

**TOURISM MARKETING PERFORMANCE ACCOUNT**

**AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Francis D. Gibson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

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

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

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

(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 shall use account money appropriated to GOED to pay for the  
36 statewide advertising, marketing, and branding campaign for promotion of the state as  
37 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 ~~[(ii)]~~ (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.