Amended by Chapter 417, 2015 General Session