

1 **SPORTS DEVELOPMENT AND TOURISM,**
2 **RECREATION, CULTURAL, CONVENTION,**
3 **AND SPORTS FACILITIES TAX**
4 **AMENDMENTS**

5 2004 GENERAL SESSION

6 STATE OF UTAH

7 **Sponsor: Michael G. Waddoups**

8
9 **LONG TITLE**

10 **General Description:**

11 This bill amends the Community and Economic Development title and the Sales and
12 Use Tax Act.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ creates the Sports Development chapter within the Community and Economic
16 Development title;
- 17 ▶ creates the Amateur Sports Competition Development Act part within the Sports
18 Development chapter;
- 19 ▶ provides definitions;
- 20 ▶ authorizes counties to impose additional taxes on prepared food and beverages sold
21 by restaurants and certain accommodations and services under the Tourism,
22 Recreation, Cultural, Convention, and Sports Facilities Tax and provides for the
23 expenditure of revenues generated by these additional taxes;
- 24 ▶ provides that a proportionate share of the revenues generated by the additional taxes
25 shall be deposited into the General Fund as dedicated credits to be distributed by the
26 Department of Community and Economic Development to certain sports facilities;
- 27 ▶ provides that the funding for the sports facilities is nonlapsing;



- 28 ▶ changes the part name of the Tourism, Recreation, Cultural, and Convention
- 29 Facilities Tax to the Tourism, Recreation, Cultural, Convention, and Sports
- 30 Facilities Tax;
- 31 ▶ repeals references to certain tax names;
- 32 ▶ repeals a purpose statement relating to the Tourism, Recreation, Cultural,
- 33 Convention, and Sports Facilities Tax;
- 34 ▶ addresses the ability of a county legislative body to pledge Tourism, Recreation,
- 35 Cultural, Convention, and Sports Facilities Tax revenues as security for bonds,
- 36 notes, or other evidences of indebtedness; and
- 37 ▶ makes technical changes.

38 Monies Appropriated in this Bill:

39 None

40 Other Special Clauses:

41 This bill takes effect on July 1, 2004.

42 Utah Code Sections Affected:

43 AMENDS:

- 44 **17-31-8**, as enacted by Chapter 159, Laws of Utah 2001
- 45 **59-1-302**, as last amended by Chapter 107, Laws of Utah 1994
- 46 **59-12-301 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003
- 47 **59-12-602**, as last amended by Chapter 248, Laws of Utah 1995
- 48 **59-12-603 (Effective 07/01/04)**, as last amended by Chapter 312, Laws of Utah 2003

49 ENACTS:

- 50 **9-16-101**, Utah Code Annotated 1953
- 51 **9-16-201**, Utah Code Annotated 1953
- 52 **9-16-202**, Utah Code Annotated 1953
- 53 **9-16-203**, Utah Code Annotated 1953

54 REPEALS:

- 55 **59-12-601**, as last amended by Chapter 265, Laws of Utah 1991



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

58 Section 1. Section **9-16-101** is enacted to read:

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CHAPTER 16. SPORTS DEVELOPMENT ACT

Part 1. General Provisions

9-16-101. Title.

This chapter is known as the "Sports Development Act."

Section 2. Section **9-16-201** is enacted to read:

Part 2. Amateur Sports Competition Development Act

9-16-201. Title.

This part is known as the "Amateur Sports Competition Development Act."

Section 3. Section **9-16-202** is enacted to read:

9-16-202. Definition.

As used in this part, "sports facility" means an organization that is:

- (1) exempt from federal income taxation in accordance with Section 501(c)(3), Internal Revenue Code; and
- (2) created to foster national and international amateur sports competitions to be held in the state.

Section 4. Section **9-16-203** is enacted to read:

9-16-203. Distribution of certain dedicated credits to sports facilities -- Rulemaking authority -- Revenues nonlapsing.

(1) The department shall distribute the total amount of the revenues deposited into the General Fund as dedicated credits in accordance with Subsection 59-12-603(3) to one or more sports facilities as determined by the department by rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(2) Revenues dedicated for distribution to one or more sports facilities as provided in this section are nonlapsing.

Section 5. Section **17-31-8** is amended to read:

17-31-8. Tourism tax advisory boards.

(1) (a) Except as provided in Subsection (1)(b), any county that collects the following taxes shall operate a tourism tax advisory board:

- (i) the [~~transient room~~] tax allowed under Section 59-12-301; or
- (ii) the [~~tourism, recreation, cultural, and convention facilities~~] tax allowed under

Section 59-12-603.

90 (b) Notwithstanding Subsection (1)(a), a county is exempt from Subsection (1)(a) if the
91 county has an existing board, council, committee, convention visitor's bureau, or body that
92 substantially conforms with Subsections (2), (3), and (4).

93 (2) A tourism tax advisory board created under Subsection (1) shall consist of at least
94 five members.

95 (3) A tourism tax advisory board shall be composed of any of the following members
96 that:

97 (a) are residents of the county; and

98 (b) represent the local:

99 (i) hotel and lodging industry;

100 (ii) restaurant industry;

101 (iii) recreational facilities;

102 (iv) convention facilities;

103 (v) museums;

104 (vi) cultural attractions; or

105 (vii) other tourism-related industries.

106 (4) A tourism tax advisory board shall advise the county legislative body on the best
107 use of revenues collected from:

108 (a) the ~~[transient room]~~ tax allowed under Section 59-12-301; and

109 (b) the ~~[tourism, recreation, cultural, and convention facilities]~~ tax allowed under
110 Section 59-12-603.

111 (5) A member of any county tourism tax advisory board:

112 (a) may not receive compensation or benefits for the member's services; and

113 (b) may receive per diem and expenses incurred in the performance of the member's
114 official duties.

115 Section 6. Section **59-1-302** is amended to read:

116 **59-1-302. Penalty for nonpayment of sales, use, withholding, or fuels taxes --**
117 **Jeopardy proceedings.**

118 (1) The provisions of this section apply to the following taxes in this title:

119 (a) ~~[state and local sales and use]~~ a tax under Chapter 12, ~~[Parts 1 and 2]~~ Part 1, Tax
120 Collection;

- 121 (b) a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;
 122 ~~[(b) transient room]~~ (c) a tax under Chapter 12, Part 3, Transient Room Tax;
 123 ~~[(c) resort communities]~~ (d) a tax under Chapter 12, Part 4, Resort Communities Tax;
 124 ~~[(d) public transit]~~ (e) a tax under Chapter 12, Part 5, Public Transit Tax;
 125 ~~[(e) tourism, recreation, cultural, and convention facilities]~~
 126 (f) a tax under Chapter 12, Part 6, Tourism, Recreation, Cultural, Convention, and
 127 Sports Facilities Tax;
 128 ~~[(f) motor fuel, clean fuel, special fuel, and aviation fuel taxes under Chapter 13, Parts~~
 129 ~~2, 3, and 4, and]~~
 130 ~~[(g) withholding tax under Chapter 10, Part 4.]~~
 131 (g) a tax under Chapter 13, Part 2, Motor Fuel;
 132 (h) a tax under Chapter 13, Part 3, Special Fuel;
 133 (i) a tax under Chapter 13, Part 4, Aviation Fuel; and
 134 (j) a tax under Chapter 10, Part 4, Withholding of Tax.

135 (2) Any person required to collect, truthfully account for, and pay over any tax listed in
 136 Subsection (1) who willfully fails to collect the tax, fails to truthfully account for and pay over
 137 the tax, or attempts in any manner to evade or defeat any tax or the payment of the tax, shall be
 138 liable for a penalty equal to the total amount of the tax evaded, not collected, not accounted for,
 139 or not paid over. This penalty is in addition to other penalties provided by law.

140 (3) (a) If the commission determines in accordance with Subsection (2) that a person is
 141 liable for the penalty, the commission shall notify the taxpayer of the proposed penalty.

142 (b) The notice of proposed penalty shall:

143 (i) set forth the basis of the assessment; and

144 (ii) be mailed by registered mail, postage prepaid, to the person's last-known address.

145 (4) Upon receipt of the notice of proposed penalty, the person against whom the
 146 penalty is proposed may:

147 (a) pay the amount of the proposed penalty at the place and time stated in the notice; or

148 (b) proceed in accordance with the review procedures of Subsection (5).

149 (5) Any person against whom a penalty has been proposed in accordance with
 150 Subsections (2) and (3) may contest the proposed penalty by filing a petition for an adjudicative
 151 proceeding with the commission.

152 (6) If the commission determines that the collection of the penalty is in jeopardy,
153 nothing in this section may prevent the immediate collection of the penalty in accordance with
154 the procedures and requirements for emergency proceedings in Title 63, Chapter 46b,
155 Administrative Procedures Act.

156 (7) (a) In any hearing before the commission and in any judicial review of the hearing,
157 the commission and the court shall consider any inference and evidence that a person has
158 willfully failed to collect, truthfully account for, or pay over any tax listed in Subsection (1).

159 (b) It is prima facie evidence that a person has willfully failed to collect, truthfully
160 account for, or pay over any of the taxes listed in Subsection (1) if the commission or a court
161 finds that the person charged with the responsibility of collecting, accounting for, or paying
162 over the taxes:

163 (i) made a voluntary, conscious, and intentional decision to prefer other creditors over
164 the state government or utilize the tax money for personal purposes;

165 (ii) recklessly disregarded obvious or known risks, which resulted in the failure to
166 collect, account for, or pay over the tax; or

167 (iii) failed to investigate or to correct mismanagement, having notice that the tax was
168 not or is not being collected, accounted for, or paid over as provided by law.

169 (c) The commission or court need not find a bad motive or specific intent to defraud
170 the government or deprive it of revenue to establish willfulness under this section.

171 (d) If the commission determines that a person is liable for the penalty under
172 Subsection (2), the commission shall assess the penalty and give notice and demand for
173 payment. The notice and demand for payment shall be mailed by registered mail, postage
174 prepaid, to the person's last-known address.

175 Section 7. Section **59-12-301 (Effective 07/01/04)** is amended to read:

176 **59-12-301 (Effective 07/01/04). Transient room tax -- Rate -- Enactment or repeal**
177 **of tax -- Tax rate change -- Effective date -- Notice requirements.**

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

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

182 (A) a person;

- 183 (B) a company;
- 184 (C) a corporation; or
- 185 (D) a person, group, or organization similar to Subsections (1)(a)(i)(A) through (C);

186 and

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

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

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

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

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

199 (ii) exclusively used by:

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

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

204 (iii) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
205 2002 does not receive reimbursement.

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

207 (a) may increase or decrease the transient room tax; and

208 (b) shall regulate the transient room tax by ordinance.

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

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

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

213 (b) (i) Except as provided in Subsection (3)(c), if, on or after July 1, 2004, a county

214 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
215 change shall take effect:

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

217 (B) after a 90-day period beginning on the date the commission receives notice meeting
218 the requirements of Subsection (3)(b)(ii) from the county.

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

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

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

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

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

225 (c) (i) Notwithstanding Subsection (3)(b)(i), for a transaction described in Subsection
226 (3)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
227 first billing period:

228 (A) that begins after the effective date of the enactment of the tax or the tax rate
229 increase; and

230 (B) if the billing period for the transaction begins before the effective date of the
231 enactment of the tax or the tax rate increase imposed under this section.

232 (ii) Notwithstanding Subsection (3)(b)(i), for a transaction described in Subsection
233 (3)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
234 billing period:

235 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
236 and

237 (B) if the billing period for the transaction begins before the effective date of the repeal
238 of the tax or the tax rate decrease imposed under this section.

239 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under
240 Subsection 59-12-103(1)(i).

241 (d) (i) Except as provided in Subsection (3)(e), if, for an annexation that occurs on or
242 after July 1, 2004, the annexation will result in the enactment, repeal, or a change in the rate of
243 a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

245 (B) after a 90-day period beginning on the date the commission receives notice meeting
246 the requirements of Subsection (3)(d)(ii) from the county that annexes the annexing area.

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

248 (A) that the annexation described in Subsection (3)(d)(i) will result in an enactment,
249 repeal, or change in the rate of a tax under this part for the annexing area;

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

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

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

254 (e) (i) Notwithstanding Subsection (3)(d)(i), for a transaction described in Subsection
255 (3)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
256 first billing period:

257 (A) that begins after the effective date of the enactment of the tax or the tax rate
258 increase; and

259 (B) if the billing period for the transaction begins before the effective date of the
260 enactment of the tax or the tax rate increase imposed under this section.

261 (ii) Notwithstanding Subsection (3)(d)(i), for a transaction described in Subsection
262 (3)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
263 billing period:

264 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
265 and

266 (B) if the billing period for the transaction begins before the effective date of the repeal
267 of the tax or the tax rate decrease imposed under this section.

268 (iii) Subsections (3)(e)(i) and (ii) apply to transactions subject to a tax under
269 Subsection 59-12-103(1)(i).

270 Section 8. Section **59-12-602** is amended to read:

271 **59-12-602. Definitions.**

272 As used in this part:

273 (1) "Convention facility" means any publicly owned or operated convention center,
274 sports arena, or other facility at which conventions, conferences, and other gatherings are held
275 and whose primary business or function is to host such conventions, conferences, and other

276 gatherings.

277 (2) "Cultural facility" means any publicly owned or operated museum, theater, art
278 center, music hall, or other cultural or arts facility.

279 (3) "Recreation facility" or "tourist facility" means any publicly owned or operated
280 park, campground, marina, dock, golf course, water park, historic park, monument,
281 planetarium, zoo, bicycle trails, and other recreation or tourism-related facility.

282 (4) (a) "Restaurant" includes any coffee shop, cafeteria, luncheonette, soda fountain, or
283 fast-food service where food is prepared for immediate consumption.

284 (b) "Restaurant" does not include:

285 (i) any retail establishment whose primary business or function is the sale of fuel or
286 food items for off-premise, but not immediate, consumption; and

287 (ii) a theater that sells food items, but not a dinner theater.

288 (5) "Sports facility" is as defined in Section 9-16-202.

289 Section 9. Section 59-12-603 (Effective 07/01/04) is amended to read:

290 **59-12-603 (Effective 07/01/04). County tax -- Bases -- Rates -- Use of revenues --**

291 **Collection -- Adoption of ordinance required -- Administration -- Distribution --**

292 **Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.**

293 (1) In addition to any other taxes, a county legislative body may, as provided in this
294 part, impose a [~~tourism, recreation, cultural, and convention~~] tax as follows:

295 (a) (i) a county legislative body of any county may impose a tax of not to exceed 3% on
296 all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and
297 rentals of motor vehicles made for the purpose of temporarily replacing a person's motor
298 vehicle that is being repaired pursuant to a repair or an insurance agreement;

299 (ii) beginning on or after January 1, 1999, a county legislative body of any county
300 imposing a tax under Subsection (1)(a)(i) may, in addition to imposing the tax under
301 Subsection (1)(a)(i), impose a tax of not to exceed 4% on all short-term leases and rentals of
302 motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for
303 the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to
304 a repair or an insurance agreement;

305 (b) (i) a county legislative body of any county may impose a tax of not to exceed 1%
306 [~~of~~] on all sales of prepared foods and beverages that are sold by restaurants; and

307 (ii) (A) beginning on or after July 1, 2004, a county legislative body of any county may
 308 impose a tax of not to exceed 1% on all sales of prepared foods and beverages that are sold by
 309 restaurants if the county legislative body imposes a tax under:

310 (I) Subsection (1)(b)(i); and

311 (II) Subsection (1)(c)(ii)(A); and

312 (B) the revenues generated by the tax authorized under Subsection (1)(b)(ii)(A) shall
 313 be expended as provided in Subsection (3):

314 (c) (i) a county legislative body of [any] a county of the first class may impose a tax of
 315 not to exceed [1/2% of the rent for every occupancy of a suite or room:] .5% on charges for the
 316 accommodations and services described in Subsection 59-12-103(1)(i); and

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

319 [(A) a person;]

320 [(B) a company;]

321 [(C) a corporation; or]

322 [(D) a person, group, or organization similar to Subsections (1)(c)(i)(A) through (C);
 323 and]

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

325 [(2) The revenue from the imposition of the taxes provided for in]

326 (ii) (A) beginning on or after July 1, 2004, a county legislative body of any county may
 327 impose a tax of not to exceed .5% on charges for the accommodations and services described
 328 in Subsection 59-12-103(1)(i) if the county legislative body imposes a tax under:

329 (I) for a county of the first class, Subsection (1)(b)(ii)(A) and Subsection (1)(c)(i); or

330 (II) for a county other than a county of the first class, Subsection (1)(b)(ii)(A); and

331 (B) the revenues generated by a tax authorized under Subsection (1)(c)(ii)(A) shall be
 332 expended as provided in Subsection (3).

333 (2) The revenues generated by a tax authorized under Subsections (1)(a) through (c)
 334 [may] shall be used for the purposes of financing:

335 (a) tourism promotion[; and];

336 (b) the development, operation, and maintenance of tourist, recreation, cultural, and
 337 convention facilities [as defined in Section 59-12-602.]; and

338 (c) sports facilities from revenues deposited into the General Fund as dedicated credits
339 as provided in Subsection (3).

340 ~~[(3) The tax imposed under Subsection (1)(c) shall be in addition to the transient room~~
341 ~~tax imposed under Part 3, Transient Room Tax, and may be imposed only by a county of the~~
342 ~~first class.]~~

343 (3) (a) (i) The revenues generated by the taxes authorized under Subsections
344 (1)(b)(ii)(A) and (1)(c)(ii)(A) within a county of the first class shall be expended as provided in
345 this Subsection (3)(a).

346 (ii) The commission shall for each month:

347 (A) deduct from the revenues described in Subsection (3)(a)(i) the administrative
348 charge described in Subsection (7)(c);

349 (B) after deducting the administrative charge as provided in Subsection (3)(a)(ii)(A),
350 deposit the county's proportionate share of \$62,500 into the General Fund as dedicated credits
351 as provided in Subsection (3)(c); and

352 (C) after making the deposit required by Subsection (3)(a)(ii)(B), distribute any
353 remaining revenues to the county within which the revenues were generated to be expended in
354 accordance with Subsection (3)(a)(iii).

355 (iii) A county described in Subsection (3)(a)(i) shall expend the revenues distributed to
356 that county in accordance with Subsection (3)(a)(ii)(C) as follows:

357 (A) the following shall be expended to fund a marketing and ticketing system designed
358 for tourism promotion for ski areas within the county:

359 (I) if the county received a distribution of at least \$750,000, at least \$750,000; or

360 (II) if the county received a distribution of less than \$750,000, the amount of the
361 distribution; and

362 (B) if there are revenues remaining after making the expenditure required by
363 Subsection (3)(a)(iii)(A), the county shall expend those revenues for one or more of the
364 purposes described in:

365 (I) Subsection (2)(a); or

366 (II) Subsection (2)(b).

367 (b) (i) The revenues generated by the taxes authorized under Subsections (1)(b)(ii)(A)
368 and (1)(c)(ii)(A) within a county other than a county of the first class shall be expended as

369 provided in this Subsection (3)(b).

370 (ii) The commission shall for each month:

371 (A) deduct from the revenues described in Subsection (3)(b)(i) the administrative
372 charge described in Subsection (7)(c):

373 (B) after deducting the administrative charge as provided in Subsection (3)(b)(ii)(A),
374 deposit the county's proportionate share of \$62,500 into the General Fund as dedicated credits
375 as provided in Subsection (3)(c); and

376 (C) after making the deposit required by Subsection (3)(b)(ii)(B), distribute any
377 remaining revenues to the county within which the revenues were generated to be expended in
378 accordance with Subsection (3)(b)(iii).

379 (iii) A county described in Subsection (3)(b)(i) shall expend the revenues distributed to
380 that county in accordance with Subsection (3)(b)(ii)(C) for one or more of the following
381 purposes:

382 (A) a purpose described in:

383 (I) Subsection (2)(a); or

384 (II) Subsection (2)(b); or

385 (B) to fund a marketing and ticketing system designed for tourism promotion for ski
386 areas within the county.

387 (c) (i) For a county within which a tax is imposed under Subsections (1)(b)(ii)(A) and
388 (1)(c)(ii)(A), the commission shall for each month:

389 (A) calculate the county's proportionate share of \$62,500 as provided in this Subsection
390 (3)(c); and

391 (B) deposit the proportionate share described in Subsection (3)(c)(i)(A) into the
392 General Fund as dedicated credits to be distributed to one or more sports facilities as provided
393 in Section 9-16-203.

394 (ii) The commission shall calculate a county's proportionate share of \$62,500 as
395 follows:

396 (A) the commission shall calculate the total amount of revenues generated by the taxes
397 authorized under Subsections (1)(b)(ii)(A) and (1)(c)(ii)(A) for:

398 (I) a calendar month; and

399 (II) all counties imposing the taxes authorized under Subsections (1)(b)(ii)(A) and

400 (1)(c)(ii)(A):

401 (B) after making the calculation required by Subsection (3)(c)(ii)(A), the commission
402 shall determine the percentage of revenues generated by the taxes authorized under Subsections
403 (1)(b)(ii)(A) and (1)(c)(ii)(A) within the county for the calendar month described in Subsection
404 (3)(c)(ii)(A) as compared to the total amount of revenues calculated under Subsection
405 (3)(c)(ii)(A); and

406 (C) the commission shall determine the county's proportionate share by calculating the
407 product of:

- 408 (I) the percentage calculated under Subsection (3)(c)(ii)(B); and
- 409 (II) \$62,500.

410 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), a tax imposed under this part
411 shall be levied at the same time and collected in the same manner as provided in Part 2, Local
412 Sales and Use Tax Act.

413 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
414 Subsections 59-12-205(2) through (5).

415 (b) A county legislative body may pledge a tax imposed under this part [~~may be~~
416 ~~pledged~~] as security for bonds, notes, or other evidences of indebtedness incurred by [a] the
417 county under Title 11, Chapter 14, Utah Municipal Bond Act, to finance tourism, recreation,
418 cultural, and convention facilities.

419 (5) (a) In order to impose the tax under Subsection (1), each county legislative body
420 shall annually adopt an ordinance imposing the tax.

421 (b) (i) The ordinance under Subsection (5)(a) shall include provisions substantially the
422 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
423 those items and sales described in Subsection (1).

424 (ii) A county legislative body imposing a tax under this part shall impose the tax as
425 provided in this section on the leases, rentals, and sales described in Subsection (1) relating to
426 the Olympic Winter Games of 2002 made to or by an organization exempt from federal income
427 taxation under Section 501(c)(3), Internal Revenue Code, except for leases, rentals, and sales
428 described in Subsection (1):

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

431 (B) exclusively used by:

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

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

436 (C) for which the Salt Lake Organizing Committee for the Olympic Winter Games of
437 2002 does not receive reimbursement.

438 (c) The name of the county as the taxing agency shall be substituted for that of the state
439 where necessary, and an additional license is not required if one has been or is issued under
440 Section 59-12-106.

441 (6) In order to maintain in effect its tax ordinance adopted under this part, each county
442 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
443 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
444 amendments to Part 1, Tax Collection.

445 (7) The commission shall:

446 (a) administer, collect, and enforce the tax authorized under this part pursuant to:

447 (i) the same procedures used to administer, collect, and enforce the sales and use tax
448 under Part 1, Tax Collection; and

449 (ii) Chapter 1, General Taxation Policies;

450 (b) (i) except as provided in Subsection (3) or (7)(c), for a tax under this part other than
451 the tax under Subsection (1)(a)(ii), distribute the revenues to the county imposing the tax; and

452 (ii) except as provided in Subsection (7)(c), for a tax under Subsection (1)(a)(ii),
453 distribute the revenues according to the distribution formula provided in Subsection (8); and

454 (c) deduct from the distributions under Subsection (7)(b) an administrative charge for
455 collecting the tax as provided in Section 59-12-206.

456 (8) The commission shall distribute the revenues generated by the tax under Subsection
457 (1)(a)(ii) to each county collecting a tax under Subsection (1)(a)(ii) according to the following
458 formula:

459 (a) the commission shall distribute 70% of the revenues based on the percentages
460 generated by dividing the revenues collected by each county under Subsection (1)(a)(ii) by the
461 total revenues collected by all counties under Subsection (1)(a)(ii); and

462 (b) the commission shall distribute 30% of the revenues based on the percentages
463 generated by dividing the population of each county collecting a tax under Subsection (1)(a)(ii)
464 by the total population of all counties collecting a tax under Subsection (1)(a)(ii).

465 (9) (a) For purposes of this Subsection (9):

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

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

469 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
470 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
471 change shall take effect:

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

473 (B) after a 90-day period beginning on the date the commission receives notice meeting
474 the requirements of Subsection (9)(b)(ii) from the county.

475 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

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

477 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

478 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

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

481 (c) (i) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
482 (9)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
483 first billing period:

484 (A) that begins after the effective date of the enactment of the tax or the tax rate
485 increase; and

486 (B) if the billing period for the transaction begins before the effective date of the
487 enactment of the tax or the tax rate increase imposed under Subsection (1).

488 (ii) Notwithstanding Subsection (9)(b)(i), for a transaction described in Subsection
489 (9)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
490 billing period:

491 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
492 and

493 (B) if the billing period for the transaction begins before the effective date of the repeal
494 of the tax or the tax rate decrease imposed under Subsection (1).

495 (iii) Subsections (9)(c)(i) and (ii) apply to transactions subject to a tax under:

496 (A) Subsection 59-12-103(1)(e);

497 (B) Subsection 59-12-103(1)(i); or

498 (C) Subsection 59-12-103(1)(k).

499 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
500 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
501 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

503 (B) after a 90-day period beginning on the date the commission receives notice meeting
504 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

505 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

506 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,
507 repeal, or change in the rate of a tax under this part for the annexing area;

508 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

509 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

510 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
511 (9)(d)(ii)(A), the rate of the tax described in Subsection (9)(d)(ii)(A).

512 (e) (i) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
513 (9)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the
514 first billing period:

515 (A) that begins after the effective date of the enactment of the tax or the tax rate
516 increase; and

517 (B) if the billing period for the transaction begins before the effective date of the
518 enactment of the tax or the tax rate increase imposed under Subsection (1).

519 (ii) Notwithstanding Subsection (9)(d)(i), for a transaction described in Subsection
520 (9)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last
521 billing period:

522 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
523 and

524 (B) if the billing period for the transaction begins before the effective date of the repeal
525 of the tax or the tax rate decrease imposed under Subsection (1).

526 (iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:

527 (A) Subsection 59-12-103(1)(e);

528 (B) Subsection 59-12-103(1)(i); or

529 (C) Subsection 59-12-103(1)(k).

530 **Section 10. Repealer.**

531 This bill repeals:

532 Section **59-12-601, Purpose statement.**

533 Section 11. **Effective date.**

534 This bill takes effect on July 1, 2004.

Legislative Review Note

as of **2-10-04 12:08 PM**

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0060

**Sports Development and Tourism, Recreation, Cultural,
Convention, and Sports Facilities Tax Amendments**

14-Feb-04
1:30 PM

State Impact

Passage of this bill could increase local revenues up to \$26,000,000. The Tax Commission would require an appropriation of \$153,900 in FY 2005 only from the General Fund Restricted Sales and Use Tax Administration Fee to implement the provisions of the bill.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
Sales Tax Admin. Fee	\$153,800	\$0	\$0	\$0
TOTAL	\$153,800	\$0	\$0	\$0

Individual and Business Impact

Individual impact would depend on the level of goods and services purchased.

Office of the Legislative Fiscal Analyst