

# HB0367S01 compared with HB0367

~~{deleted text}~~ shows text that was in HB0367 but was deleted in HB0367S01.

Inserted text shows text that was not in HB0367 but was inserted into HB0367S01.

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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: \_\_\_\_\_

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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 ~~{counties}~~ a county of the fourth, fifth, or sixth class may spend on:
  - mitigating the impacts of recreation, tourism, or conventions ~~{in counties of the fourth, fifth, and sixth class}~~; and
  - costs related to convention meeting rooms, exhibit halls, visitor information centers, museums, sports and recreation facilities, and related facilities; ~~{and}~~
- ▶ adds road repair and upgrade to the list of purposes for which ~~{counties}~~ a county of the fourth, fifth, or sixth class may spend revenue from the transient room tax ~~{.}~~ ;

## HB0367S01 compared with HB0367

and

▶ makes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

17-31-2, as last amended by Laws of Utah 2006, Chapter 328

17-31-5.5, as last amended by Laws of Utah 2016, Chapter 353

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

Section 1. Section 17-31-2 is amended to read:

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

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

- (a) establishing and promoting recreation, tourism, film production, and conventions;
- (b) acquiring, leasing, constructing, furnishing, maintaining, or operating:
  - (i) convention meeting rooms;
  - (ii) exhibit halls;
  - (iii) visitor information centers;
  - (iv) museums;
  - (v) sports and recreation facilities including practice fields, stadiums, and arenas; and
  - (vi) related facilities;

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

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

- (i) solid waste disposal operations;

## HB0367S01 compared with HB0367

- (ii) emergency medical services;
- (iii) search and rescue activities; ~~[and]~~
- (iv) law enforcement activities~~[-]; and~~
- (v) ~~road~~ repair and upgrade~~[-]~~.

of:

- (A) class B roads, as defined in Section 72-3-103;
- (B) class C roads, as defined in Section 72-3-104; or
- (C) class D roads, as defined in Section 72-3-105.

(2) Except as provided in Subsection ~~[(4)] (5)~~, a county of the first, second, or third class may not expend more than ~~{1/3} {50%}~~ of the revenues generated by the transient room tax provided in Section 59-12-301 for any combination of the following purposes:

(a) (i) acquiring, leasing, constructing, furnishing, maintaining, or operating:

- (A) convention meeting rooms;
- (B) exhibit halls;
- (C) visitor information centers;
- (D) museums;
- (E) sports and recreation facilities including practice fields, stadiums, and arenas; and
- (F) related facilities; and

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

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

- ~~[(i) solid waste disposal operations;]~~
- ~~[(ii) emergency medical services;]~~
- ~~[(iii) search and rescue activities; { } and]~~
- ~~[(iv) law enforcement activities; { } or] { and }~~

~~{ (v) road repair and upgrade; or~~

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

~~— (3) [(3)] (4).~~

(3) Except as provided in Subsection (5), a county of the fourth, fifth, or sixth class

## HB0367S01 compared with HB0367

may not expend more than 50% of the revenues generated by the transient room tax provided in Section 59-12-301 for any combination of the following purposes:

(a) (i) acquiring, leasing, constructing, furnishing, maintaining, or operating:

(A) convention meeting rooms;

(B) exhibit halls;

(C) visitor information centers;

(D) museums;

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

(F) related facilities; and

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

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

(i) solid waste disposal operations;

(ii) emergency medical services;

(iii) search and rescue activities;

(iv) law enforcement activities; and

(v) repair or upgrade of:

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

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

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

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

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

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

## HB0367S01 compared with HB0367

### Subsections (2) and (3).

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

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

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

### Legislative Review Note

#### Office of Legislative Research and General Counsel ~~†~~ or (3).

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

#### 17-31-5.5. Report to county legislative body -- Content.

(1) The legislative body of each county that imposes a transient room tax under Section 59-12-301 or a tourism, recreation, cultural, convention, and airport facilities tax under Section 59-12-603 shall annually prepare a report in accordance with Subsection (2).

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

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

(i) establishing and promoting:

(A) recreation;

(B) tourism;

(C) film production; and

(D) conventions;

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

(A) convention meeting rooms;

(B) exhibit halls;

(C) visitor information centers;

## HB0367S01 compared with HB0367

(D) museums; and

(E) related facilities;

(iii) acquiring or leasing land required for or related to the purposes listed in

Subsection (2)(a)(ii);

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

(v) making the annual payment of principal, interest, premiums, and necessary reserves

for any or the aggregate of bonds issued to pay for costs referred to in Subsections

17-31-2(2)[(c) and (3)](b), (3)(c), and (4)(a); and

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

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

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

(A) an airport facility;

(B) a convention facility;

(C) a cultural facility;

(D) a recreation facility; and

(E) a tourist facility; and

(iii) a pledge as security for evidences of indebtedness under Subsection 59-12-603(3).

(3) A county legislative body shall provide a copy of the report described in Subsection

(1) to:

(a) the Governor's Office of Economic Development;

(b) its tourism tax advisory board; and

(c) the Office of the Legislative Fiscal Analyst.