

1 **TOURISM MARKETING PERFORMANCE AMENDMENTS**

2 2015 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Brad R. Wilson**

5 Senate Sponsor: _____

6

LONG TITLE

7 **Committee Note:**

8 The Economic Development and Workforce Services Interim Committee recommended
9 this bill.

10 **General Description:**

11 This bill modifies provisions of the Tourism Marketing Performance Account.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ modifies the formula for determining potential increases in legislative
- 15 appropriations for the Tourism Marketing Performance Account; and
- 16 ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a special effective date.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **63M-1-1406**, as last amended by Laws of Utah 2014, Chapter 423

24

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

25 Section 1. Section **63M-1-1406** is amended to read:



28 **63M-1-1406. Tourism Marketing Performance Account.**

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

31 (2) The account shall be administered by the office for the purposes listed in
32 Subsection (5).

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

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

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

37 (5) The director shall use account money appropriated to the office to pay for the
38 statewide advertising, marketing, and branding campaign for promotion of the state as
39 conducted by the office.

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

44 (b) The sports organization shall:

45 (i) provide an annual written report to the office that gives a complete accounting of
46 the use of money the sports organization receives under this Subsection (6); and

47 (ii) partner with the office to promote the state and to encourage economic growth in
48 the state.

49 (c) For purposes of this Subsection (6), "sports organization" means an organization
50 that is:

51 (i) exempt from federal income taxation in accordance with Section 501(c)(3), Internal
52 Revenue Code; and

53 (ii) created to foster national and international sports competitions in the state,
54 including competitions related to Olympic sports, and to promote and encourage sports tourism
55 throughout the state, including advertising, marketing, branding, and promoting Utah for the
56 purpose of attracting sporting events into the state.

57 (7) Money deposited into the account shall [~~consist of~~] include a legislative
58 appropriation from the cumulative sales and use tax revenue increases [~~identified~~] described in

59 Subsection (8), plus any additional appropriation made by the Legislature.

60 (8) (a) In fiscal years 2006 through 2019, a portion of the state sales and use tax
61 revenues determined under this Subsection (8) shall be certified as a set-aside for the account
62 by the State Tax Commission and reported to the Office of Legislative Fiscal Analyst.

63 (b) ~~[The]~~ For fiscal years 2016 through 2019, the State Tax Commission shall
64 ~~[determine]~~ calculate the set-aside under this Subsection (8) in each fiscal year by applying the
65 following formula: if the increase in the state sales and use tax revenues derived from the retail
66 sales of tourist-oriented goods and services, in the fiscal year two years prior to the fiscal year
67 in which the set-aside is to be made for the account, is at least 3% over the state sales and use
68 tax revenues derived from the retail sales of tourist-oriented goods and services generated in
69 the fiscal year three years prior to the fiscal year in which the set-aside is to be made, an
70 amount equal to ~~[1/2 of]~~ the state sales and use tax revenues generated above the 3% increase
71 shall be calculated by the commission and set aside by the state treasurer for appropriation to
72 the account.

73 (c) The total money appropriated to the account in ~~[any]~~ a fiscal year under Subsections
74 (8)(a) and (b) may not exceed the amount ~~[in the account under this section in the fiscal year~~
75 ~~immediately preceding the current]~~ appropriated to the account in the preceding fiscal year by
76 more than \$3,000,000.

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

79 ~~[(d)]~~ (e) As used in this Subsection (8), "retail sales of tourist-oriented goods and
80 services" are ~~[those sales by businesses]~~ calculated by adding the following percentages of
81 sales from each business registered with the State Tax Commission under one of the following
82 codes of the ~~[1997]~~ 2012 North American Industry Classification System of the federal
83 Executive Office of the President, Office of Management and Budget:

84 ~~[(i) NAICS Code 453 Miscellaneous Store Retailers;]~~

85 ~~[(ii) NAICS Code 481 Passenger Air Transportation;]~~

86 ~~[(iii) NAICS Code 487 Scenic and Sightseeing Transportation;]~~

87 ~~[(iv) NAICS Code 711 Performing Arts, Spectator Sports and Related Industries;]~~

88 ~~[(v) NAICS Code 712 Museums, Historical Sites and Similar Institutions;]~~

89 ~~[(vi) NAICS Code 713 Amusement, Gambling and Recreation Industries;]~~

- 90 ~~[(vii) NAICS Code 721 Accommodations;]~~
- 91 ~~[(viii) NAICS Code 722 Food Services and Drinking Places;]~~
- 92 ~~[(ix) NAICS Code 4483 Jewelry, Luggage, and Leather Goods Stores;]~~
- 93 ~~[(x) NAICS Code 4853 Taxi and Limousine Service;]~~
- 94 ~~[(xi) NAICS Code 4855 Charter Bus;]~~
- 95 ~~[(xii) NAICS Code 5615 Travel Arrangement and Reservation Services;]~~
- 96 ~~[(xiii) NAICS Code 44611 Pharmacies and Drug Stores;]~~
- 97 ~~[(xiv) NAICS Code 45111 Sporting Goods Stores;]~~
- 98 ~~[(xv) NAICS Code 45112 Hobby Toy and Game Stores;]~~
- 99 ~~[(xvi) NAICS Code 45121 Book Stores and News Dealers;]~~
- 100 ~~[(xvii) NAICS Code 445120 Convenience Stores without Gas Pumps;]~~
- 101 ~~[(xviii) NAICS Code 447110 Gasoline Stations with Convenience Stores;]~~
- 102 ~~[(xix) NAICS Code 447190 Other Gasoline Stations;]~~
- 103 ~~[(xx) NAICS Code 532111 Passenger Car Rental; and]~~
- 104 ~~[(xxi) NAICS Code 532292 Recreational Goods Rental.]~~

105 ~~[(e) The Division of Finance shall for each fiscal year transfer the first \$6,000,000 of~~
 106 ~~ongoing money in the account to the General Fund.]~~

107 ~~[(9) By October 1, 2014, the office shall provide a written report to the Economic~~
 108 ~~Development and Workforce Services Interim Committee containing:]~~

109 ~~[(a) a recommendation, based on economic modeling, for an updated definition of~~
 110 ~~"sales of tourist-oriented goods and services" to replace the definition in Subsection (8)(d);~~
 111 ~~and]~~

112 ~~[(b) information describing the extent to which the state benefits annually from~~
 113 ~~activities funded by the Tourism Marketing Performance Account.]~~

- 114 (i) 80% of the sales from each business under NAICS Codes:
- 115 (A) 532111 Passenger Car Rental;
- 116 (B) 53212 Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing;
- 117 (C) 5615 Travel Arrangement and Reservation Services;
- 118 (D) 7211 Traveler Accommodation; and
- 119 (E) 7212 RV (Recreational Vehicle) Parks and Recreational Camps;
- 120 (ii) 25% of the sales from each business under NAICS Codes:

- 121 (A) 51213 Motion Picture and Video Exhibition;
- 122 (B) 532292 Recreational Goods Rental;
- 123 (C) 711 Performing Arts, Spectator Sports, and Related Industries;
- 124 (D) 712 Museums, Historical Sites, and Similar Institutions; and
- 125 (E) 713 Amusement, Gambling, and Recreation Industries;
- 126 (iii) 20% of the sales from each business under NAICS Code 722 Food Services and
- 127 Drinking Places;
- 128 (iv) 18% of the sales from each business under NAICS Codes:
- 129 (A) 447 Gasoline Stations; and
- 130 (B) 81293 Parking Lots and Garages;
- 131 (v) 14% of the sales from each business under NAICS Code 8111 Automotive Repair
- 132 and Maintenance; and
- 133 (vi) 5% of the sales from each business under NAICS Codes:
- 134 (A) 445 Food and Beverage Stores;
- 135 (B) 446 Health and Personal Care Stores;
- 136 (C) 448 Clothing and Clothing Accessories Stores;
- 137 (D) 451 Sporting Goods, Hobby, Musical Instrument, and Book Stores;
- 138 (E) 452 General Merchandise Stores; and
- 139 (F) 453 Miscellaneous Store Retailers.
- 140 Section 2. **Effective date.**
- 141 This bill takes effect on July 1, 2015.

Legislative Review Note
as of 10-15-14 5:01 PM

Office of Legislative Research and General Counsel