

**MINUTES OF THE HOUSE  
ECONOMIC DEVELOPMENT AND  
WORKFORCE SERVICES STANDING COMMITTEE**

Room 25 House Building  
February 18, 2014

**Members Present:** Rep. Becky Edwards, Chair  
Rep. Rich Cunningham, Vice Chair  
Rep. Jim Bird  
Rep. Richard A. Greenwood  
Rep. Lynn N. Hemingway  
Rep. Bradley G. Last  
Rep. Rhonda Rudd Menlove  
Rep. Merrill F. Nelson  
Rep. Curt Oda  
Rep. Angela Romero  
Rep. Brad R. Wilson

**Staff Present:** Ben Christensen, Policy Analyst  
Rosemary Young, Committee Secretary

**Note:** A list of visitors and a copy of handouts are filed with the committee minutes.

Vice Chair Cunningham called the meeting to order at 2:20 p.m.

**MOTION:** Rep. Oda moved to approve the minutes of the February 14, 2014 meeting. The motion passed unanimously.

**H.B. 356**      **New Convention Hotel Development Incentive Provisions** (*Rep. B. Wilson*)

**MOTION:** Rep. Wilson moved to amend H.B. 356 as follows:

1. *Page 3, Lines 70 through 71:*

70            (3) in the amount of 5% of the state portion, as defined in Section [63M-1-3402](#) {  
[of the](#)  
71 [tax credit, as defined in Section 63M-1-3402, awarded by the tax credit certificate](#) }

2. *Page 3, Lines 75 through 81:*

75            {~~(a) "Eligibility period" has the same meaning as defined in Section~~  
~~[63M-1-3402.](#)~~}  
76            {~~(b)~~}      (a) "Office" means the Governor's Office of Economic Development.  
77            {~~(c)~~}      (b) "Pass-through entity" has the same meaning as defined in Section

- 78            59-10-1402.  
              ~~{(d)}~~    (c)    "Pass-through entity taxpayer" has the same meaning as defined in  
              Section
- 79            59-10-1402.
- 80            ~~{(e)}~~    (d)    "Tax credit certificate" has the same meaning as defined in Section  
              63M-1-3402.
- 81            ~~{(f)}~~    (e)    "Tax credit recipient" has the same meaning as defined in Section  
              63M-1-3402.

3. *Page 4, Lines 110 through 116:*

- 110            ~~{(a) "Eligibility period" has the same meaning as defined in Section~~  
              ~~63M-1-3402.}~~
- 111            ~~{(b)}~~    (a)    "Office" means the Governor's Office of Economic Development.
- 112            ~~{(c)}~~    (b)    "Pass-through entity" has the same meaning as defined in Section  
              59-10-1402.
- 113            ~~{(d)}~~    (c)    "Pass-through entity taxpayer" has the same meaning as defined in  
              Section
- 114            59-10-1402.
- 115            ~~{(e)}~~    (d)    "Tax credit certificate" has the same meaning as defined in Section  
              63M-1-3402.
- 116            ~~{(f)}~~    (e)    "Tax credit recipient" has the same meaning as defined in Section  
              63M-1-3402.

4. *Page 7, Line 199:*

- 199            (ii) ends :  
              (A) for purposes of the state portion, 20 years after the date of initial occupancy  
              of that qualified hotel; or  
              (B) for purposes of the local portion, 25 years after the date of initial  
              occupancy of that hotel; or

5. *Page 8, Line 221:*

- 221            (10) "Local portion" means :  
              (a) the portion of new tax revenue that is not the state portion ~~{(c)}~~ ; and  
              (b) incremental property tax revenue.

6. *Page 8, Line 226:*

226 subcontractors; {~~and~~}

7. *Page 8, Line 228:*

228 and Use Tax Act, on transactions occurring on hotel property during the eligibility period {~~-~~} ; and

(c) all incremental new revenue generated from a tax under Title 59, Chapter 12, Sales and Use Tax Act, on transactions by a third-party seller occurring other than on hotel property during the eligibility period, if:

(i) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act; and

(ii) the third-party seller voluntarily consents to the disclosure of information to the office, as provided in Subsection 63M-1-3405(1)(b)(i)(E).

8. *Page 9, Line 260:*

260 certificate.

(22) "Third-party seller" means a person who is a seller in a transaction:

(a) occurring other than on hotel property;

(b) that is:

(i) the sale, rental, or lease of a room or of convention or exhibit space or other facilities on hotel property; or

(ii) the sale of tangible personal property or a service on hotel property; and

(c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.

9. *Page 12, Lines 346 through 347:*

346 {~~and~~}

(E) a document in which a third-party seller expressly and voluntarily directs and authorizes the commission to disclose to the office the third-party seller's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code, and that shows the amount of tax under Title 59, Chapter 12, Sales and Use Tax Act, that the third-party seller has collected in a transaction occurring other than on hotel property for the sale, rental, or lease of a room or of convention or exhibit space or other facilities on hotel property or for the sale of tangible personal property or a service on hotel property; and

347            {~~(E)~~}    (F)    documentation verifying that the qualified hotel owner has

satisfied the

10. *Page 15, Lines 455 through 458:*

455            {~~(G) The Division of Finance shall:~~  
456    ~~—(a) certify money deposited into the account as set aside for the account; and~~  
457    ~~—(b) report money deposited into the account to the Office of the Legislative~~  
              Fiscal  
458    Analyst.}

11. *Page 16, Line 465:*

465    meeting space on hotel property , including any associated labor and overhead ; or

The motion passed unanimously with Rep. Bird, Rep. Greenwood, Rep. Oda, and Rep. Romero absent for the vote.

Rep. Wilson explained the bill to the committee assisted by:

Christina Oliver, Salt Lake County Economic Development Director  
Ken Bullock, Utah League of Cities and Towns  
Ben McAdams, Salt Lake County Mayor  
Linda Wardell, City Creek Center  
Scott Beck, Visit Salt Lake

**MOTION:** Rep. Bird moved to amend H.B. 356 as follows:

1. *Page 1, Line 1:*

1    NEW CONVENTION    {~~HOTEL~~}    FACILITY    DEVELOPMENT INCENTIVE

2. *Page 1, Lines 11 through 15:*

11           This bill enacts provisions relating to incentives for the development of a new  
12    convention    {~~hotel~~}    facility .

13    Highlighted Provisions:

14           This bill:

15           ▶    enacts the New Convention    {~~Hotel~~}    Facility    Development Incentive



17 to the Government Operations Interim Committee and the Economic Development and Workforce Services Interim Committee .

The motion passed unanimously with Rep. Greenwood, Rep. Oda, and Rep. Wilson absent for the vote.

Rep. Menlove explained the bill to the committee.

**MOTION:** Rep. Last moved to pass out favorably H.B. 197. The motion passed with Rep. Nelson and Rep. Hemingway voting in opposition and Rep. Greenwood, Rep. Oda, and Rep. Wilson absent for the vote.

**MOTION:** Rep. Bird moved to adjourn. The motion passed unanimously with Rep. Greenwood, Rep. Oda, and Rep. Wilson absent for the vote.

Vice Chair Cunningham adjourned the meeting at 4:05 P.M.

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Rep. Becky Edwards, Chair