

Senator Scott K. Jenkins proposes the following substitute bill:

TRANSIENT ROOM TAXES AMENDMENTS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David Clark

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill amends the Sales and Use Tax Act relating to transient room taxes.

Highlighted Provisions:

This bill:

- ▶ increases the tax rate of the transient room tax for counties from a rate not to exceed 3% to a rate not to exceed 4.25%;
- ▶ addresses the expenditure of revenues generated by the transient room tax for counties;
- ▶ repeals the Transient Room Tax for Convention Facilities part; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an effective date.

Utah Code Sections Affected:

AMENDS:

17-31-2, as last amended by Chapter 159, Laws of Utah 2001

59-12-301, as last amended by Chapters 156 and 255, Laws of Utah 2004



26 REPEALS:

27 **59-12-1601**, as enacted by Chapter 296, Laws of Utah 2005

28 **59-12-1602**, as enacted by Chapter 296, Laws of Utah 2005

29 **59-12-1603**, as last amended by Chapter 10, Laws of Utah 2005, First Special Session

30 **59-12-1604**, as enacted by Chapter 296, Laws of Utah 2005

31

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

33 Section 1. Section **17-31-2** is amended to read:

34 **17-31-2. Purposes of transient room tax -- Purchase or lease of facilities --**

35 **Mitigating impacts of recreation, tourism, or conventions -- Issuance of bonds.**

36 (1) Any county legislative body may impose the transient room tax provided for in
37 Section 59-12-301 for the purposes of:

38 (a) establishing and promoting recreation, tourism, film production, and conventions;

39 (b) acquiring, leasing, constructing, furnishing, maintaining, or operating:

40 (i) convention meeting rooms[;];

41 (ii) exhibit halls[;];

42 (iii) visitor information centers[;];

43 (iv) museums[;];

44 (v) sports and recreation facilities including practice fields, stadiums, and arenas; and

45 (iv) related facilities;

46 (c) acquiring [or] land, leasing land, or making payments for construction or
47 infrastructure improvements required for or related to the purposes listed in Subsection (1)(b);

48 and

49 (d) as required to mitigate the impacts of recreation, tourism, or conventions in
50 counties of the fourth, fifth, and sixth class, paying for:

51 (i) solid waste disposal operations;

52 (ii) emergency medical services;

53 (iii) search and rescue activities; and

54 (iv) law enforcement activities.

55 (2) (a) [A] Except as provided in Subsection (2)(b), a county may [use] not expend
56 more than 1/3 of the [proceeds of] revenues generated by the transient room tax provided in

57 Section 59-12-301 for any combination of the following purposes:

58 ~~[(a)(i)]~~ (i) (A) acquiring, leasing, constructing, furnishing, maintaining, or operating:

59 ~~[(A)]~~ (I) convention meeting rooms;

60 ~~[(B)]~~ (II) exhibit halls;

61 ~~[(C)]~~ (III) visitor information centers;

62 ~~[(D)]~~ (IV) museums;

63 (V) sports and recreation facilities including practice fields, stadiums, and arenas; and

64 ~~[(E)]~~ (VI) related facilities; and

65 ~~[(ii)]~~ (B) acquiring ~~or~~ land, leasing land, or making payments for construction or
66 infrastructure improvements required for or related to the purposes described in Subsection
67 (2)(a)(i)(A);

68 ~~[(b)]~~ (ii) as required to mitigate the impacts of recreation, tourism, or conventions in
69 counties of the fourth, fifth, and sixth class, to pay for:

70 ~~[(i)]~~ (A) solid waste disposal operations;

71 ~~[(ii)]~~ (B) emergency medical services;

72 ~~[(iii)]~~ (C) search and rescue activities; and

73 ~~[(iv)]~~ (D) law enforcement activities; or

74 ~~[(e)]~~ (iii) making the annual payment of principal, interest, premiums, and necessary
75 reserves for any or the aggregate of bonds authorized under Subsection (3).

76 (b) If, on or after October 1, 2006, a county legislative body imposes a tax or increases
77 the rate of a tax in accordance with Section 59-12-301 at a rate that exceeds 3%, the county
78 legislative body may not expend more than 2/3 of the revenues generated by the portion of the
79 rate that exceeds 3% for any purpose described in Subsection (2)(a).

80 (3) (a) The county legislative body may issue bonds or cause bonds to be issued, as
81 permitted by law, to pay all or part of any costs incurred for the purposes set forth in
82 Subsection (2)(a)(i), (2)(a)(ii), or (2)(b) that are permitted to be paid from bond proceeds.

83 (b) ~~[When the proceeds of]~~ If the revenues generated by the transient room tax
84 provided in Section 59-12-301 are not needed for payment of principal, interest, premiums, and
85 reserves on bonds issued as provided in Subsection (2)~~[(c)]~~ (a)(iii), the county legislative body
86 shall ~~[use]~~ expend those ~~[proceeds]~~ revenues as provided in Subsection (1), subject to the
87 ~~[limitation]~~ limitations of Subsection (2).

88 Section 2. Section **59-12-301** is amended to read:

89 **59-12-301. Transient room tax -- Rate -- Enactment or repeal of tax -- Tax rate**
90 **change -- Effective date -- Notice requirements.**

91 (1) (a) Any county legislative body may impose a tax [~~of not to exceed 3%~~] on charges
92 for the accommodations and services described in Subsection 59-12-103(1)(i)[:] at a rate of not
93 to exceed:

94 (i) 3% beginning on or after May 13, 1975 and ending on September 30, 2006; or

95 (ii) 4.25% beginning on or after October 1, 2006.

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

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

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

101 (a) may increase or decrease the tax authorized under this part; and

102 (b) shall regulate the tax authorized under this part by ordinance.

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

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

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

107 (b) (i) Except as provided in Subsection (3)(c), if, on or after July 1, 2004, a county
108 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
109 change shall take effect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

148 (e) (i) Notwithstanding Subsection (3)(d)(i), for a transaction described in Subsection
149 (3)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the first day of the

150 first billing period:

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

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

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

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

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

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

164 Section 3. **Repealer.**

165 This bill repeals:

166 Section **59-12-1601, Title.**

167 Section **59-12-1602, Definitions.**

168 Section **59-12-1603, Tax -- Rate -- Purposes for which tax revenues may be**
169 **expended -- Enactment or repeal of tax -- Tax rate change -- Effective date -- Notice**
170 **requirements.**

171 Section **59-12-1604, Administration, collection, and enforcement of tax --**
172 **Administrative fee.**

173 Section 4. **Effective date.**

174 (1) The amendments in this bill to Sections 17-31-2 and 59-12-301 take effect on May
175 1, 2006.

176 (2) The repeal of Sections 59-12-1601 through 59-12-1604 takes effect on October 1,
177 2006.