

TOURISM AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Sheryl L. Allen

This act modifies provisions relating to tourism. The act requires the Division of Travel Development to provide the Legislature with a report on coordinated tourist promotion activities and to develop a mechanism to measure the economic impact of tourism promotion expenditures. The act provides for an independent annual audit of tourism, recreation, cultural, and convention facilities tax funds and a report of the findings to be made to the Legislature. The act makes certain technical changes.

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

AMENDS:

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

17-31-5.5, as enacted by Chapter 270, Laws of Utah 1996

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 **9-3-204** is amended to read:

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

(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



28 recreational, scenic, historic, highway, and tourist advantages and attractions of the state at large;
29 [and]

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

33 (f) in collaboration with the department, develop and implement an accounting mechanism
34 to measure the economic impact on the state of tourism promotion expenditures made by the
35 division, county legislative bodies, and the Utah travel regions.

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

39 (5) (a) The division shall make an annual report to the Legislature through the Workforce
40 Services and Community and Economic Development Interim Committee of its coordinated
41 activities under Subsection (3)(e).

42 (b) (i) The division, in collaboration with the state's 29 county legislative bodies and nine
43 Utah travel regions, shall include a summary of each county's and travel region's coordinated
44 tourist promotion activities with the public and private sectors as part of the report required under
45 Subsection (5)(a).

46 (ii) The report required under Subsection (5)(a) may be made a part of the report required
47 under Subsections 17-31-5.5(3)(a) and (b) or reported separately as determined by the division.

48 Section 2. Section **17-31-5.5** is amended to read:

49 **17-31-5.5. Independent audit -- Annual report.**

50 (1) The legislative body of each county imposing the transient room tax provided for in
51 Section 59-12-301 shall annually engage an independent auditor to perform an audit to verify that
52 transient room tax funds are used only as authorized by this chapter and to report the findings of
53 the audit to the county legislative body.

54 (2) Subsection (1) applies to the tourism, recreation, cultural, and convention facilities tax
55 provided for in Section 59-12-603, except that the audit verification is for the uses authorized
56 under that section.

57 (3) (a) Each county legislative body that receives audit findings under Subsection (1) or
58 (2) shall provide a copy of the findings to the Division of Travel Development.

59 (b) The Division of Travel Development shall summarize the findings it receives annually
60 from all county legislative bodies under Subsection (3)(a) and provide a copy of the summary to
61 the Legislature's Workforce Services and Community and Economic Development Interim
62 Committee prior to December 1 of each year.

63 (c) The summary required under Subsection (3)(b) may be combined and reported with
64 the information required under Subsection 9-3-204(5)(b)(i) as determined by the division.

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

66 **59-12-301. Transient room tax -- Rate -- Imposition or repeal of tax -- Tax rate**
67 **change -- Effective date -- Notice requirements.**

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

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

72 (A) a person;

73 (B) a company;

74 (C) a corporation; or

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

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

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

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

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

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

88 (ii) exclusively used by:

89 (A) an officer, a trustee, or an employee of the Salt Lake Organizing Committee for the

90 Olympic Winter Games of 2002; or
91 (B) a volunteer supervised by the Salt Lake Organizing Committee for the Olympic Winter
92 Games of 2002; and
93 (iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
94 2002 does not receive reimbursement.

95 (2) Subject to Subsection (3), a county legislative body:
96 (a) may increase or decrease the transient room tax; and
97 (b) shall regulate the transient room tax by ordinance.

98 (3) (a) For purposes of this Subsection (3):
99 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Annexation
100 to County.
101 (ii) "Annexing area" means an area that is annexed into a county.

102 (b) (i) If, on or after May 1, 2000, a county enacts or repeals a tax or changes the rate of
103 a tax under this part, the enactment, repeal, or change shall take effect:
104 (A) on the first day of a calendar quarter; and
105 (B) after a 75-day period beginning on the date the commission receives notice meeting
106 the requirements of Subsection (3)(b)(ii) from the county.

107 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:
108 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;
109 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);
110 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
111 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
112 (3)(b)(ii)(A), the new rate of the tax.

113 (c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will result
114 in a change in the rate of a tax under this part for an annexing area, the change shall take effect:
115 (A) on the first day of a calendar quarter; and
116 (B) after a 75-day period beginning on the date the commission receives notice meeting
117 the requirements of Subsection (3)(c)(ii) from the county that annexes the annexing area.

118 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:
119 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in the rate
120 of a tax under this part for the annexing area;

- 121 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);
- 122 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and
- 123 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

Legislative Review Note
as of 11-15-01 9:11 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Committee Note

The Workforce Services and Community and Economic Development Interim Committee recommended this bill.