

## Senate Business and Labor Committee

February 28th, 2025

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### **Bill: 5th 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 explained that this Bill aims to improve transparency and accountability in how counties use Transient Room Tax funds by establishing clear guidelines on acceptable expenditures. It introduces a 1% increase in the state tax rate, shifting the financial burden to non-residents and tourists. Half of the additional 1% will be retained by the state, while 25% will be allocated to the county of origin, and the remaining 25% will go to a newly established Outdoor Recreation Mitigation Grant Fund (“Fund”), administered by the Division of Natural Resources. The sponsor added that this 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, the sponsor noted that counties may enter into interlocal agreements with municipalities to share County Transient Room Tax revenue.

Senator Vickers, the floor sponsor, clarified that counties generating over \$10 million in transient tax revenue would no longer be eligible for grants. He asked whether the sponsor would be open to removing the coordinating clause regarding the half-percent allocation to the state. The sponsor responded that he was willing to make that change if necessary. Senator Ipson spoke in favor of the Bill, particularly the provisions supporting rural EMS. Senator Weiler also expressed support.

A Tooele County Councilman spoke in favor of the Bill. Tina Cannon, the State Auditor, raised concerns about the need for a clearer distinction between “promotion” and “mitigation”. The Utah Tourism Industry Association expressed concerns regarding the definition of “destination development” and hoped to work with the sponsors to address them. Brandy Grace, representing the Utah Association of Counties (“UAC”) spoke in support, highlighting their collaboration with the sponsor to refine the Bill’s provisions.

Yeas: 4

Nays: 0

N/V: 4

**Outcome: 5th substitute HB 456 passed out of the Committee with a favorable recommendation.**

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**Bill: 1st substitute HB 186 – Wage Payment Amendments**

Sponsor: Representative Kay J. Christofferson

Floor Sponsor: Senator Heidi Balderree

**UASD Position: Support**

This Bill modifies the payment of wages provisions.

Discussion: The sponsor explained that current law requires a terminated employee to submit a written demand for payment upon separation from the employer, and employers must compensate them for time worked prior to termination. This Bill removes the requirement for an employee to provide a written demand for payment upon separation from an employer and eliminates the requirement to make a written demand 15 days before filing a wage claim. The Bill aims to simplify employee obligations and clarify employer responsibilities regarding compensation. The 1st substitute incorporates language from HB 172, removing the 15-day requirement.

Mark Tolman, representing the Employment Department at Parsons, Behle, and Latimer spoke in opposition to the Bill, specifically objecting to the removal of the word "reasonable" as a qualifier for attorney fees that can be awarded. The sponsor asserted that the word "reasonable" had already been replaced in reference to attorney fee awards. Senator Musselman asked whether the sponsor was aware of this concern before it was raised in the Committee. The sponsor stated that he had not been aware and was surprised given the effort put into refining the language. Senator Weiler expressed concerns he had been hearing from attorneys regarding the Bill. Senator Ipson hoped the sponsor would continue to work on the Bill over the weekend to provide stronger protections for employers. No further discussion followed.

Yeas: 3

Nays: 3

N/V: 2

**Outcome: 1st substitute HB 186 failed to pass out of the Committee.**