



RECREATION MANAGEMENT

2024 Legislative Proposal

Many of Utah's local economies rely on recreation and tourism. Tourism taxes expand opportunities for local governments to promote and expand future tourism, and manage and maintain current opportunities.

WHAT is Transient Room Tax (TRT)?

A: a tax which can be levied by a county, city, or town on rent for temporary lodgings (less than 30 consecutive days) at hotels, inns, campgrounds, tourist homes, etc. TRT for a given location is comprised of up to five rates—state (.32 percent), counties (up to 4.25 percent), cities and towns (up to 1 percent), cities and towns that meet certain requirements (up to .5 percent), and Salt Lake County (.5 percent).

WHAT is Tourism, Recreation, Cultural, Convention, and Airport Tax (TRCCA)?

A: a tax which can be levied by counties for rental of motor vehicles (3 percent or 4 percent), OHV rentals (7 percent), and restaurants (1 percent). Counties of the first class also levy this tax for tourist lodgings (.5 percent). Sales of prepared food from inside of a grocery store or convenience store are excluded from this tax.

HOW do tourism taxes impact county budgets?

A: Counties spent \$75 million on tourism expenditures and mitigation in 2022. In some counties, tourism tax revenue far outpaces property tax revenue. Impacts include additional search and rescue, more law enforcement requirements, solid waste disposal, recreation facility construction and maintenance, noise, traffic, road use, and more. Allowable uses for tourism taxes are narrow and highly prescribed by statute. Counties have different allowable uses and percentages based on their class, population, whether they have a national park or an airport within their borders, what rates they levy, etc.

PROPOSAL

Efforts to improve recreation management should:

1. Protect current and future tourism promotion,
2. Enhance local control of funds meant to address unique recreational and tourism needs, and
3. Emphasize transparency and accountability.

Solutions may include simplification and expansion of TRT and TRCCA eligible uses, removal of the convenience store carve-out for the restaurant tax, simplified reporting to improve transparency, and more.

