

TOURISM AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Sheryl L. Allen

This act modifies provisions relating to tourism. The act provides for a one-year exception to the industry growth factor for an appropriation to the Tourism Marketing Performance Fund and encourages the Division of Travel Development to conduct surveys on tourism promotion activities throughout the state. The act makes certain technical changes and provides an immediate effective date.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

9-2-1703.5, as enacted by Chapter 159, Laws of Utah 2001

9-3-204, as last amended by Chapter 159, Laws of Utah 2001

59-12-301, as last amended by Chapter 11, Laws of Utah 2001, First Special Session

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

Section 1. Section **9-2-1703.5** is amended to read:

9-2-1703.5. Appropriations to the fund.

(1) The Legislature shall appropriate \$200,000 to the fund each fiscal year for which the State Tax Commission finds that the industry growth for the prior fiscal year equals or exceeds 4%, except that the growth factor requirement does not apply to the \$2,000,000 appropriation to the fund under Item 120 of S.B. 1, Appropriations Act, made for the fiscal year beginning July 1, 2002 only.

(2) To determine the prior fiscal year industry growth the State Tax Commission shall:

(a) calculate the tourism-oriented sales and use taxes for the fiscal year two years preceding the fiscal year of appropriation;

(b) calculate the tourism-oriented sales and use taxes for the fiscal year three years preceding the fiscal year of the appropriation; and

(c) determine whether the tourism-oriented sales and use taxes calculated in Subsection (2)(a) increased from the tourism-oriented sales and use taxes calculated under Subsection (2)(b).

(3) The State Tax Commission shall report its determination under Subsection (2) to the State Budget Office by no later than September 30 of each year.

Section 2. Section **9-3-204** is amended to read:

9-3-204. Division of Travel Development -- Powers and duties -- Travel development plan -- Annual report and survey.

(1) There is created within the department the Division of Travel Development under the administration and general supervision of the director.

(2) The division shall be under the policy direction of the director.

(3) The division shall:

(a) be the travel development authority of the state;

(b) develop a travel promotion program for the state;

(c) develop a plan to increase the economic contribution by tourists visiting the state;

(d) plan and conduct a program of information, advertising, and publicity relating to the recreational, scenic, historic, highway, and tourist advantages and attractions of the state at large; ~~[and]~~

(e) encourage and assist in the coordination of the activities of persons, firms, associations, corporations, travel regions, counties, and governmental agencies engaged in publicizing, developing, and promoting the scenic attractions and tourist advantages of the state~~[-]; and~~

(4) Any plan provided for under Subsection (3) shall address, but not be limited to, enhancing the state's image, promoting Utah as a year-round destination, encouraging expenditures by visitors to the state, and expanding the markets where the state is promoted.

(5) The division is encouraged to:

(a) conduct surveys on tourism promotion activities undertaken by cities and counties within the state; and

(b) in collaboration with the cities and counties surveyed, make an annual report to the Legislature on the economic benefit of those activities to the state and the cities and counties surveyed by the division.

Section 3. Section **59-12-301** is amended to read:

59-12-301. Transient room tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements.

(1) (a) Any county legislative body may impose a transient room tax not to exceed 3% of the rent for every occupancy of a suite or room:

(i) on the following entities doing business as motor courts, motels, hotels, inns, or providing similar public accommodations:

(A) a person;

(B) a company;

(C) a corporation; or

(D) a person, group, or organization similar to Subsections (1)(a)(i)(A) through (C); and

(ii) if the suite or room is regularly rented for less than 30 consecutive days.

(b) The revenues raised from the tax imposed under Subsection (1)(a) shall be used for the purposes listed in Section 17-31-2.

(c) The tax imposed under Subsection (1)(a) shall be in addition to the tourism, recreation, cultural, and convention tax imposed under Part 6, Tourism, Recreation, Cultural, and Convention Facilities Tax.

~~(b)~~ (d) A county legislative body imposing a tax under this part shall impose the tax on the rents described in Subsection (1)(a) relating to the Olympic Winter Games of 2002 made to or by an organization exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code, except for rents described in Subsection (1)(a):

(i) paid for in full by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002;

(ii) exclusively used by:

(A) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the Olympic Winter Games of 2002; or

(B) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002; and

(iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of 2002

does not receive reimbursement.

(2) Subject to Subsection (3), a county legislative body:

- (a) may increase or decrease the transient room tax; and
- (b) shall regulate the transient room tax by ordinance.

(3) (a) For purposes of this Subsection (3):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Annexation to County.

(ii) "Annexing area" means an area that is annexed into a county.

(b) (i) If, on or after May 1, 2000, a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(b)(ii) from the county.

(ii) The notice described in Subsection (3)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (3)(b)(ii)(A), the new rate of the tax.

(c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will result in a change in the rate of a tax under this part for an annexing area, the change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 75-day period beginning on the date the commission receives notice meeting the requirements of Subsection (3)(c)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (3)(c)(i)(B) shall state:

(A) that the annexation described in Subsection (3)(c)(i) will result in a change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

(C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

(D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

Section 4. Effective date.

If approved by two-thirds of all the members elected to each house, this act takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.