

**Representative Michael E. Noel** proposes the following substitute bill:

**TRANSIENT ROOM TAX AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael E. Noel**

Senate Sponsor: Kevin T. Van Tassell

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**LONG TITLE**

**General Description:**

This bill amends provisions relating to the transient room tax.

**Highlighted Provisions:**

This bill:

- ▶ raises the limit on the percentage of revenue from the transient room tax that a county of the fourth, fifth, or sixth class may spend on:
  - mitigating the impacts of recreation, tourism, or conventions; and
  - costs related to convention meeting rooms, exhibit halls, visitor information centers, museums, sports and recreation facilities, and related facilities;
- ▶ adds road repair and upgrade to the list of purposes for which a county of the fourth, fifth, or sixth class may spend revenue from the transient room tax; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:



26 [17-31-2](#), as last amended by Laws of Utah 2006, Chapter 328  
27 [17-31-5.5](#), as last amended by Laws of Utah 2016, Chapter 353



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

30 Section 1. Section [17-31-2](#) is amended to read:

31 **17-31-2. Purposes of transient room tax and expenditure of revenues -- Purchase**  
32 **or lease of facilities -- Mitigating impacts of recreation, tourism, or conventions --**  
33 **Issuance of bonds.**

34 (1) Any county legislative body may impose the transient room tax provided for in  
35 Section [59-12-301](#) for the purposes of:

36 (a) establishing and promoting recreation, tourism, film production, and conventions;

37 (b) acquiring, leasing, constructing, furnishing, maintaining, or operating:

38 (i) convention meeting rooms;

39 (ii) exhibit halls;

40 (iii) visitor information centers;

41 (iv) museums;

42 (v) sports and recreation facilities including practice fields, stadiums, and arenas; and

43 (vi) related facilities;

44 (c) acquiring land, leasing land, or making payments for construction or infrastructure  
45 improvements required for or related to the purposes listed in Subsection (1)(b); and

46 (d) as required to mitigate the impacts of recreation, tourism, or conventions in  
47 counties of the fourth, fifth, and sixth class, paying for:

48 (i) solid waste disposal operations;

49 (ii) emergency medical services;

50 (iii) search and rescue activities; [~~and~~]

51 (iv) law enforcement activities[~~;~~]; and

52 (v) repair and upgrade of:

53 (A) class B roads, as defined in Section [72-3-103](#);

54 (B) class C roads, as defined in Section [72-3-104](#); or

55 (C) class D roads, as defined in Section [72-3-105](#).

56 (2) Except as provided in Subsection [~~(4)~~] (5), a county of the first, second, or third

57 class may not expend more than 1/3 of the revenues generated by the transient room tax  
58 provided in Section 59-12-301 for any combination of the following purposes:

- 59 (a) (i) acquiring, leasing, constructing, furnishing, maintaining, or operating:
- 60 (A) convention meeting rooms;
- 61 (B) exhibit halls;
- 62 (C) visitor information centers;
- 63 (D) museums;
- 64 (E) sports and recreation facilities including practice fields, stadiums, and arenas; and
- 65 (F) related facilities; and

66 (ii) acquiring land, leasing land, or making payments for construction or infrastructure  
67 improvements required for or related to the purposes described in Subsection (2)(a)(i); or

68 [~~(b) as required to mitigate the impacts of recreation, tourism, or conventions in~~  
69 ~~counties of the fourth, fifth, and sixth class, to pay for:]~~

70 [~~(i) solid waste disposal operations;~~]

71 [~~(ii) emergency medical services;~~]

72 [~~(iii) search and rescue activities; and~~]

73 [~~(iv) law enforcement activities; or~~]

74 [~~(e)~~] (b) making the annual payment of principal, interest, premiums, and necessary  
75 reserves for any or the aggregate of bonds authorized under Subsection [~~(3)~~] (4).

76 (3) Except as provided in Subsection (5), a county of the fourth, fifth, or sixth class  
77 may not expend more than 50% of the revenues generated by the transient room tax provided in  
78 Section 59-12-301 for any combination of the following purposes:

- 79 (a) (i) acquiring, leasing, constructing, furnishing, maintaining, or operating:
- 80 (A) convention meeting rooms;
- 81 (B) exhibit halls;
- 82 (C) visitor information centers;
- 83 (D) museums;
- 84 (E) sports and recreation facilities including practice fields, stadiums, and arenas; and
- 85 (F) related facilities; and

86 (ii) acquiring land, leasing land, or making payments for construction or infrastructure  
87 improvements required for or related to the purposes described in Subsection (3)(a)(i);

88 (b) as required to mitigate the impacts of recreation, tourism, or conventions, to pay  
 89 for:

90 (i) solid waste disposal operations;

91 (ii) emergency medical services;

92 (iii) search and rescue activities;

93 (iv) law enforcement activities; and

94 (v) repair or upgrade of:

95 (A) class B roads, as defined in Section [72-3-103](#);

96 (B) class C roads, as defined in Section [72-3-104](#); or

97 (C) class D roads, as defined in Section [72-3-105](#); or

98 (c) making the annual payment of principal, interest, premiums, and necessary reserves  
 99 for any or the aggregate of bonds authorized under Subsection (4).

100 ~~[(3)]~~ (4) (a) The county legislative body may issue bonds or cause bonds to be issued,  
 101 as permitted by law, to pay all or part of any costs incurred for the purposes set forth in  
 102 Subsection (2)(a) ~~[or (b)]~~, (3)(a), or (3)(b) that are permitted to be paid from bond proceeds.

103 (b) Except as provided in Subsection ~~[(4)]~~ (5), if the revenues generated by the  
 104 transient room tax provided in Section [59-12-301](#) are not needed for payment of principal,  
 105 interest, premiums, and reserves on bonds issued as provided in ~~[Subsection (2)(c)]~~  
 106 Subsections (2)(b) and (3)(c), the county legislative body shall expend those revenues as  
 107 provided in Subsection (1), subject to the ~~[limitation of Subsection (2)]~~ limitations described in  
 108 Subsections (2) and (3).

109 ~~[(4)]~~ (5) If, on or after October 1, 2006, a county legislative body imposes a tax or  
 110 increases the rate of a tax in accordance with Section [59-12-301](#) at a rate that exceeds 3%, the  
 111 county legislative body:

112 (a) may expend revenues generated by the portion of the rate that exceeds 3% for any  
 113 purpose described in Subsections (1) through ~~[(3)]~~ (4); and

114 (b) is not subject to any limits on the amount of revenues that may be expended for a  
 115 purpose described in Subsection (2) or (3).

116 Section 2. Section **17-31-5.5** is amended to read:

117 **17-31-5.5. Report to county legislative body -- Content.**

118 (1) The legislative body of each county that imposes a transient room tax under Section

119 59-12-301 or a tourism, recreation, cultural, convention, and airport facilities tax under Section  
120 59-12-603 shall annually prepare a report in accordance with Subsection (2).

121 (2) The report described in Subsection (1) shall include a breakdown of expenditures  
122 into the following categories:

123 (a) for the transient room tax, identification of expenditures for:

124 (i) establishing and promoting:

125 (A) recreation;

126 (B) tourism;

127 (C) film production; and

128 (D) conventions;

129 (ii) acquiring, leasing, constructing, furnishing, or operating:

130 (A) convention meeting rooms;

131 (B) exhibit halls;

132 (C) visitor information centers;

133 (D) museums; and

134 (E) related facilities;

135 (iii) acquiring or leasing land required for or related to the purposes listed in  
136 Subsection (2)(a)(ii);

137 (iv) mitigation costs as identified in Subsection 17-31-2(1)(d); and

138 (v) making the annual payment of principal, interest, premiums, and necessary reserves  
139 for any or the aggregate of bonds issued to pay for costs referred to in Subsections  
140 17-31-2(2)~~(c) and (3)~~(b), (3)(c), and (4)(a); and

141 (b) for the tourism, recreation, cultural, convention, and airport facilities tax,  
142 identification of expenditures for:

143 (i) financing tourism promotion, which means an activity to develop, encourage,  
144 solicit, or market tourism that attracts transient guests to the county, including planning,  
145 product development, and advertising;

146 (ii) the development, operation, and maintenance of the following facilities as defined  
147 in Section 59-12-602:

148 (A) an airport facility;

149 (B) a convention facility;

- 150 (C) a cultural facility;
- 151 (D) a recreation facility; and
- 152 (E) a tourist facility; and
- 153 (iii) a pledge as security for evidences of indebtedness under Subsection [59-12-603\(3\)](#).
- 154 (3) A county legislative body shall provide a copy of the report described in Subsection
- 155 (1) to:
- 156 (a) the Governor's Office of Economic Development;
- 157 (b) its tourism tax advisory board; and
- 158 (c) the Office of the Legislative Fiscal Analyst.