

**MINUTES OF THE
TOURISM TASK FORCE**

Monday, October 31, 2005 – 10:00 a.m. – Room W110 House Building

Members Present:

Sen. Scott K. Jenkins, Senate Chair
Rep. J. Stuart Adams, House Chair
Sen. Patrice Arent
Sen. D. Chris Buttars
Sen. Karen Hale
Rep. Sheryl L. Allen
Rep. DeMar "Bud" Bowman
Rep. Bradley T. Johnson
Rep. Steven R. Mascaro
Rep. Karen W. Morgan
Rep. Ross I. Romero
Rep. LaWanna "Lou" Shurtliff
Rep. Peggy Wallace

Members Absent:

Sen. Beverly Evans

Staff Present:

Mr. Arthur L. Hunsaker, Policy Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Brooke Ollerton, Legislative Secretary
Ms. Glenda S. Whitney, Legislative Secretary

Note: A list of others present, copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Task Force Business

Chair Jenkins called the meeting to order at 10:07 a.m. Sen. Evans was excused from attending the meeting.

MOTION: Rep. Mascaro moved to approve the minutes of the October 17, 2005 meeting. The motion passed unanimously. Sen. Hale, Rep. Allen, Rep. Bowman, and Rep. Johnson were absent for the vote.

2. Motion Picture Funding

A. Letter to Economic Development Appropriations Subcommittee

Mr. Wilson distributed a draft letter from the chairs of the Task Force that identify recommendations on "Line Items within the Governor's Office of Economic Development Budget." Mr. Wilson reviewed the draft letter and explained the recommendations that were proposed for consideration to the subcommittee regarding the Motion Picture Incentive Fund and the impact on promoting tourism.

Ms. Leigh Von Der Esch, Director, Office of Tourism, responded to questions on line item appropriations for tourism and the motion picture incentive funds.

MOTION: Rep. Morgan moved that the task force authorize the draft letter be sent to the Economic Development Appropriations Subcommittee. Also with the copy of the letter, send along with the cover letter explaining it to the Governor's Office of Economic Development. She also asked to insert in the letter Rep. Wallace's recommendation to identify the fund as the Motion Picture Incentive Fund. The motion passed unanimously with Sen. Hale absent for the vote.

B. Access to Industrial Assistance Fund Monies

Mr. Wilson presented an overview on related statutes "Access to Industrial Fund Monies" that was distributed in the mailing packet.

Ms. Von Der Esch commented on the Industrial Fund Monies that is available and suggested needing bridge funding until legislation is drafted.

MOTION: Rep. Allen moved to authorize the chairs of the task force, to draft a letter with staff and send it to the Governor's Office of Economic Development Board indicating that the task force hope's they will give consideration for bridge funding for fiscal year 2006. The motion passed unanimously with Sen. Hale absent for the vote.

3. Draft Legislation: Expenditures for Tourism, Recreation, Cultural, and Convention Facilities and Activities (Uniform Reporting)

Mr. Wilson distributed and presented an overview of the draft legislation "Expenditures for Tourism, Recreation, Cultural, and Convention Facilities and Activities."

Rep. Stuart Adams, House Chair, explained the importance of uniform reporting and suggested that gathering more data and information will help to better understand what is going on in the state regarding promotion for tourism.

Mr. Brent Gardner, Director, Utah Association of Counties, said he invited county representatives to comment on the draft legislation. He said since he just received the draft, he was not prepared to support or oppose the changes in the proposed legislation at this time.

Mr. Larry Ellertson, Utah County Commission, asked for clarification on the audit of uniform reporting from the draft legislation.

Mr. Jim Eardley, Washington County Commission, said Washington County is the third largest generator of TRC (Transient Room Taxes) and TRCC (Tourism, Recreation, Cultural, and Convention Facilities) in the state and acknowledged being in full compliance with reporting. He spoke in support of the draft legislation but expressed concern of not wanting to be burdened with expensive reporting.

Mr. Steve Rawlings, Davis County Clerk Auditor, said he would like more time to review the proposed legislation. He commented on what his perception was for the audit on revenues and expenditures for the report and suggested a standardized form for all counties.

Mr. Darrin Casper, Salt Lake County Council Fiscal Analyst, asked for clarification on the process for reporting expenditures into categories.

Mr. D. Maloy Dodds, Garfield County Commission, expressed frustrations with having this discussion on reporting of TRT tax. He expressed concern with the burden placed on a small county to do more reporting and noted that the county is working in the parameters of the law.

Mr. Dan McConkie, Davis County Commission, commented that the counties have no fear of reporting their stewardship for the use of tourism tax dollars. He hoped the task force recognized that every county is different and there is no report that will work for all 29 counties when comparing apples to apples because all the counties are different. He noted the county will report whatever the state requests and hoped this would not be an unfunded mandate.

MOTION: Rep. Mascaro moved to send draft legislation "Expenditures for Tourism, Recreation, Cultural, and Convention Facilities and Activities" to the Workforce Services and Community and Economic Development Interim Committee for further discussion, clarification, and modification as necessary. Also to amend after Line 74, to add (4a) and (b) requiring notification to the County Tourism Tax Advisory Board, and the Fiscal Analyst Office. The motion passed unanimously with Sen. Hale and Rep. Adams absent for the vote.

Chair Jenkins recessed the task force at 11:20 a.m. The task force reconvened at 11:35 a.m.

4. Public Facilities Use

Mr. Hunsaker briefed the task force on statute and administrative rules and policy on what other states are doing regarding private use of public buildings. He distributed and presented an overview on Utah Code 63C-9-301 and Rule Authority R131-2, Capitol Hill Facility Use.

Sen. Scott Jenkins, Senate Chair, distributed a news article from the Salt Lake Tribune, by Kristen Moulton, "Birdies, Bogeys and Big Bucks" that highlighted golf courses in the state that could not cover its annual debt service and needed a subsidy from the county's Tourism, Recreation, Culture and Convention fund.

Mr. Gary Nielsen, Gold's Gym, distributed and reviewed the handout "Unfair Competition by City, County, and State Recreation Centers." He expressed concern with private facilities competing with government facilities. He noted that the use of general obligation bonds, sales tax revenue bonds, for these purposes are detrimental to the tax system and cause a loss of tax revenue.

Mr. Ernie Schneiter, Schneiter's Riverside Golf Course, expressed the same concerns as Mr. Nielsen regarding private facilities competing with state facilities. He spoke in support for private courses to get tax breaks to level the field with the chief competitor, the government. He said they are contributing to the tax base and the government is not.

Ms. Melva Sine, Utah Restaurant Association, expressed concern that taxes are used to build county facilities and convention centers and then these facilities are frequently used for private functions such as weddings. She would like to come to a resolution on how these facilities are being used.

MOTION: Rep. Wallace moved to encourage a task force to study public facilities' use across the state as it relates to competition, tourism, taxation and all other related issues, to come to a resolution of what would be appropriate regarding the use for public facilities and funds for other reasons than what they were originally intended. The motion passed with Sen. Hale voting in opposition.

5. Task Force Business / Adjourn

MOTION: Rep. Johnson to direct the Tourism Performance Board to dedicate 1 percent to the Department of Agriculture for guest ranching promotion and 2 percent to state parks for promotion. Rep. Bowman spoke in support of the motion.

SUBSTITUTE MOTION: Rep. Wallace moved to recommend to the Tourism Performance Board to look carefully at funding for guest ranching and state parks that have not normally been funded under tourism. Rep. Morgan suggested dividing the motion and the vote into two parts: 1) state parks and 2) guest ranching.

The task force divided and voted on Rep. Wallace's substitute motion:

1) To recommend to the Tourism Performance Board, to look carefully at funding for state parks that has not normally been funded under tourism. The substitute motion passed unanimously.

2) To recommend to the Tourism Performance Board, to look carefully at funding for guest ranching that has not normally been funded under tourism. The substitute motion failed. Sen. Arent, Sen. Hale, Sen. Jenkins, Rep. Morgan, Rep. Romero, and Rep. Wallace voted against the substitute motion.

MOTION: Rep Allen moved to authorize the chairs to work with staff to write a letter to Sen. Mansell, Rep. Buttars, and members of the Executive Appropriation Committee requesting that in fiscal year 2007 that the Tourism Performance Marketing Fund be funded at a total of at least nine million dollars. The motion passed unanimously.

MOTION: Rep. Bowman moved to adjourn the meeting. The motion passed unanimously. Chair Jenkins adjourned the meeting at 12:58 p.m.