

Senator Scott K. Jenkins proposes the following substitute bill:

1 **TOURISM MARKETING PERFORMANCE ACCOUNT**

2 **AMENDMENTS**

3 2014 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Brad R. Wilson**

6 Senate Sponsor: Scott K. Jenkins

7
8 **LONG TITLE**

9 **General Description:**

10 This bill modifies Title 63M, Chapter 1, Governor's Office of Economic Development,
11 by amending provisions related to the Tourism Marketing Performance Account and
12 related provisions.

13 **Highlighted Provisions:**

14 This bill:

14a **⚡→ ▶ modifies requirements related to a sports organization receiving money from the**
14b **Tourism Marketing Performance Account; ←⚡**

15 ▶ extends from fiscal year 2015 to fiscal year 2019 the number of years that growth in
16 tourism-oriented sales tax revenue is calculated as part of a formula to potentially
17 increase annual funding for the Tourism Marketing Performance Account;

18 ▶ requires certain one-time reporting by the Governor's Office of Economic
19 Development;

20 ▶ provides for the repeal of the one-time reporting requirement; and

21 ▶ makes technical changes.

22 **Money Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **63I-2-263**, as last amended by Laws of Utah 2013, Second Special Session, Chapters 1
29 and 230 **63M-1-1406**, as last amended by Laws of Utah 2011, Chapters 303 and 34231

32 *Be it enacted by the Legislature of the state of Utah:*33 Section 1. Section **63I-2-263** is amended to read:34 **63I-2-263. Repeal dates, Title 63A to Title 63M.**35 (1) Section **63A-1-115** is repealed on July 1, 2014.36 (2) Subsection **63J-1-218(3)** is repealed on December 1, 2013.37 (3) Subsection **63J-1-218(4)** is repealed on December 1, 2013.38 (4) Subsection **63M-1-903(1)(d)** is repealed on July 1, 2015.39 (5) Subsection **63M-1-1406(9)** is repealed on January 1, 2015.40 Section 2. Section **63M-1-1406** is amended to read:41 **63M-1-1406. Tourism Marketing Performance Account.**42 (1) There is created within the General Fund a restricted account known as the Tourism
43 Marketing Performance Account.44 (2) The account shall be administered by the office for the purposes listed in
45 Subsection (5).

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

47 (b) All interest earned on account money shall be deposited into the account.

48 (4) The account shall be funded by appropriations made to the account by the
49 Legislature in accordance with this section.50 (5) The director [~~may~~] shall use account money appropriated to the office to pay for the
51 statewide advertising, marketing, and branding campaign for promotion of the state as
52 conducted by the office.53 (6) (a) For ~~the~~ a ~~fiscal year beginning~~ on or after ~~July 1, 2007,~~ the ~~director~~
53a office shall annually allocate 10% of the
54 account money appropriated to the office ~~to be distributed~~ to a sports organization for
55 advertising, marketing, branding, and promoting Utah in attracting sporting events into the
56 state ~~as determined by the office.~~

57 ~~Ŝ→ [(b) For a fiscal year beginning on or after July 1, 2008, the amount distributed under~~
58 ~~Subsection (6)(a) shall be indexed from the July 1, 2007 fiscal year to reflect a percent increase~~
59 ~~or decrease of money set aside into the account as compared to the previous fiscal year.] ←Ŝ~~
60 ~~Ŝ→ [(c)] (b) ←Ŝ~~ ~~Ŝ→ [The office shall provide for an annual accounting to the office by a~~
60a ~~sports~~
61 ~~organization of the use of money it receives under Subsection (6)(a) or (b).] The sports organization~~
61a ~~shall:~~
61b ~~(i) provide an annual written report to the office that gives a complete accounting of the use of~~
61c ~~money the sports organization receives under this Subsection (6); and~~
61d ~~(ii) partner with the office to promote the state and to encourage economic growth in the state.~~
61e ~~←Ŝ~~

62 ~~Ŝ→ [(d)] (c) ←Ŝ~~ For purposes of this Subsection (6), "sports organization" means an
62a organization
63 that is:
64 (i) exempt from federal income taxation in accordance with Section 501(c)(3), Internal
65 Revenue Code; and
66 (ii) ~~Ŝ→ [created to foster national and international amateur sports competitions to be held~~
67 ~~in the state and sports tourism throughout the state, to include advertising, marketing, branding,~~
68 ~~and promoting Utah for the purpose of attracting sporting events into the state.] created to foster~~
68a ~~national and international sports competitions in the state, including competitions related to~~
68b ~~Olympic sports, and to promote and encourage sports tourism throughout the state, including~~
68c ~~advertising, marketing, branding, and promoting Utah for the purpose of attracting sporting~~
68d ~~events into the state. ←Ŝ~~

69 (7) Money deposited into the account shall consist of a legislative appropriation from
70 the cumulative sales and use tax revenue increases identified in Subsection (8), plus any
71 appropriation made by the Legislature.

72 (8) (a) In fiscal years 2006 through ~~[2015]~~ 2019, a portion of the state sales and use tax
73 revenues determined under this Subsection (8) shall be certified as a set-aside for the account
74 by the State Tax Commission and reported to the Office of Legislative Fiscal Analyst.

75 (b) The State Tax Commission shall determine the set-aside under this Subsection (8)
76 in each fiscal year by applying the following formula: if the increase in the state sales and use
77 tax revenues derived from the retail sales of tourist-oriented goods and services₂ in the fiscal
78 year two years prior to the fiscal year in which the set-aside is to be made for the account₂ is at
79 least 3% over the state sales and use tax revenues derived from the retail sales of
80 tourist-oriented goods and services generated in the fiscal year three years prior to the fiscal
81 year in which the set-aside is to be made, an amount equal to 1/2 of the state sales and use tax
82 revenues generated above the 3% increase shall be calculated by the commission and set aside

83 by the state treasurer for appropriation to the account.

84 (c) [~~Total~~] The total money [~~to be~~] appropriated to the account in any fiscal year under
85 Subsections (8)(a) and (b) may not exceed the amount in the account under this section in the
86 fiscal year immediately preceding the current fiscal year by more than \$3,000,000.

87 (d) As used in this Subsection (8), "sales of [~~tourism-oriented~~] tourist-oriented goods

88 and services" are those sales by businesses registered with the State Tax Commission under the
89 following codes of the 1997 North American Industry Classification System of the federal
90 Executive Office of the President, Office of Management and Budget:

- 91 (i) NAICS Code 453 Miscellaneous Store Retailers;
- 92 (ii) NAICS Code 481 Passenger Air Transportation;
- 93 (iii) NAICS Code 487 Scenic and Sightseeing Transportation;
- 94 (iv) NAICS Code 711 Performing Arts, Spectator Sports and Related Industries;
- 95 (v) NAICS Code 712 Museums, Historical Sites and Similar Institutions;
- 96 (vi) NAICS Code 713 Amusement, Gambling and Recreation Industries;
- 97 (vii) NAICS Code 721 Accommodations;
- 98 (viii) NAICS Code 722 Food Services and Drinking Places;
- 99 (ix) NAICS Code 4483 Jewelry, Luggage, and Leather Goods Stores;
- 100 (x) NAICS Code 4853 Taxi and Limousine Service;
- 101 (xi) NAICS Code 4855 Charter Bus;
- 102 (xii) NAICS Code 5615 Travel Arrangement and Reservation Services;
- 103 (xiii) NAICS Code 44611 Pharmacies and Drug Stores;
- 104 (xiv) NAICS Code 45111 Sporting Goods Stores;
- 105 (xv) NAICS Code 45112 Hobby Toy and Game Stores;
- 106 (xvi) NAICS Code 45121 Book Stores and News Dealers;
- 107 (xvii) NAICS Code 445120 Convenience Stores without Gas Pumps;
- 108 (xviii) NAICS Code 447110 Gasoline Stations with Convenience Stores;
- 109 (xix) NAICS Code 447190 Other Gasoline Stations;
- 110 (xx) NAICS Code 532111 Passenger Car Rental; and
- 111 (xxi) NAICS Code 532292 Recreational Goods Rental.

112 (e) The Division of Finance shall for each fiscal year transfer the first \$6,000,000 of
113 ongoing money in the account to the General Fund.

114 (9) By October 1, 2014, the office shall provide a written report to the Economic
115 Development and Workforce Services Interim Committee containing:

116 (a) a recommendation, based on economic modeling, for an updated definition of
117 "sales of tourist-oriented goods and services" to replace the definition in Subsection (8)(d); and

118 (b) information describing the extent to which the state benefits annually from

119 activities funded by the Tourism Marketing Performance Account.