

1 **TOURISM, RECREATION, CULTURAL, AND**
2 **CONVENTION FACILITIES TAX - ADVISORY BOARD**

3 2007 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Michael G. Waddoups**

6 House Sponsor: James A. Dunnigan

8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Tourism, Recreation, Cultural, and Convention Facilities Tax part.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ requires an advisory board to be established to advise a county of the first class on
14 the expenditure of revenues collected from a tax under Title 59, Chapter 12, Part 6,
15 Tourism, Recreation, Cultural, and Convention Facilities Tax; and

16 ▶ makes technical changes.

17 **Monies Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **59-12-603**, as last amended by Chapters 134 and 253, Laws of Utah 2006

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

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

27 **59-12-603. County tax -- Bases -- Rates -- Use of revenues -- Collection --**

28 **Adoption of ordinance required -- Advisory board -- Administration -- Distribution --**

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

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

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

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

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

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

46 (b) A tax imposed under Subsection (1)(a) is in addition to the transient room tax
47 authorized under Part 3, Transient Room Tax, and is subject to the audit provisions of Section
48 17-31-5.5.

49 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
50 for in Subsections (1)(a)(i) through (iii) may be used for the purposes of:

51 (i) financing tourism promotion; and

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

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

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

58 the state; and

59 (ii) combine the sale of:

60 (A) ski lift tickets; and

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

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

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

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

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

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

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

79 (7) (a) Regardless of whether a county of the first class creates a tourism tax advisory
80 board in accordance with Section 17-31-8, the county legislative body of the county of the first
81 class shall create a tax advisory board in accordance with this Subsection (7).

82 (b) The tax advisory board shall be composed of nine members appointed as follows:

83 (i) four members shall be appointed by the county legislative body of the county of the
84 first class as follows:

85 (A) one member shall be a resident of the unincorporated area of the county;

86 (B) two members shall be residents of the incorporated area of the county; and
87 (C) one member shall be a resident of the unincorporated or incorporated area of the
88 county; and
89 (ii) subject to Subsections (7)(c) and (d), five members shall be mayors of cities or
90 towns within the county of the first class appointed by an organization representing all mayors
91 of cities and towns within the county of the first class.
92 (c) Five members of the tax advisory board constitute a quorum.
93 (d) The county legislative body of the county of the first class shall determine:
94 (i) terms of the members of the tax advisory board;
95 (ii) procedures and requirements for removing a member of the tax advisory board;
96 (iii) voting requirements, except that action of the tax advisory board shall be by at
97 least a majority vote of a quorum of the tax advisory board;
98 (iv) chairs or other officers of the tax advisory board;
99 (v) how meetings are to be called and the frequency of meetings; and
100 (vi) the compensation, if any, of members of the tax advisory board.
101 (e) The tax advisory board under this Subsection (7) shall advise the county legislative
102 body of the county of the first class on the expenditure of revenues collected within the county
103 of the first class from the taxes described in Subsection (1)(a).
104 ~~[(7)]~~ (8) (a) (i) Except as provided in Subsection ~~[(7)]~~ (8)(a)(ii), a tax authorized under
105 this part shall be administered, collected, and enforced in accordance with:
106 (A) the same procedures used to administer, collect, and enforce the tax under:
107 (I) Part 1, Tax Collection; or
108 (II) Part 2, Local Sales and Use Tax Act; and
109 (B) Chapter 1, General Taxation Policies.
110 (ii) A tax under this part is not subject to Section 59-12-107.1 or Subsections
111 59-12-205(2) through (7).
112 (b) Except as provided in Subsection ~~[(7)]~~ (8)(c):
113 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the

114 commission shall distribute the revenues to the county imposing the tax; and

115 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenues
116 according to the distribution formula provided in Subsection [~~8~~] (9).

117 (c) Notwithstanding Subsection [~~7~~] (8)(b), the commission shall deduct from the
118 distributions under Subsection [~~7~~] (8)(b) an administrative charge for collecting the tax as
119 provided in Section 59-12-206.

120 [~~8~~] (9) The commission shall distribute the revenues generated by the tax under
121 Subsection (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according
122 to the following formula:

123 (a) the commission shall distribute 70% of the revenues based on the percentages
124 generated by dividing the revenues collected by each county under Subsection (1)(a)(i)(B) by
125 the total revenues collected by all counties under Subsection (1)(a)(i)(B); and

126 (b) the commission shall distribute 30% of the revenues based on the percentages
127 generated by dividing the population of each county collecting a tax under Subsection
128 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

129 [~~9~~] (10) (a) For purposes of this Subsection [~~9~~] (10):

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

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

133 (b) (i) Except as provided in Subsection [~~9~~] (10)(c), if, on or after July 1, 2004, a
134 county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
135 or change shall take effect:

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

137 (B) after a 90-day period beginning on the date the commission receives notice meeting
138 the requirements of Subsection [~~9~~] (10)(b)(ii) from the county.

139 (ii) The notice described in Subsection [~~9~~] (10)(b)(i)(B) shall state:

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

141 (B) the statutory authority for the tax described in Subsection [~~9~~] (10)(b)(ii)(A);

142 (C) the effective date of the tax described in Subsection [~~(9)~~] (10)(b)(ii)(A); and

143 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
144 [~~(9)~~] (10)(b)(ii)(A), the rate of the tax.

145 (c) (i) Notwithstanding Subsection [~~(9)~~] (10)(b)(i), for a transaction described in
146 Subsection [~~(9)~~] (10)(c)(iii), the enactment of a tax or a tax rate increase shall take effect on the
147 first day of the first billing period:

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

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

152 (ii) Notwithstanding Subsection [~~(9)~~] (10)(b)(i), for a transaction described in
153 Subsection [~~(9)~~] (10)(c)(iii), the repeal of a tax or a tax rate decrease shall take effect on the
154 first day of the last billing period:

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

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

159 (iii) Subsections [~~(9)~~] (10)(c)(i) and (ii) apply to transactions subject to a tax under:

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

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

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

163 (d) (i) Except as provided in Subsection [~~(9)~~] (10)(e), if, for an annexation that occurs
164 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
165 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
166 effect:

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

168 (B) after a 90-day period beginning on the date the commission receives notice meeting
169 the requirements of Subsection [~~(9)~~] (10)(d)(ii) from the county that annexes the annexing area.

- 170 (ii) The notice described in Subsection [~~9~~] (10)(d)(i)(B) shall state:
- 171 (A) that the annexation described in Subsection [~~9~~] (10)(d)(i) will result in an
- 172 enactment, repeal, or change in the rate of a tax under this part for the annexing area;
- 173 (B) the statutory authority for the tax described in Subsection [~~9~~] (10)(d)(ii)(A);
- 174 (C) the effective date of the tax described in Subsection [~~9~~] (10)(d)(ii)(A); and
- 175 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
- 176 [~~9~~] (10)(d)(ii)(A), the rate of the tax.
- 177 (e) (i) Notwithstanding Subsection [~~9~~] (10)(d)(i), for a transaction described in
- 178 Subsection [~~9~~] (10)(e)(iii), the enactment of a tax or a tax rate increase shall take effect on the
- 179 first day of the first billing period:
- 180 (A) that begins after the effective date of the enactment of the tax or the tax rate
- 181 increase; and
- 182 (B) if the billing period for the transaction begins before the effective date of the
- 183 enactment of the tax or the tax rate increase imposed under Subsection (1).
- 184 (ii) Notwithstanding Subsection [~~9~~] (10)(d)(i), for a transaction described in
- 185 Subsection [~~9~~] (10)(e)(iii), the repeal of a tax or a tax rate decrease shall take effect on the
- 186 first day of the last billing period:
- 187 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
- 188 and
- 189 (B) if the billing period for the transaction begins before the effective date of the repeal
- 190 of the tax or the tax rate decrease imposed under Subsection (1).
- 191 (iii) Subsections [~~9~~] (10)(e)(i) and (ii) apply to transactions subject to a tax under:
- 192 (A) Subsection 59-12-103(1)(e);
- 193 (B) Subsection 59-12-103(1)(i); or
- 194 (C) Subsection 59-12-103(1)(k).