

**TOURISM AMENDMENTS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Curtis S. Bramble**

House Sponsor: Stephen H. Urquhart

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**LONG TITLE**

**General Description:**

This bill modifies provisions of the Tourism Marketing Performance Account related to advertising, marketing, branding, and promoting Utah in attracting sporting events into the state.

**Highlighted Provisions:**

This bill:

- ▶ for the fiscal year beginning July 1, 2007, increases from 7.5% to 10% the allocation of Tourism Marketing Performance Account monies appropriated to the Governor's Office of Economic Development for advertising, marketing, branding, and promoting Utah in attracting sporting events into the state;
- ▶ removes the \$750,000 ceiling on the allocation; and
- ▶ makes certain technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63-38f-1411**, as last amended by Chapter 46, Laws of Utah 2006

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

29 Section 1. Section **63-38f-1411** is amended to read:

30 **63-38f-1411. Tourism Marketing Performance Account.**

31 (1) There is created within the General Fund a restricted account known as the Tourism  
32 Marketing Performance Account.

33 (2) The account shall be administered by the office for the purposes listed in  
34 Subsection (5).

35 (3) (a) The account shall earn interest.

36 (b) All interest earned on account monies shall be deposited into the account.

37 (c) Monies in the account are nonlapsing.

38 (4) The account shall be funded by appropriations made to the account by the  
39 Legislature in accordance with this section.

40 (5) The director may use account monies appropriated to the office to pay for the  
41 statewide advertising, marketing, and branding campaign for promotion of the state as  
42 conducted by the office.

43 (6) (a) For the fiscal year beginning July 1, [~~2005~~] 2007, the director shall allocate  
44 [~~7.5%~~] 10% of the account monies appropriated to the office[~~, but not to exceed \$750,000,~~] to  
45 be distributed to a sports organization for advertising, marketing, branding, and promoting  
46 Utah in attracting sporting events into the state as determined by the office.

47 (b) For a fiscal year beginning on or after July 1, [~~2006~~] 2008, the amount distributed  
48 under Subsection (6)(a) shall be indexed from the July 1, [~~2005~~] 2007 fiscal year to reflect a  
49 percent increase or decrease of monies set aside into the account as compared to the previous  
50 fiscal year.

51 (c) The monies distributed under Subsections (6)(a) and (b) are nonlapsing.

52 (d) The office shall provide for an annual accounting to the [~~director and the board~~]  
53 office by a sports organization of the use of monies it receives under Subsection (6)(a) or (b).

54 (e) For purposes of this Subsection (6), "sports organization" means an organization  
55 that is:

56 (i) exempt from federal income taxation in accordance with Section 501(c)(3), Internal  
57 Revenue Code; and

58 (ii) created to foster national and international amateur sports competitions to be held

59 in the state and sports tourism throughout the state, to include advertising, marketing, branding,  
60 and promoting Utah for the purpose of attracting sporting events into the state.

61 (7) (a) Monies set aside into the account shall be as follows:

62 (i) for the fiscal year beginning July 1, 2005 only, an amount appropriated in Section 7  
63 of this bill;

64 (ii) for the fiscal year beginning July 1, 2006:

65 (A) the beginning nonlapsing appropriation balances, if any, in the Tourism Marketing  
66 Performance Account;

67 (B) any legislative appropriation from the sales and use tax revenue increases identified  
68 in Subsection (8); and

69 (C) any appropriation made by the Legislature from the General Fund to the account in  
70 an appropriations bill; and

71 (iii) for the fiscal year beginning July 1, 2007, and for each fiscal year thereafter, a  
72 \$1,000,000 reduction in the prior year's appropriation sources other than the sales and use tax  
73 revenue increases identified in Subsection (8), plus a legislative appropriation from the  
74 cumulative sales and use tax revenue increases identified in Subsection (8).

75 (b) Monies in the account are nonlapsing.

76 (8) (a) In fiscal years 2006 through 2015, a portion of the state sales and use tax  
77 revenues determined under this Subsection (8) shall be certified as a set-aside for the account  
78 by the State Tax Commission and reported to the Office of Legislative Fiscal Analyst.

79 (b) The State Tax Commission shall determine the set-aside under this Subsection (8)  
80 in each fiscal year by applying the following formula: if the increase in the state sales and use  
81 tax revenues derived from the retail sales of tourist-oriented goods and services in the fiscal  
82 year two years prior to the fiscal year in which the set-aside is to be made for the account is at  
83 least 3% over the state sales and use tax revenues derived from the retail sales of  
84 tourist-oriented goods and services generated in the fiscal year three years prior to the fiscal  
85 year in which the set-aside is to be made, an amount equal to 1/2 of the state sales and use tax  
86 revenues generated above the 3% increase shall be calculated by the commission and set aside  
87 by the state treasurer for appropriation to the account.

88 (c) Total monies to be appropriated to the account in any fiscal year under Subsections  
89 (8)(a) and (b) may not exceed the amount in the account under this section in the fiscal year

90 immediately preceding the current fiscal year by more than \$3,000,000.

91 (d) As used in this Subsection (8), "sales of tourism-oriented goods and services" are  
92 those sales by businesses registered with the State Tax Commission under the following codes  
93 of the 1997 North American Industry Classification System of the federal Executive Office of  
94 the President, Office of Management and Budget:

95 (i) NAICS Code 453 Miscellaneous Store Retailers;

96 (ii) NAICS Code 481 Passenger Air Transportation;

97 (iii) NAICS Code 487 Scenic and Sightseeing Transportation;

98 (iv) NAICS Code 711 Performing Arts, Spectator Sports and Related Industries;

99 (v) NAICS Code 712 Museums, Historical Sites and Similar Institutions;

100 (vi) NAICS Code 713 Amusement, Gambling and Recreation Industries;

101 (vii) NAICS Code 721 Accommodations;

102 (viii) NAICS Code 722 Food Services and Drinking Places;

103 (ix) NAICS Code 4483 Jewelry, Luggage, and Leather Goods Stores;

104 (x) NAICS Code 4853 Taxi and Limousine Service;

105 (xi) NAICS Code 4855 Charter Bus;

106 (xii) NAICS Code 5615 Travel Arrangement and Reservation Services;

107 (xiii) NAICS Code 44611 Pharmacies and Drug Stores;

108 (xiv) NAICS Code 45111 Sporting Goods Stores;

109 (xv) NAICS Code 45112 Hobby Toy and Game Stores;

110 (xvi) NAICS Code 45121 Book Stores and News Dealers;

111 (xvii) NAICS Code 445120 Convenience Stores without Gas Pumps;

112 (xviii) NAICS Code 447110 Gasoline Stations with Convenience Stores;

113 (xix) NAICS Code 447190 Other Gasoline Stations;

114 (xx) NAICS Code 532111 Passenger Car Rental; and

115 (xxi) NAICS Code 532292 Recreational Goods Rental.

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**Legislative Review Note**  
**as of 1-25-07 10:05 AM**

**Office of Legislative Research and General Counsel**

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**S.B. 198 - Tourism Amendments**

**Fiscal Note**

2007 General Session  
State of Utah

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**State Impact**

While enactment of this bill will not require additional appropriations, there could be some categorical funding shifts within allocations.

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**Individual, Business and/or Local Impact**

Individuals, businesses, or local governments could be impacted due some potential categorical funding shifts within allocations.

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*1/30/2007, 5:21:52 PM, Lead Analyst: Wilko, A.*

**Office of the Legislative Fiscal Analyst**