

House Natural Resources, Agriculture, and Environment Committee

2/14/2025

Bill: 1st Substitute HB 456 – Transient Room Tax Amendments

Sponsor: Representative Bridger Bolinder

Floor Sponsor: Senator Evan J. Vickers

UASD Position: Tracking

This Bill modifies the transient room tax and creates the Outdoor Recreation Mitigation Grant Program.

Discussion: Representative Bolinder presented the 1st substitute for HB 456 to the Committee, which proposes the use of the Transient Room Tax to fund Emergency Medical Services (“EMS”) and Search and Rescue operations for individuals injured during recreational activities. The Bill aims to improve transparency and accountability regarding counties' use of Transient Room Tax funds and establishes clear guidelines on acceptable expenditures. It introduces a 1% increase in the state tax rate, shifting the financial burden to non-residents and tourists. The state will retain half of the additional 1%, with 25% allocated to the county of origin and the remaining 25% directed to a newly established Outdoor Recreation Mitigation Grant Fund, administered by the Division of Natural Resources. The Bill also creates an outdoor recreation mitigation grant program within the Division of Outdoor Recreation. To qualify for grants from the Fund, counties must implement a local option sales tax. Additionally, counties may enter into interlocal agreements with municipalities within the county to share the County Transient Room Tax revenue.

Representative Bennion emphasized the need for the involvement of the State Auditor to ensure transparent oversight of the Fund usage. A representative from the Utah Association of Counties expressed support for 1st substitute HB 456, highlighting that some regions lack the property tax base to cover tourism-related costs. They also encouraged the State Auditor to assist in further clarifying the Bill's requirements. A representative from the Utah League of Cities and Towns expressed a desire that “high impact” cities and towns along the Wasatch Front receive equitable benefits. The Utah Tourism Industry Association expressed support for the Bill. The Committee adopted the 1st substitute.

Yeas: 13

Nays: 0

N/V: 1

Outcome: 1st Substitute HB 456 passed out of the Committee with a favorable recommendation.
