

1 **TOURISM MARKETING PERFORMANCE ACCOUNT**

2 **AMENDMENTS**

3 2019 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Francis D. Gibson**

6 Senate Sponsor: Daniel Hemmert

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions related to the Tourism Marketing Performance Account.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ modifies the definition of "sports organization"; and
- 14 ▶ makes technical and conforming changes.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

19 **Utah Code Sections Affected:**

20 AMENDS:

21 **63N-7-301**, as last amended by Laws of Utah 2015, Chapter 301 and renumbered and
22 amended by Laws of Utah 2015, Chapter 283

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

25 Section 1. Section **63N-7-301** is amended to read:

26 **63N-7-301. Tourism Marketing Performance Account.**

27 (1) There is created within the General Fund a restricted account known as the Tourism
28 Marketing Performance Account.

29 (2) The account shall be administered by GOED for the purposes listed in Subsection

30 (5).

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

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

33 (4) The account shall be funded by appropriations made to the account by the
34 Legislature in accordance with this section.

35 (5) The director of GOED's Office of Tourism shall use account money appropriated to
36 GOED to pay for the statewide advertising, marketing, and branding campaign for promotion
37 of the state as conducted by GOED.

38 (6) (a) For each fiscal year beginning on or after July 1, 2007, GOED shall annually
39 allocate 10% of the account money appropriated to GOED to a sports organization for
40 advertising, marketing, branding, and promoting Utah in attracting sporting events into the
41 state.

42 (b) The sports organization shall:

43 (i) provide an annual written report to GOED that gives an accounting of the use of
44 ~~[money]~~ funds the sports organization receives under this Subsection (6); and

45 (ii) ~~[partner with GOED to]~~ promote the state and ~~[to]~~ encourage economic growth in
46 the state.

47 (c) For purposes of this Subsection (6), "sports organization" means an organization
48 that ~~[is]~~:

49 (i) is exempt from federal income taxation in accordance with Section 501(c)(3),
50 Internal Revenue Code; ~~[and]~~

51 (ii) maintains its principal location in the state;

52 (iii) has a minimum of 15 years experience in the state hosting, fostering, and attracting
53 major summer and winter sporting events statewide; and

54 ~~[(iv)]~~ (iv) was created to foster state, regional, national, and international sports
55 competitions in the state, to drive the state's Olympic and sports legacy, including competitions
56 related to Olympic sports, and to promote and encourage sports tourism throughout the state,
57 including advertising, marketing, branding, and promoting ~~Utah~~ the state for the purpose of

58 attracting~~[- expanding, and retaining]~~ sporting events in the state.

59 (7) Money deposited into the account shall include a legislative appropriation from the
60 cumulative sales and use tax revenue increases described in Subsection (8), plus any additional
61 appropriation made by the Legislature.

62 (8) (a) In fiscal years 2006 through 2019, a portion of the state sales and use tax
63 revenues determined under this Subsection (8) shall be certified by the State Tax Commission
64 as a set-aside for the account, and the State Tax Commission shall report the amount of the
65 set-aside to the office, the Office of Legislative Fiscal Analyst, and the Division of Finance,
66 which shall set aside the certified amount for appropriation to the account.

67 (b) For fiscal years 2016 through 2019, the State Tax Commission shall calculate the
68 set-aside under this Subsection (8) in each fiscal year by applying one of the following
69 formulas: if the annual percentage change in the Consumer Price Index for All Urban
70 Consumers, as published by the Bureau of Labor Statistics of the United States Department of
71 Labor, for the fiscal year two years before the fiscal year in which the set-aside is to be made is:

72 (i) greater than 3%, and if the annual percentage change in the state sales and use tax
73 revenues attributable to the retail sales of tourist-oriented goods and services from the fiscal
74 year three years before the fiscal year in which the set-aside is to be made to the fiscal year two
75 years before the fiscal year in which the set-aside is to be made is greater than the annual
76 percentage change in the Consumer Price Index for the fiscal year two years before the fiscal
77 year in which the set-aside is to be made, then the difference between the annual percentage
78 change in the state sales and use tax revenues attributable to the retail sales of tourist-oriented
79 goods and services and the annual percentage change in the Consumer Price Index shall be
80 multiplied by an amount equal to the state sales and use tax revenues attributable to the retail
81 sales of tourist-oriented goods and services from the fiscal year three years before the fiscal
82 year in which the set-aside is to be made; or

83 (ii) 3% or less, and if the annual percentage change in the state sales and use tax
84 revenues attributable to the retail sales of tourist-oriented goods and services from the fiscal
85 year three years before the fiscal year in which the set-aside is to be made to the fiscal year two

86 years before the fiscal year in which the set-aside is to be made is greater than 3%, then the
87 difference between the annual percentage change in the state sales and use tax revenues
88 attributable to the retail sales of tourist-oriented goods and services and 3% shall be multiplied
89 by an amount equal to the state sales and use tax revenues attributable to the retail sales of
90 tourist-oriented goods and services from the fiscal year three years before the fiscal year in
91 which the set-aside is to be made.

92 (c) The total money appropriated to the account in a fiscal year under Subsections
93 (8)(a) and (b) may not exceed the amount appropriated to the account in the preceding fiscal
94 year by more than \$3,000,000.

95 (d) As used in this Subsection (8), "state sales and use tax revenues" are revenues
96 collected under Subsections 59-12-103(2)(a)(i)(A) and 59-12-103(2)(c)(i).

97 (e) As used in this Subsection (8), "retail sales of tourist-oriented goods and services"
98 are calculated by adding the following percentages of sales from each business registered with
99 the State Tax Commission under one of the following codes of the 2012 North American
100 Industry Classification System of the federal Executive Office of the President, Office of
101 Management and Budget:

102 (i) 80% of the sales from each business under NAICS Codes:

103 (A) 532111 Passenger Car Rental;

104 (B) 53212 Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing;

105 (C) 5615 Travel Arrangement and Reservation Services;

106 (D) 7211 Traveler Accommodation; and

107 (E) 7212 RV (Recreational Vehicle) Parks and Recreational Camps;

108 (ii) 25% of the sales from each business under NAICS Codes:

109 (A) 51213 Motion Picture and Video Exhibition;

110 (B) 532292 Recreational Goods Rental;

111 (C) 711 Performing Arts, Spectator Sports, and Related Industries;

112 (D) 712 Museums, Historical Sites, and Similar Institutions; and

113 (E) 713 Amusement, Gambling, and Recreation Industries;

- 114 (iii) 20% of the sales from each business under NAICS Code 722 Food Services and
- 115 Drinking Places;
- 116 (iv) 18% of the sales from each business under NAICS Codes:
- 117 (A) 447 Gasoline Stations; and
- 118 (B) 81293 Parking Lots and Garages;
- 119 (v) 14% of the sales from each business under NAICS Code 8111 Automotive Repair
- 120 and Maintenance; and
- 121 (vi) 5% of the sales from each business under NAICS Codes:
- 122 (A) 445 Food and Beverage Stores;
- 123 (B) 446 Health and Personal Care Stores;
- 124 (C) 448 Clothing and Clothing Accessories Stores;
- 125 (D) 451 Sporting Goods, Hobby, Musical Instrument, and Book Stores;
- 126 (E) 452 General Merchandise Stores; and
- 127 (F) 453 Miscellaneous Store Retailers.