

1 **RESORT COMMUNITIES TAX AMENDMENTS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Mark A. Strong**

5 Senate Sponsor: Ronald Winterton

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the resort communities tax.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ increases the number of notices that the State Tax Commission must send to a
13 municipality that no longer qualifies to impose a resort communities tax;
14 ▶ modifies the time frame for when a municipality that no longer qualifies to impose
15 the resort communities tax must stop imposing the tax; and
16 ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **59-12-405**, as enacted by Laws of Utah 2004, Chapter 224

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

26 Section 1. Section **59-12-405** is amended to read:

27 **59-12-405. Definitions -- Municipality filing requirements for lodging unit**



28 **capacity -- Failure to meet eligibility requirements -- Notice to municipality --**

29 **Municipality authority to impose tax.**

30 (1) As used in this section:

31 (a) [~~"high-occupancy~~] "High-occupancy lodging unit" means each bedroom in a:

32 (i) hostel; or

33 (ii) a unit similar to a hostel as determined by the commission by rule[;].

34 (b) [~~"high-occupancy~~] "High-occupancy lodging unit capacity of a municipality" means
35 the product of:

36 (i) the total number of high-occupancy lodging units within the incorporated
37 boundaries of a municipality on the first day of the calendar quarter during which the
38 municipality files the form described in Subsection (3); and

39 (ii) four[;].

40 (c) [~~"recreational~~] "Recreational lodging unit" means each site in a:

41 (i) campground that:

42 (A) is issued a business license by the municipality in which the campground is
43 located; and

44 (B) provides the following hookups:

45 (I) water;

46 (II) sewer; and

47 (III) electricity; or

48 (ii) recreational vehicle park that provides the following hookups:

49 (A) water;

50 (B) sewer; and

51 (C) electricity; or

52 (iii) unit similar to Subsection (1)(c)(i) or (ii) as determined by the commission by
53 rule[;].

54 (d) [~~"recreational~~] "Recreational lodging unit capacity of a municipality" means the
55 product of:

56 (i) the total number of recreational lodging units within the incorporated boundaries of
57 a municipality on the first day of the calendar quarter during which the municipality files the
58 form described in Subsection (3); and

- 59 (ii) four[;].
- 60 (e) [~~special~~] "Special lodging unit" means a lodging unit:
- 61 (i) that is a:
 - 62 (A) high-occupancy lodging unit;
 - 63 (B) recreational lodging unit; or
 - 64 (C) standard lodging unit;
- 65 (ii) for which the commission finds that in determining the capacity of the lodging unit
- 66 the lodging unit should be multiplied by a number other than a number described in:
 - 67 (A) for a high-occupancy lodging unit, Subsection (1)(b)(ii);
 - 68 (B) for a recreational lodging unit, Subsection (1)(d)(ii); or
 - 69 (C) for a standard lodging unit, Subsection (1)(i)(ii); and
 - 70 (iii) for which the municipality in which the lodging unit is located files a written
 - 71 request with the commission for the finding described in Subsection (1)(e)(ii)[;].
- 72 (f) [~~special~~] "Special lodging unit capacity of a municipality" means the sum of the
- 73 special lodging unit numbers for all of the special lodging units within the incorporated
- 74 boundaries of a municipality on the first day of the calendar quarter during which the
- 75 municipality files the form described in Subsection (3)[;].
- 76 (g) [~~special~~] "Special lodging unit number" means the number by which the
- 77 commission finds that a special lodging unit should be multiplied in determining the capacity
- 78 of the special lodging unit[;].
- 79 (h) [~~standard~~] "Standard lodging unit" means each bedroom in:
 - 80 (i) a hotel;
 - 81 (ii) a motel;
 - 82 (iii) a bed and breakfast establishment;
 - 83 (iv) an inn;
 - 84 (v) a condominium that is:
 - 85 (A) part of a rental pool; or
 - 86 (B) regularly rented out for a time period of less than 30 consecutive days;
 - 87 (vi) a property used as a residence that is:
 - 88 (A) part of a rental pool; or
 - 89 (B) regularly rented out for a time period of less than 30 consecutive days; or

90 (vii) a unit similar to Subsections (1)(h)(i) through (vi) as determined by the
91 commission by rule[;].

92 (i) [~~standard~~] "Standard lodging unit capacity of a municipality" means the product of:

93 (i) the total number of standard lodging units within the incorporated boundaries of a
94 municipality on the first day of the calendar quarter during which the municipality files the
95 form described in Subsection (3); and

96 (ii) three[; ~~and~~].

97 (j) [~~transient~~] "Transient room capacity" means the sum of:

98 (i) the high-occupancy lodging unit capacity of a municipality;

99 (ii) the recreational lodging unit capacity of a municipality;

100 (iii) the special lodging unit capacity of a municipality; and

101 (iv) the standard lodging unit capacity of a municipality.

102 (2) A municipality that imposes a tax under this part shall provide the commission the
103 following information as provided in this section:

104 (a) the high-occupancy lodging unit capacity of the municipality;

105 (b) the recreational lodging unit capacity of the municipality;

106 (c) the special lodging unit capacity of the municipality; and

107 (d) the standard lodging unit capacity of the municipality.

108 (3) A municipality shall file with the commission the information required by
109 Subsection [~~(1)~~] (2):

110 (a) on a form provided by the commission; and

111 (b) on or before:

112 (i) for a municipality that is required by Section 59-12-403 to provide notice to the
113 commission, the day on which the municipality provides the notice required by Section
114 59-12-403 to the commission; or

115 (ii) for a municipality that is not required by Section 59-12-403 to provide notice to the
116 commission, July 1 of each year.

117 (4) If the commission determines that a municipality that files the form described in
118 Subsection (3) has a transient room capacity that is less than 66% of the municipality's
119 permanent census population, the commission shall notify the municipality in writing:

120 (a) that the municipality's transient room capacity is less than 66% of the municipality's

121 permanent census population; and

122 (b) (i) for a municipality that is required by Section 59-12-403 to provide notice to the
123 commission, within 30 days after the day on which the municipality provides the notice to the
124 commission; or

125 (ii) for a municipality that is not required by Section 59-12-403 to provide notice to the
126 commission, on or before September 1.

127 (5) (a) For a municipality that does not impose a tax under Section 59-12-401 on the
128 day on which the municipality files the form described in Subsection (3), if the commission
129 provides written notice described in Subsection (4) to the municipality, the municipality may
130 not impose a tax under this part until the municipality meets the requirements of this part to
131 enact the tax.

132 (b) For a municipality that is not required by Section 59-12-403 to provide notice to the
133 commission, if the commission provides written notice described in Subsection (4) to the
134 municipality for [~~two~~] three consecutive calendar years, the municipality may not impose a tax
135 under this part:

136 (i) beginning on July 1 of the year after the year during which the commission provided
137 written notice described in Subsection (4):

138 (A) to the municipality; and

139 (B) for the [~~second~~] third consecutive calendar year; and

140 (ii) until the municipality meets the requirements of this part to enact the tax.