

**Representative Todd E. Kiser** proposes the following substitute bill:

**TOURISM, RECREATION, CULTURAL, AND**

**CONVENTION FACILITIES TAX**

**AMENDMENTS**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Howard A. Stephenson**

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**LONG TITLE**

**General Description:**

This bill amends the Tourism, Recreation, Cultural, and Convention Facilities Tax part to address the expenditure of revenues generated by a tax under that part.

**Highlighted Provisions:**

This bill:

- ▶ requires a county of the first class to expend a certain amount of revenue from the imposition of a tax under the Tourism, Recreation, Cultural, and Convention Facilities Tax part to fund a marketing and ticketing system designed for tourism promotion for ski areas within the county; and

- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2005.

**Utah Code Sections Affected:**

AMENDS:

**59-12-603**, as last amended by Chapters 156 and 255, Laws of Utah 2004



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

Section 1. Section **59-12-603** is amended to read:

**59-12-603. County tax -- Bases -- Rates -- Use of revenues -- Collection -- Adoption of ordinance required -- Administration -- Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.**

(1) In addition to any other taxes, a county legislative body may, as provided in this part, impose a tax as follows:

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

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

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

(c) a county legislative body of any county may impose a tax of not to exceed .5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).

(2) (a) [~~The revenue~~] Subject to Subsection (2)(b), revenue from the imposition of the taxes provided for in Subsections (1)(a) through (c) may be used for the purposes of:

(i) financing tourism promotion[;]; and

(ii) the development, operation, and maintenance of tourist, recreation, cultural, and convention facilities as defined in Section 59-12-602.

(b) A county of the first class shall expend at least \$450,000 each year of the revenues from the imposition of a tax authorized by Subsection (1)(c) within the county to fund a marketing and ticketing system designed to:

(i) promote tourism in ski areas within the county by persons that do not reside within

57 the state; and

58 (ii) combine the sale of:

59 (A) ski lift tickets; and

60 (B) accommodations and services described in Subsection 59-12-103(1)(i).

61 (3) The tax imposed under Subsection (1)(c) shall be in addition to the tax imposed  
62 under Part 3, Transient Room Tax, and may be imposed only by a county of the first class.

63 (4) A tax imposed under this part may be pledged as security for bonds, notes, or other  
64 evidences of indebtedness incurred by a county under Title 11, Chapter 14, Utah Municipal  
65 Bond Act, to finance tourism, recreation, cultural, and convention facilities.

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

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

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

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

78 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part  
79 shall be administered, collected, and enforced in accordance with:

80 (A) the same procedures used to administer, collect, and enforce the tax under:

81 (I) Part 1, Tax Collection; or

82 (II) Part 2, Local Sales and Use Tax Act; and

83 (B) Chapter 1, General Taxation Policies.

84 (ii) Notwithstanding Subsection (7)(a)(i), a tax under this part is not subject to:

85 (A) Sections 59-12-107.1 through 59-12-107.3;

86 (B) Subsections 59-12-205(2) through (9); or

87 (C) Sections 59-12-207.1 through 59-12-207.4.

88 (b) Except as provided in Subsection (7)(c):

89 (i) for a tax under this part other than the tax under Subsection (1)(a)(ii), the  
90 commission shall distribute the revenues to the county imposing the tax; and

91 (ii) for a tax under Subsection (1)(a)(ii), the commission shall distribute the revenues  
92 according to the distribution formula provided in Subsection (8).

93 (c) Notwithstanding Subsection (7)(b), the commission shall deduct from the  
94 distributions under Subsection (7)(b) an administrative charge for collecting the tax as provided  
95 in Section 59-12-206.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

170 **Section 2. Effective date.**

171 This bill takes effect on July 1, 2005.