

119 (f) Subsection 59-12-603(1)(a)(ii):

120 (g) Subsection 59-12-603(1)(a)(iii); or

121 (h) Section 59-12-1102.

122 ~~[(11)]~~ (19) "New tax revenue" means[-] construction revenue, offsite revenue, and  
 123 onsite revenue.

124 ~~[(a) all new revenue generated from a tax under Title 59, Chapter 12, Sales and Use~~  
 125 ~~Tax Act, on transactions occurring during the eligibility period as a result of the construction of~~  
 126 ~~the hotel property, including purchases made by a qualified hotel owner and its subcontractors;]~~

127 ~~[(b) all new revenue generated from a tax under Title 59, Chapter 12, Sales and Use~~  
 128 ~~Tax Act, on transactions occurring on hotel property during the eligibility period; and]~~

129 ~~[(c) all new]~~ (20) "Offsite revenue" means revenue generated from [a tax under Title  
 130 59, Chapter 12, Sales and Use Tax Act,] state taxes and local taxes imposed on transactions by  
 131 a third-party seller occurring other than on hotel property during the eligibility period, if:

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

134 (ii) the third-party seller voluntarily consents to the disclosure of information to the  
 135 office, as provided in Subsection 63M-1-3405 ~~§~~→ ~~[(11)]~~ (2) ←~~§~~ (b)(i)(E).

136 (21) "Onsite revenue" means revenue generated from state taxes and local taxes  
 137 imposed on transactions occurring on hotel property during the eligibility period.

138 ~~[(12)]~~ (22) "Public infrastructure" means:

139 (a) water, sewer, storm drainage, electrical, telecommunications, and other similar  
 140 systems and lines;

141 (b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public  
 142 transportation facilities; and

143 (c) other buildings, facilities, infrastructure, and improvements that benefit the public.

144 ~~[(13)]~~ (23) "Qualified hotel" means a full-service hotel development constructed in the  
 145 state on or after July 1, 2014 that:

146 (a) requires a significant capital investment;

147 (b) includes at least 85 square feet of convention, exhibit, and meeting space per guest  
 148 room; and

149 (c) is located within 1,000 feet of a convention center that contains at least 500,000

212 (B) \$75,000,000 in the aggregate for ~~[any tax credit recipient]~~ the qualified hotel owner  
 213 or host local government during an eligibility period, calculated as though the two \$1,900,000  
 214 reductions of the tax credit amount under Subsection (1)(b)(iv) had not occurred; and

215 (ii) specify the maximum percentage of the state portion ~~[of new tax revenue]~~ that may  
 216 be used in calculating ~~[a tax credit that a tax credit recipient]~~ the portion of the convention  
 217 incentive that the qualified hotel owner or host local government may receive during the  
 218 eligibility period for each ~~[taxable]~~ calendar year and in the aggregate;

219 (e) establish a shorter period of time than the period described in Subsection  
 220 63M-1-3402(5)(a) during which the ~~[tax credit recipient may claim a tax credit]~~ qualified hotel  
 221 owner or host local government may claim the convention incentive or that the host agency  
 222 may be paid incremental property tax revenue, if the office and qualified hotel owner or host  
 223 local government agree to a shorter period of time;

224 (f) require the ~~[tax credit recipient]~~ qualified hotel owner to retain books and records  
 225 supporting a claim for ~~[a tax credit]~~ the convention incentive as required by Section 59-1-1406;

226 (g) allow the transfer of the agreement to a third party if the third party assumes all  
 227 liabilities and responsibilities in the agreement;

228 (h) limit the expenditure of funds received under ~~[a tax credit]~~ the convention incentive  
 229 as provided in Section 63M-1-3412; and

230 (i) require the ~~[tax credit recipient]~~ qualified hotel owner or host local government to  
 231 submit to any audit and to provide any audit level attestation or other level of review the office  
 232 considers appropriate for verification of any ~~[tax credit or claimed tax credit]~~ claim.

233 (3) Notwithstanding any other provision of law, a county or city in which a qualified  
 234 hotel is located may contribute property to the qualified hotel owner or host local government  
 235 without consideration ~~§→ [or partially or completely in lieu of money that the county or city would~~  
 236 ~~have otherwise paid to the qualified hotel owner or host local government as part of a~~  
 237 ~~convention incentive or as incremental property tax revenue]~~ ~~←§~~ , to be used as provided in  
 238 Subsection 63M-1-3408(3)(a).

239 Section 3. Section 63M-1-3403.5 is enacted to read:

240 **63M-1-3403.5. Convention Incentive Fund.**

241 (1) There is created an expendable special revenue fund known as the Convention  
 242 Incentive Fund.

274 Section 4. Section **63M-1-3404** is amended to read:

275 **63M-1-3404. Independent review committee.**

276 (1) In accordance with rules adopted by the office under Section

276a ~~§~~→ ~~[63M-1-3408]~~ 63M-1-3409 ←~~§~~ , the

277 board shall establish a separate, independent review committee to~~[:]~~ provide recommendations  
278 to the office regarding the terms and conditions of an agreement and to consult with the office  
279 as provided in this part or in rule.

280 ~~[(a) review each initial tax credit application submitted under this part for compliance~~  
281 ~~with the requirements of this part and the agreement; and]~~

282 ~~[(b) consult with the office, as provided in this part.]~~

283 (2) The review committee shall consist of:

284 (a) one member appointed by the director to represent the office;

285 (b) two members appointed by the mayor or chief executive of the county in which the  
286 qualified hotel is located or proposed to be located;

287 (c) two members appointed by:

288 (i) the mayor of the municipality in which the qualified hotel is located or proposed to  
289 be located, if the qualified hotel is located or proposed to be located within the boundary of a  
290 municipality; or

291 (ii) the mayor or chief executive of the county in which the qualified hotel is located or  
292 proposed to be located, in addition to the two members appointed under Subsection (2)(b), if  
293 the qualified hotel is located or proposed to be located outside the boundary of a municipality;

294 (d) an individual representing the hotel industry, appointed by the Utah Hotel and  
295 Lodging Association;

296 (e) an individual representing the commercial development and construction industry,  
297 appointed by the president or chief executive officer of the local chamber of commerce;

298 (f) an individual representing the convention and meeting planners industry, appointed  
299 by the president or chief executive officer of the local convention and visitors bureau; and

300 (g) one member appointed by the board.

301 (3) (a) A member serves an indeterminate term and may be removed from the review  
302 committee by the appointing authority at any time.

303 (b) A vacancy may be filled in the same manner as an appointment under Subsection  
304 (2).

336 subcontractors, as applicable, expressly direct and authorize the commission to disclose to the  
 337 office the tax returns and other information of those vendors, lessees, or subcontractors that  
 338 would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal  
 339 Revenue Code;

340 ~~[(F)]~~ (F) a document in which a third-party seller expressly and voluntarily directs and  
 341 authorizes the commission to disclose to the office the third-party seller's tax returns and other  
 342 information that would otherwise be subject to confidentiality under Section 59-1-403 or  
 343 Section 6103, Internal Revenue Code; ~~[and]~~

344 ~~[(F)]~~ (G) documentation verifying that the qualified hotel owner is in compliance with  
 345 the terms of the agreement; and

346 (H) any other documentation that the agreement or office requires; and

347 (ii) for an application submitted by a host local government, documentation of the new  
 348 tax revenue generated during the preceding year;

349 (c) if the host local government intends to assign the ~~[tax credit sought in the tax credit~~  
 350 ~~application]~~ convention incentive to a community development and renewal agency~~[-(i) the~~  
 351 ~~taxpayer identification number of the community development and renewal agency; and (ii)]~~, a  
 352 document signed by the governing body members of the community development and renewal  
 353 agency that expressly directs and authorizes the commission to disclose to the office the  
 354 agency's tax returns and other information that would otherwise be subject to confidentiality  
 355 under Section 59-1-403 or Section 6103, Internal Revenue Code; and

356 (d) ~~[a statement provided by]~~ an audit level attestation, or other level of review  
 357 approved by the office, from an independent certified public accountant, [at the tax credit  
 358 applicant's expense] hired by the claimant, attesting to the accuracy [of the documentation of  
 359 new tax revenue] and validity of the amount of the state portion and the local portion being  
 360 claimed by the claimant.

361 ~~[(2)]~~ (3) (a) The office shall submit to the commission the documents described in  
 362 Subsections ~~[(1)]~~ (2)(b)(i)(C), (D), and (E) and ~~[(1)]~~ (2)(c) ~~§~~ → ~~[(1)]~~ ← ~~§~~ authorizing disclosure of  
 362a the tax  
 363 returns and other information.

364 (b) Upon receipt of the documents described in Subsection ~~[(2)]~~ (3)(a), the commission  
 365 shall provide to the office the tax returns and other information described in those documents.

366 ~~[(3)]~~ (4) If the office determines that the tax returns and other information ~~[is]~~ are

398 (ii) the location of the transactions generating the construction revenue and offsite  
 399 revenue, as determined under Sections [59-12-211](#), [59-12-211.1](#), [59-12-212](#), [59-12-213](#),  
 400 [59-12-214](#), and [59-12-215](#); and

401 (iii) the type of sales or use tax that constitutes the construction revenue of offsite  
 402 revenue described in Subsection (7)(b)(ii); and

403 (c) any other information the commission requires.

404 Section 6. Section **63M-1-3407** is amended to read:

405 **63M-1-3407. Assigning convention incentive.**

406 (1) A host local government that enters into an agreement with the office may, by  
 407 resolution, assign a [~~tax credit~~] convention incentive to a community development and renewal  
 408 agency, in accordance with rules adopted by the office.

409 (2) A host local government that adopts a resolution assigning a [~~tax credit~~] convention  
 410 incentive under Subsection (1) shall provide a copy of the resolution to the office [~~and the~~  
 411 commission].

412 Section 7. Section **63M-1-3408** is amended to read:

413 **63M-1-3408. Payment of incremental property tax revenue.**

414 (1) As used in this section:

415 (a) "Displaced tax increment" means the amount of tax increment that a county would  
 416 have paid to the host agency ~~§→~~, ~~←§~~ except for Subsection (2)(b) ~~§→~~, **from tax increment**  
 416a **revenue generated from the project area in which the hotel property is located** ~~←§~~ .

416b ~~§→~~ **(b) "Secured obligations" means bonds or other obligations of a host agency for the**  
 416c **payment of which the host agency has, before March 13, 2015, pledged tax increment**  
 416d **generated from the project area in which the hotel property is located.** ~~←§~~

417 ~~§→~~ ~~(b)~~ **(c)** ~~←§~~ "Tax increment" means the same as that term is defined in Section  
 417a [17C-1-102](#).

417b ~~§→~~ **(d) "Tax increment shortfall" means the amount of displaced tax increment a host**  
 417c **agency needs to receive, in addition to any other tax increment the host agency receives from**  
 417d **the project area in which the hotel property is located, to provide the host agency sufficient tax**  
 417e **increment funds to be able to pay the debt service on its secured obligations.** ~~←§~~

418 [~~(+)~~] ~~(2)~~ (a) In accordance with rules adopted by the office ~~§→~~ **and subject to Subsection**  
 418a **(5)** ~~←§~~ , [a host agency shall be  
 419 paid] a county in which a qualified hotel is located shall retain incremental property tax  
 420 revenue during the eligibility period.

421 (b) The amount of incremental property tax revenue that a county retains under

422 Subsection (2)(a) for a taxable year reduces by that amount any tax increment that the county  
423 would otherwise have paid to the host agency for that year ~~§~~ , subject to Subsection (5) ~~←§~~ .  
424 (c) For any taxable year in which a reduction of tax increment occurs as provided in  
425 Subsection (2)(b), the county shall provide the host agency a notice that:  
426 (i) states the amount of displaced tax increment for that year;  
427 (ii) states the number of years remaining in the eligibility period;  
428 (iii) provides a detailed accounting of how the displaced tax increment was used; and

429 (iv) explains how the displaced tax increment will be used in the following taxable  
 430 year.

431 ~~[(b)]~~ (3) Incremental property tax revenue may be used only for:

432 ~~[(i)]~~ (a) the purchase of or payment for, or reimbursement of a previous purchase of or  
 433 payment for:

434 ~~[(A)]~~ (i) tangible personal property used in the construction of convention, exhibit, or  
 435 meeting space on hotel property;

436 ~~[(B)]~~ (ii) tangible personal property that, upon the construction of hotel property,  
 437 becomes affixed to hotel property as real property; or

438 ~~[(C)]~~ (iii) any labor and overhead costs associated with the construction described in  
 439 Subsections ~~[(1)(b)(i)(A) and (B)]~~ (3)(a)(i) and (ii); and

440 ~~[(ii)]~~ (b) public infrastructure~~[-and]~~.

441 ~~[(iii) other purposes as approved by the host agency.]~~

442 ~~[(2) A county that collects property tax on hotel property during the eligibility period~~  
 443 ~~shall pay and distribute to the host agency the incremental property tax revenue that the host~~  
 444 ~~agency is entitled to collect under Subsection (1), in the manner and at the time provided in~~  
 445 ~~Section 59-2-1365.]~~

446 (4) (a) Incremental property tax:

447 (i) is not tax increment; and

448 (ii) is not subject to:

449 (A) Title 17C, Limited Purpose Local Government Entities -- Community  
 450 Development and Renewal Agencies Act; or

451 (B) any other law governing tax increment, except as provided in Subsection (4)(c).

452 (b) The payment and use of incremental property tax, as provided in this part, is not  
 453 subject to the approval of any taxing entity, as defined in Section 17C-1-102.

454 (c) Revenue from an increase in the taxable value of hotel property is considered to be  
 455 a redevelopment adjustment for purposes of calculating the certified tax rate under Section  
 456 59-2-924.

456a **§→ (5)(a) Subject to Subsection (5)(b), a county may not spend the portion of**  
 456b **incremental property tax revenue that is displaced tax increment until after 30 days after the**  
 456c **county provides the notice required under Subsection (2)(c).**

456d **(b) If, within 30 days after the county provides the notice required under Subsection**  
 456e **(2)(c), a host agency provides written notice to the county that the host agency will experience a**  
 456f **tax increment shortfall, the county shall, unless the host agency agrees otherwise, pay to the ☺**

456g **✪ host agency displaced tax increment in the amount of the tax increment shortfall. ←§**

457 Section 8. Section **63M-1-3409** is amended to read:

458 **63M-1-3409. Rulemaking authority -- Requirements for rules.**

459 (1) The office shall, in accordance with Title 63G, Chapter 3, Utah Administrative



491 send a written notice to the Division of Finance:

492 (a) referring to the two annual deposits required under Subsection 59-12-103

492a ~~§~~ → [(14)] (13) ← ~~§~~ ; and

493 (b) notifying the Division of Finance that construction on the qualified hotel has begun.

494 Section 10. Section 63M-1-3411 is amended to read:

495 **63M-1-3411. Stay Another Day and Bounce Back Fund.**

496 (1) As used in this section:

497 (a) "Bounce back fund" means the Stay Another Day and Bounce Back Fund, created

498 in Subsection (2).

499 (b) "Tourism board" means the Board of Tourism Development created in Section

500 63M-1-1401.

501 (2) There is created an expendable special revenue fund known as the Stay Another

502 Day and Bounce Back Fund.

503 (3) The bounce back fund shall:

504 (a) be administered by the tourism board;

505 (b) earn interest; and

506 (c) be funded by:

507 (i) annual payments under Section 17-31-9 from the county in which a qualified hotel

508 is located;

509 (ii) money transferred to the bounce back fund under Section

509a ~~§~~ → [63M-1-3043.5] 63M-1-3403.5 ← ~~§~~ or

510 63M-1-3412; and

511 (iii) any money that the Legislature chooses to appropriate to the bounce back fund.

512 (4) Interest earned by the bounce back fund shall be deposited into the bounce back

513 fund.

514 (5) The tourism board may use money in the bounce back fund to pay for a tourism

515 program of advertising, marketing, and branding of the state, taking into consideration the

516 long-term strategic plan, economic trends, and opportunities for tourism development on a

517 statewide basis.

518 Section 11. Section 63M-1-3412 is amended to read:

519 **63M-1-3412. Hotel Impact Mitigation Fund.**

520 (1) As used in this section:

521 (a) "Affected hotel" means a hotel built in the state before July 1, 2014.