

REFERENCE TITLE: **tourism improvement areas; municipalities; counties**

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2873

Introduced by
Representative Wilmeth

AN ACT

**AMENDING TITLE 48, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 38;
RELATING TO TOURISM IMPROVEMENT DISTRICTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 48, Arizona Revised Statutes, is amended by adding
3 chapter 38, to read:

4 CHAPTER 38

5 TOURISM IMPROVEMENT AREA

6 ARTICLE 1. GENERAL PROVISIONS

7 48-6501. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "BOARD" MEANS THE BOARD OF SUPERVISORS OF THE COUNTY.

10 2. "GOVERNING BODY" MEANS THE GOVERNING BODY OR BOARD THAT BY LAW
11 IS CONSTITUTED AS THE LEGISLATIVE DEPARTMENT OF THE MUNICIPALITY OR
12 COUNTY.

13 3. "LODGING BUSINESS" MEANS ANY BUSINESS PROVIDING TRANSIENT
14 LODGING.

15 4. "LODGING BUSINESS ASSESSMENT" MEANS A LEVY ON NIGHTLY ROOM
16 RENTALS.

17 5. "LODGING BUSINESS OWNER" MEANS A PERSON RECOGNIZED AS THE OWNER
18 OF A LODGING BUSINESS THAT IS SUBJECT TO A LODGING BUSINESS ASSESSMENT.

19 6. "MUNICIPALITY" MEANS A CITY OR TOWN.

20 7. "OWNERS' ASSOCIATION" MEANS AN INCORPORATED NONPROFIT OR
21 GOVERNMENT UNIT THAT SERVES AS THE LOCAL DESTINATION MARKETING
22 ORGANIZATION.

23 8. "TOURISM IMPROVEMENT AREA" MEANS AN IMPROVEMENT AREA OF
24 CONTIGUOUS OR NONCONTIGUOUS BOUNDARIES.

25 9. "TOURISM IMPROVEMENT AREA ACTIVITY" MEANS ANY SPECIAL SERVICE,
26 ACTIVITY OR IMPROVEMENT CONDUCTED IN A TOURISM IMPROVEMENT AREA.

27 10. "TOURISM IMPROVEMENT AREA PLAN" MEANS A PROPOSAL FOR A TOURISM
28 IMPROVEMENT AREA THAT CONTAINS INFORMATION REQUIRED PURSUANT TO SECTION
29 48-6503.

30 48-6502. Petition; requirements

31 A. ON PRESENTATION OF A PETITION PURSUANT TO THIS SECTION, THE
32 GOVERNING BODY MAY APPROVE THE FORMATION OF A TOURISM IMPROVEMENT AREA.
33 THE PETITION FOR THE FORMATION OF THE TOURISM IMPROVEMENT AREA SHALL
34 INCLUDE AND IDENTIFY THE FOLLOWING:

35 1. THE SIGNATURE OF LODGING BUSINESS OWNERS WHO REPRESENT AT LEAST
36 SIXTY-SEVEN PERCENT OF THE TOTAL LODGING BUSINESS ROOMS AVAILABLE WITHIN A
37 PROPOSED TOURISM IMPROVEMENT AREA.

38 2. THE GEOGRAPHIC BOUNDARIES OF THE PROPOSED TOURISM IMPROVEMENT
39 AREA.

40 3. THE TYPES OR CLASSES OF LODGING BUSINESSES THAT WILL BE SUBJECT
41 TO THE PROPOSED TOURISM IMPROVEMENT AREA LODGING BUSINESS ASSESSMENT.

42 4. THE PROPOSED LODGING BUSINESS ASSESSMENT RATE FOR EACH TYPE OR
43 CLASS OF LODGING BUSINESS THAT WILL BE SUBJECT TO THE LODGING BUSINESS
44 ASSESSMENT.

1 5. INFORMATION SPECIFYING WHERE THE COMPLETE TOURISM IMPROVEMENT
2 AREA PLAN MAY BE OBTAINED AND THAT THE COMPLETE TOURISM IMPROVEMENT AREA
3 PLAN IS AVAILABLE ON REQUEST.

4 B. A LODGING BUSINESS OWNER MAY APPOINT AN AUTHORIZED AGENT TO ACT
5 AS THE LODGING BUSINESS OWNER'S REPRESENTATIVE FOR THE PURPOSES OF THIS
6 CHAPTER. THE LODGING BUSINESS OWNER'S REPRESENTATIVE SHALL BE CONSIDERED
7 THE LODGING BUSINESS OWNER FOR THE PURPOSES OF ANY SIGNATURE REQUIRED OR
8 FOR ANY OTHER PURPOSE AUTHORIZED BY THE LODGING BUSINESS OWNER. THE
9 GOVERNING BODY HAS NO OBLIGATION TO OBTAIN OTHER INFORMATION AS TO THE
10 OWNERSHIP OF LODGING BUSINESS, AND ITS DETERMINATION OF OWNERSHIP SHALL BE
11 FINAL AND CONCLUSIVE FOR THE PURPOSES OF THIS CHAPTER.

12 48-6503. Tourism improvement area plan; information

13 A. A TOURISM IMPROVEMENT AREA PLAN SHALL BE PREPARED BEFORE THE
14 PUBLIC HEARING ON THE PROPOSED TOURISM IMPROVEMENT AREA HELD PURSUANT TO
15 SECTION 48-6504. THE TOURISM IMPROVEMENT AREA PLAN SHALL INCLUDE ALL OF
16 THE FOLLOWING:

17 1. A MAP THAT IDENTIFIES THE BOUNDARIES OF THE PROPOSED TOURISM
18 IMPROVEMENT AREA IN SUFFICIENT DETAIL TO ALLOW A LODGING BUSINESS OWNER TO
19 REASONABLY DETERMINE WHETHER THE LODGING BUSINESS IS LOCATED WITHIN THE
20 PROPOSED TOURISM IMPROVEMENT AREA BOUNDARIES.

21 2. THE NAME OF THE PROPOSED TOURISM IMPROVEMENT AREA.

22 3. THE PLANNED TOURISM IMPROVEMENT AREA ACTIVITIES OF THE PROPOSED
23 TOURISM IMPROVEMENT AREA AND AN ESTIMATE OF THE COST OF THE PLANNED
24 TOURISM IMPROVEMENT AREA ACTIVITIES.

25 4. A DEFINITION DESCRIBING THE TYPE OR CLASS OF LODGING BUSINESSES
26 TO BE INCLUDED IN THE PROPOSED TOURISM IMPROVEMENT AREA AND THE LODGING
27 BUSINESSES THAT WILL BE SUBJECT TO THE PROPOSED TOURISM IMPROVEMENT AREA
28 LODGING BUSINESS ASSESSMENT. THE DEFINITION MAY INCLUDE THE SIZE OF THE
29 LODGING PROPERTY OR NUMBER OF ROOMS AT THE LODGING PROPERTY.

30 5. THE PROPOSED SOURCE OR SOURCES OF FINANCING, INCLUDING THE
31 PROPOSED METHOD AND BASIS OF LEVYING THE LODGING BUSINESS ASSESSMENT IN
32 SUFFICIENT DETAIL TO ALLOW EACH LODGING BUSINESS OWNER TO ESTIMATE THE
33 AMOUNT OF THE LODGING BUSINESS ASSESSMENT TO BE LEVIED AGAINST THE LODGING
34 BUSINESS.

35 6. THE ESTIMATED TOTAL PROPOSED TOURISM IMPROVEMENT AREA LODGING
36 BUSINESS ASSESSMENTS TO BE EXPENDED FOR TOURISM IMPROVEMENT AREA
37 ACTIVITIES DURING THE FIRST YEAR OF OPERATION OF THE PROPOSED TOURISM
38 IMPROVEMENT AREA AND THE FORMULA USED TO DETERMINE EACH OWNER'S LODGING
39 BUSINESS ASSESSMENT, WHICH SHALL BE BASED ON BENEFIT.

40 7. THE TIME AND MANNER OF COLLECTING THE LODGING BUSINESS
41 ASSESSMENTS AND ANY INTEREST OR PENALTIES THAT MAY BE ASSESSED FOR
42 NONPAYMENT.

43 8. THE TERM OF THE PROPOSED TOURISM IMPROVEMENT AREA.

44 9. THE NAME OF THE PROPOSED OWNERS' ASSOCIATION.

B. LODGING BUSINESS ASSESSMENTS LEVIED FOR THE PURPOSE OF CONDUCTING TOURISM IMPROVEMENT AREA ACTIVITIES WILL PROVIDE BENEFITS TO LODGING BUSINESSES LOCATED WITHIN THE TOURISM IMPROVEMENT AREA THAT ARE SUBJECT TO THE LODGING BUSINESS ASSESSMENT. LODGING BUSINESS ASSESSMENTS MAY VARY BY TYPES OR CLASSES OF LODGING BUSINESSES AS DESCRIBED IN THE TOURISM IMPROVEMENT AREA PLAN, INCLUDING THE SIZE OF THE LODGING PROPERTY OR NUMBER OF ROOMS AT THE LODGING PROPERTY. A LODGING BUSINESS ASSESSMENT MAY BE LEVIED BASED ON ANY OF THE FOLLOWING:

1. A FIXED AMOUNT.
2. RATE PER TRANSACTION.
3. FIXED RATE PER TRANSACTION PER DAY.
4. PERCENTAGE OF SALES.
5. ANY COMBINATION OF THE METHODS LISTED IN THIS SUBSECTION OR ANY OTHER METHOD THAT CONFERS BENEFIT TO THE PAYOR.

C. THE VALIDITY OF A LODGING BUSINESS ASSESSMENT LEVIED BY A FORMED TOURISM IMPROVEMENT AREA MAY NOT BE CONTESTED IN AN ACTION OR PROCEEDING UNLESS THE ACTION OR PROCEEDING IS COMMENCED WITHIN THIRTY DAYS AFTER THE RESOLUTION LEVYING THE LODGING BUSINESS ASSESSMENT IS ADOPTED. AN APPEAL FROM A FINAL JUDGMENT IN AN ACTION OR PROCEEDING CONTESTING THE VALIDITY OF A LODGING BUSINESS ASSESSMENT SHALL BE PERFECTED WITHIN THIRTY DAYS AFTER THE ENTRY OF JUDGMENT.

D. TOURISM IMPROVEMENT AREA ACTIVITIES SHALL BE DESIGNED TO PROMOTE TOURISM AND LODGING TO ENHANCE THE ECONOMIC DEVELOPMENT CLIMATE IN THE TOURISM IMPROVEMENT AREA IN ACCORDANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND REQUIREMENTS OF THIS STATE AND THE UNITED STATES. TOURISM IMPROVEMENT AREA ACTIVITIES MAY SUPPLEMENT BUT MAY NOT REPLACE GOVERNMENTAL SERVICES CUSTOMARILY PROVIDED IN THE REGULAR COURSE OF THE STATE'S, COUNTY'S OR MUNICIPALITY'S OPERATIONS, INCLUDING THE PLANNING, ADMINISTRATION AND MANAGEMENT OF ACTIVITIES DESIGNED TO BENEFIT THE TOURISM IMPROVEMENT AREA BY PROMOTING TOURISM OR PROVIDING ECONOMIC STIMULUS, INCLUDING ANY SERVICE, ACTIVITY OR IMPROVEMENT PROVIDED FOR THE PURPOSE OF CONFERRING BENEFIT ON THE ASSESSED LODGING BUSINESSES LOCATED IN THE TOURISM IMPROVEMENT AREA.

48-6504. Formation; public hearing

A. ON RECEIPT OF A VALID PETITION, THE GOVERNING BODY SHALL ADOPT A RESOLUTION OF INTENTION TO CONSIDER THE FORMATION OF A TOURISM IMPROVEMENT AREA. THE RESOLUTION OF INTENTION SHALL STATE ALL OF THE FOLLOWING:

1. THE DATE, TIME AND PLACE OF A PUBLIC HEARING TO CONSIDER THE PETITION FOR FORMATION OF A TOURISM IMPROVEMENT AREA.
2. THE PROPOSED TOURISM IMPROVEMENT AREA ACTIVITIES.
3. AN ESTIMATED AMOUNT OF REQUIRED FUNDING.
4. THE BOUNDARIES OF THE PROPOSED TOURISM IMPROVEMENT AREA.
5. THE AMOUNT OF THE PROPOSED LODGING BUSINESS ASSESSMENT.

B. THE NOTICE OF THE PUBLIC HEARING SHALL BE GIVEN BY MAIL TO THE OWNER OF EACH LODGING BUSINESS SUBJECT TO ASSESSMENT IN THE PROPOSED

1 TOURISM IMPROVEMENT AREA AND PUBLISHED IN A NEWSPAPER OF GENERAL
2 CIRCULATION IN THE MUNICIPALITY OR COUNTY OR ON THE MUNICIPALITY'S OR
3 COUNTY'S PUBLIC WEBSITE AT LEAST TEN DAYS BEFORE THE DATE OF THE HEARING.
4 THE NOTICE SHALL ALSO CONTAIN A DESCRIPTION OF THE PROPOSED TOURISM
5 IMPROVEMENT AREA AS SET FORTH IN THE RESOLUTION OF INTENTION.

6 C. THE GOVERNING BODY SHALL CONDUCT THE PUBLIC HEARING AT LEAST
7 THIRTY DAYS AFTER MAILING THE NOTICE TO ALL LODGING BUSINESS OWNERS
8 IDENTIFIED PURSUANT TO SUBSECTION B OF THIS SECTION.

9 D. THE GOVERNING BODY SHALL CONSIDER PUBLIC TESTIMONY REGARDING THE
10 PROPOSED TOURISM IMPROVEMENT AREA. ANY LODGING BUSINESS PROPOSED TO BE
11 SUBJECTED TO A LODGING BUSINESS ASSESSMENT MAY SUBMIT A WRITTEN OBJECTION
12 TO THE GOVERNING BODY AT ANY TIME BEFORE THE CONCLUSION OF THE PUBLIC
13 HEARING. IF WRITTEN OBJECTIONS ARE RECEIVED FROM LODGING BUSINESS OWNERS
14 THAT REPRESENT FIFTY PERCENT OR MORE OF THE TOTAL ROOMS WITHIN THE
15 PROPOSED TOURISM IMPROVEMENT AREA, THE HEARING SHALL END AND NO FURTHER
16 PROCEEDINGS ON THE FORMATION OF THE PROPOSED TOURISM IMPROVEMENT AREA MAY
17 BE HELD BY THE MUNICIPALITY OR COUNTY FOR A PERIOD OF ONE YEAR AFTER THE
18 DATE OF THE HEARING.

19 E. IF AT THE CONCLUSION OF THE PUBLIC HEARING, THE GOVERNING BODY
20 DETERMINES THAT ALL THE WRITTEN OBJECTIONS SUBMITTED BY LODGING BUSINESS
21 OWNERS IDENTIFIED PURSUANT TO SUBSECTION B OF THIS SECTION DO NOT
22 REPRESENT THIRTY-FOUR PERCENT OR MORE OF THE TOTAL ROOMS WITHIN THE
23 PROPOSED TOURISM IMPROVEMENT AREA, THE GOVERNING BODY MAY ADOPT A
24 RESOLUTION FORMING THE PROPOSED TOURISM IMPROVEMENT AREA.

25 F. THE GOVERNING BODY OF A MUNICIPALITY MAY NOT FORM A PROPOSED
26 TOURISM IMPROVEMENT AREA WITHIN THE UNINCORPORATED TERRITORY OF A COUNTY
27 WITHOUT THE CONSENT OF THE BOARD OF SUPERVISORS OF THAT COUNTY. THE
28 GOVERNING BODY OF A MUNICIPALITY MAY NOT FORM A PROPOSED TOURISM
29 IMPROVEMENT AREA WITHIN THE TERRITORIAL JURISDICTION OF ANOTHER
30 MUNICIPALITY WITHOUT THE CONSENT OF THE GOVERNING BODY OF THE OTHER
31 MUNICIPALITY. THE BOARD OF SUPERVISORS MAY NOT FORM A PROPOSED TOURISM
32 IMPROVEMENT AREA WITHIN THE TERRITORIAL JURISDICTION OF ANOTHER COUNTY
33 WITHOUT CONSENT OF THE BOARD OF SUPERVISORS OF THE OTHER COUNTY.

34 G. THE BOUNDARIES OF A PROPOSED TOURISM IMPROVEMENT AREA MAY
35 OVERLAP WITH THE BOUNDARIES OF ANOTHER TOURISM IMPROVEMENT AREA OR ANY
36 OTHER IMPROVEMENT AREA OR DISTRICT CREATED FOR SPECIAL ASSESSMENTS.

37 H. THE INITIAL TERM OF A FORMED TOURISM IMPROVEMENT AREA MAY NOT
38 EXCEED TEN YEARS AND SUBSEQUENT RENEWALS OF THE TOURISM IMPROVEMENT AREA
39 MAY NOT EXCEED TEN YEARS PER RENEWAL.

40 I. ANY LODGING BUSINESS OF THE TYPES OR CLASSES THAT ARE SUBJECT TO
41 THE LODGING BUSINESS ASSESSMENT THAT COMMENCES OPERATIONS DURING THE
42 TOURISM IMPROVEMENT AREA'S TERM SHALL BE SUBJECT TO A TOURISM IMPROVEMENT
43 AREA LODGING BUSINESS ASSESSMENT.

48-6505. Management: annual report

A. EACH TOURISM IMPROVEMENT AREA SHALL BE MANAGED BY AN OWNERS' ASSOCIATION. THE GOVERNING BODY SHALL CONTRACT WITH THE TOURISM IMPROVEMENT AREA OWNERS' ASSOCIATION TO ADMINISTER THE TOURISM IMPROVEMENT AREA ACTIVITIES SPECIFIED IN THE TOURISM IMPROVEMENT AREA PLAN.

B. IF A NEWLY FORMED NONPROFIT CORPORATION IS DESIGNATED AS THE OWNERS' ASSOCIATION, THE CERTIFICATE OF INCORPORATION OR BYLAWS SHALL PROVIDE THAT THE GOVERNING BOARD OF THE OWNERS' ASSOCIATION SHALL BE COMPOSED OF A MAJORITY OF THE LODGING BUSINESS OWNERS LOCATED WITHIN THE TOURISM IMPROVEMENT AREA OR THEIR AUTHORIZED REPRESENTATIVES. A REPRESENTATIVE OF THE MUNICIPALITY OR COUNTY MAY HAVE A NONVOTING, EX OFFICIO SEAT ON THE GOVERNING BOARD.

C. IF AN EXISTING NONPROFIT CORPORATION IS DESIGNATED AS THE OWNERS' ASSOCIATION, UNLESS ITS GOVERNING BOARD ALREADY INCLUDES A MAJORITY OF LODGING BUSINESS OWNERS LOCATED IN THE TOURISM IMPROVEMENT AREA OR THEIR AUTHORIZED REPRESENTATIVES, THE NONPROFIT SHALL EITHER:

1. CREATE A COMMITTEE COMPOSED OF A MAJORITY OF LODGING BUSINESS OWNERS LOCATED WITHIN THE TOURISM IMPROVEMENT AREA OR THEIR AUTHORIZED REPRESENTATIVES WHO ARE CHARGED WITH MANAGING THE MONIES RAISED BY THE TOURISM IMPROVEMENT AREA AND FULFILLING THE OBLIGATIONS OF THE TOURISM IMPROVEMENT AREA PLAN. A REPRESENTATIVE OF THE MUNICIPALITY OR COUNTY MAY HAVE A NONVOTING, EX OFFICIO SEAT ON THE COMMITTEE.

2. MODIFY THE CORPORATION BYLAWS TO INCLUDE A MAJORITY OF LODGING BUSINESS OWNERS LOCATED WITHIN THE TOURISM IMPROVEMENT AREA OR THEIR AUTHORIZED REPRESENTATIVES ON ITS GOVERNING BOARD.

D. A TOURISM IMPROVEMENT AREA OWNERS' ASSOCIATION AUTHORITY SHALL INCLUDE ANY POWERS POSSESSED BY A NONPROFIT CORPORATION ORGANIZED PURSUANT TO THE LAWS OF THIS STATE, INCLUDING THE AUTHORITY TO ACCEPT DONATIONS OR GIFTS OF MONEY AND PROPERTY, TO APPLY FOR AND RECEIVE GRANTS FROM PUBLIC AND PRIVATE SOURCES AND TO CARRY OVER MONIES FROM ONE FISCAL YEAR TO THE NEXT.

E. THE GOVERNING BOARD OF THE TOURISM IMPROVEMENT AREA OWNERS' ASSOCIATION SHALL FILE AN ANNUAL REPORT WITH THE GOVERNING BODY. THE ANNUAL REPORT SHALL BE FILED WITHIN ONE HUNDRED TWENTY DAYS AFTER THE END OF THE TOURISM IMPROVEMENT AREA'S FISCAL YEAR. THE REQUIREMENT FOR FILING AN ANNUAL REPORT SHALL BEGIN IN THE FIRST FULL FISCAL YEAR AFTER TOURISM IMPROVEMENT AREA FORMATION.

F. THE ANNUAL REPORT REQUIRED PURSUANT TO SUBSECTION E OF THIS SECTION SHALL INCLUDE ALL OF THE FOLLOWING:

1. THE TOURISM IMPROVEMENT AREA ACTIVITIES PROVIDED FOR THE PREVIOUS FISCAL YEAR.

2. THE AMOUNT OF TOURISM IMPROVEMENT AREA MONIES SPENT ON TOURISM IMPROVEMENT AREA ACTIVITIES FOR THE PREVIOUS FISCAL YEAR.

3. THE ESTIMATED AMOUNT OF ANY SURPLUS OR DEFICIT MONIES TO BE CARRIED OVER FROM THE PREVIOUS FISCAL YEAR.

1 48-6506. Tourism improvement area plan: amendments

2 A. ON THE WRITTEN REQUEST OF THE TOURISM IMPROVEMENT AREA OWNERS'
3 ASSOCIATION, THE GOVERNING BODY MAY AMEND THE TOURISM IMPROVEMENT AREA
4 PLAN PURSUANT TO THIS SECTION.

5 B. IF THE TOURISM IMPROVEMENT AREA PLAN AMENDMENT INCLUDES A NEW OR
6 INCREASED LODGING ASSESSMENT, THE GOVERNING BODY SHALL DO ALL OF THE
7 FOLLOWING:

8 1. HOLD A PUBLIC HEARING ON THE AMENDMENT AT LEAST THIRTY DAYS
9 AFTER MAILING THE NOTICE TO THE ASSESSED LODGING BUSINESS OWNERS REQUIRED
10 PURSUANT TO PARAGRAPH 2 OF THIS SUBSECTION.

11 2. PROVIDE NOTICE OF THIS MEETING BY MAIL TO THE OWNER OF EACH
12 LODGING BUSINESS SUBJECT TO LODGING BUSINESS ASSESSMENT IN THE TOURISM
13 IMPROVEMENT AREA AND PUBLISH THE NOTICE IN A NEWSPAPER OF GENERAL
14 CIRCULATION IN THE MUNICIPALITY OR COUNTY OR ON THE MUNICIPALITY'S OR
15 COUNTY'S PUBLIC WEBSITE AT LEAST TEN DAYS BEFORE THE DATE OF THE HEARING.

16 C. IF THE AMENDMENT DOES NOT INCLUDE A NEW OR INCREASED ASSESSMENT,
17 THE GOVERNING BODY MUST HOLD A PUBLIC HEARING ON THE AMENDMENT.

18 48-6507. Lodging business assessments: collection:
19 disbursement

20 A. THE OWNER'S ASSOCIATION SHALL ESTABLISH, CHARGE AND COLLECT
21 LODGING BUSINESS ASSESSMENTS ON THE LODGING BUSINESSES LOCATED WITHIN THE
22 TOURISM IMPROVEMENT AREA. THE OWNERS' ASSOCIATION MAY LEVY A LODGING
23 BUSINESS ASSESSMENT OF NOT MORE THAN \$5 PER ROOM SOLD PER NIGHT ON THE
24 LODGING BUSINESS ROOMS IN THE TOURISM IMPROVEMENT AREA. THE LODGING
25 BUSINESS ASSESSMENT RATE OR RATES MAY BE TIERED BASED ON THE ANNUAL
26 AVERAGE DAILY ROOM RATE FOR THE AFFECTED LODGING BUSINESS.

27 B. THE LODGING BUSINESS OWNER OR AUTHORIZED REPRESENTATIVE SHALL
28 PAY THE LODGING BUSINESS ASSESSMENT TO THE DEPARTMENT OF REVENUE AT THE
29 SAME TIME AS PAYING THE TRANSACTION PRIVILEGE TAX REQUIRED PURSUANT TO
30 SECTION 42-5014. THE LODGING BUSINESS ASSESSMENT SHALL BE LEVIED
31 BEGINNING ON THE FIRST DAY OF THE FIRST MONTH NINETY DAYS AFTER THE
32 OWNERS' ASSOCIATION IS ESTABLISHED. UNLESS THE CONTEXT OTHERWISE
33 REQUIRES, THE ADMINISTRATION OF THE LODGING BUSINESS ASSESSMENT SHALL BE
34 SUBJECT TO SECTION 42-6102. IF THE LODGING BUSINESS OWNER DOES NOT PAY
35 TRANSACTION PRIVILEGE TAX, THE LODGING BUSINESS ASSESSMENT IS DUE AND
36 PAYABLE TO THE DEPARTMENT OF REVENUE AS REQUIRED BY SECTION 42-5014. THE
37 DEPARTMENT SHALL REPORT TO THE STATE TREASURER THE AMOUNT OF LODGING
38 BUSINESS ASSESSMENTS COLLECTED PURSUANT TO THIS SECTION.

39 C. THE STATE TREASURER SHALL TRANSMIT TO THE TREASURER OR OFFICER
40 EXERCISING THE FUNCTIONS OF TREASURER OF THE MUNICIPALITY OR COUNTY WHERE
41 THE TOURISM IMPROVEMENT AREA IS LOCATED ON A MONTHLY BASIS THE AMOUNT
42 COLLECTED FROM LODGING BUSINESS ASSESSMENTS WITHIN THE TOURISM IMPROVEMENT
43 AREA.

44 D. THE OWNERS' ASSOCIATION AND THE GOVERNING BODY THAT IS
45 PARTICIPATING IN THE TOURISM IMPROVEMENT AREA SHALL REPORT TO THE

1 DEPARTMENT OF REVENUE THE AMOUNT OF THE LODGING BUSINESS ASSESSMENT AND
2 SUPPLY THE DEPARTMENT OF REVENUE AND THE STATE TREASURER WITH ALL
3 REQUESTED INFORMATION NECESSARY TO ADMINISTER THIS SECTION.

4 48-6508. Renewal; dissolution; remaining revenue

5 A. AN ESTABLISHED TOURISM IMPROVEMENT AREA MAY BE RENEWED FOR A NEW
6 TERM. A RENEWED TOURISM IMPROVEMENT AREA MAY ENGAGE IN DIFFERENT TOURISM
7 IMPROVEMENT ACTIVITIES THAN THE ORIGINAL TOURISM IMPROVEMENT AREA. ON
8 RENEWAL OF A TOURISM IMPROVEMENT AREA, ANY REMAINING MONIES HELD BY THE
9 TOURISM IMPROVEMENT AREA SHALL BE TRANSFERRED TO THE RENEWED TOURISM
10 IMPROVEMENT AREA.

11 B. DURING THE TERM OF THE TOURISM IMPROVEMENT AREA, THERE SHALL BE
12 A THIRTY-DAY PERIOD EACH YEAR IN WHICH LODGING BUSINESS OWNERS WHO HAVE
13 PAID LODGING BUSINESS ASSESSMENTS MAY REQUEST DISSOLUTION OF THE TOURISM
14 IMPROVEMENT AREA. THE INITIAL THIRTY-DAY PERIOD SHALL BEGIN ONE YEAR
15 AFTER THE DATE OF ESTABLISHMENT OF THE TOURISM IMPROVEMENT AREA. ON
16 RECEIPT OF A PETITION SUBMITTED BY THE LODGING BUSINESS OWNERS THAT
17 REPRESENT FIFTY PERCENT OR MORE OF THE TOTAL ROOMS WITHIN THE TOURISM
18 IMPROVEMENT AREA, THE GOVERNING BODY SHALL PASS A RESOLUTION OF INTENTION
19 TO DISSOLVE THE TOURISM IMPROVEMENT AREA. THE GOVERNING BODY SHALL HOLD A
20 HEARING ON THE PETITION TO DISSOLVE THE TOURISM IMPROVEMENT AREA AND SHALL
21 PROVIDE NOTICE OF THE HEARING PURSUANT TO THE NOTICE REQUIREMENTS OF
22 SECTION 48-6504.

23 C. THE GOVERNING BODY MAY ADOPT A RESOLUTION TO DISSOLVE A TOURISM
24 IMPROVEMENT AREA. THE GOVERNING BODY MAY ONLY ADOPT A RESOLUTION TO
25 DISSOLVE A TOURISM IMPROVEMENT AREA WHEN THE TOURISM IMPROVEMENT AREA HAS
26 SATISFIED ALL DEBTS OF THE TOURISM IMPROVEMENT AREA. THE GOVERNING BODY
27 MAY ALSO DISSOLVE A TOURISM IMPROVEMENT AREA IF THE GOVERNING BODY FINDS
28 THERE HAS BEEN MISAPPROPRIATION OF MONIES, MALFEASANCE OR A VIOLATION OF
29 LAW IN CONNECTION WITH THE MANAGEMENT OF THE TOURISM IMPROVEMENT AREA.

30 D. THE RESOLUTION ADOPTED BY THE GOVERNING BODY PURSUANT TO
31 SUBSECTION B OR C OF THIS SECTION SHALL STATE THE REASON FOR THE
32 DISSOLUTION AND THE TIME AND PLACE OF THE PUBLIC HEARING AND SHALL CONTAIN
33 A PROPOSAL TO DISPOSE OF ANY ASSETS ACQUIRED WITH THE MONIES OF THE
34 LODGING BUSINESS ASSESSMENTS LEVIED WITHIN THE TOURISM IMPROVEMENT
35 AREA. THE NOTICE OF THE HEARING ON DISSOLUTION REQUIRED BY THIS SECTION
36 SHALL BE GIVEN BY MAIL TO EACH LODGING BUSINESS OWNER WHO IS SUBJECT TO A
37 LODGING BUSINESS ASSESSMENT IN THE TOURISM IMPROVEMENT AREA AND PUBLISHED
38 IN A NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY OR COUNTY OR ON
39 THE MUNICIPALITY'S OR COUNTY'S PUBLIC WEBSITE AT LEAST TEN DAYS BEFORE THE
40 DATE OF THE HEARING. THE GOVERNING BODY SHALL CONDUCT THE PUBLIC HEARING
41 AT LEAST THIRTY DAYS AFTER MAILING THE NOTICE OF HEARING. THE PUBLIC
42 HEARING SHALL BE HELD NOT MORE THAN SIXTY DAYS AFTER THE ADOPTION OF THE
43 RESOLUTION OF INTENTION TO DISSOLVE THE TOURISM IMPROVEMENT AREA.

44 E. ON THE DISSOLUTION OR EXPIRATION WITHOUT RENEWAL OF A TOURISM
45 IMPROVEMENT AREA, ANY MONIES THAT REMAIN AFTER ALL DEBTS OF THE TOURISM

IMPROVEMENT AREA ARE PAID SHALL BE SPENT IN ACCORDANCE WITH THE TOURISM IMPROVEMENT AREA PLAN OR SHALL BE REFUNDED TO THE LODGING BUSINESS OWNERS OF THE LODGING BUSINESSES THAT ARE LOCATED AND OPERATING WITHIN THE TOURISM IMPROVEMENT AREA AT THE TIME OF DISSOLUTION OF THE TOURISM IMPROVEMENT AREA. REMAINING MONIES THAT ARE TO BE REFUNDED TO LODGING BUSINESS OWNERS SHALL BE REFUNDED USING THE SAME METHOD AND BASIS THAT WAS USED TO CALCULATE THE ASSESSMENTS LEVIED IN THE FISCAL YEAR IN WHICH THE TOURISM IMPROVEMENT AREA IS DISSOLVED OR EXPIRES.

48-6509. Government services; base level; maintenance

THE GOVERNING BODY MAY NOT ELIMINATE OR REDUCE THE FUNDING LEVEL OF ANY SERVICES CUSTOMARILY PROVIDED IN THE TOURISM IMPROVEMENT AREA BOUNDARIES AND SHALL CONTINUE TO PROVIDE THE CUSTOMARY FUNDING AND SERVICE LEVELS OF EACH SERVICE WITHIN THE TOURISM IMPROVEMENT AREA UNLESS A REDUCTION IN SERVICE IS PART OF A MUNICIPALITY-WIDE OR COUNTY-WIDE PRO RATA REDUCTION IN SERVICES NECESSITATED BY FISCAL CONSIDERATIONS OR BUDGETARY CONSTRAINTS.

Sec. 2. Legislative findings

The legislature finds that:

1. Many tourism and lodging businesses located and operating in municipal and county communities in this state struggle to compete with destinations in other states in attracting overnight visitation due to inadequate services and activities.

2. Tourism improvement areas will help municipalities within this state to grow leisure, convention and event visitor demand by promoting tourism, business activities, economic growth and employment within this state.

3. Because additional services and activities will provide direct benefits to the lodging businesses within a tourism improvement area, the most equitable method of financing tourism improvement area activities is to levy a lodging business assessment on lodging businesses that will benefit from a tourism improvement area.

4. Tourism and lodging demand generated by a tourism improvement area will increase revenue for this state.

5. Tourism lodging business owners should be encouraged to create a tourism improvement area to enhance the local tourism business climate.

6. Tourism improvement area activities are intended to supplement and not replace existing governmental activities and services.