

Senate Engrossed House Bill

tourism improvement areas; municipalities; counties

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2950

AN ACT

AMENDING TITLE 48, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 38;
RELATING TO SPECIAL 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 AREAS

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. "DESTINATION MARKETING ORGANIZATION" MEANS A NONPROFIT
11 ORGANIZATION OR GOVERNMENTAL UNIT THAT IS DESIGNATED BY THE GOVERNING BODY
12 AS BEING RESPONSIBLE FOR THE TOURISM PROMOTION AND MARKETING OF THE
13 MUNICIPALITY OR COUNTY.

14 3. "GOVERNING BODY" MEANS THE GOVERNING BODY OR BOARD THAT BY LAW
15 IS CONSTITUTED AS THE LEGISLATIVE DEPARTMENT OF THE MUNICIPALITY OR
16 COUNTY.

17 4. "LODGING BUSINESS":

18 (a) MEANS ANY BUSINESS PROVIDING TRANSIENT LODGING AS PRESCRIBED BY
19 SECTION 42-5070.

20 (b) INCLUDES A PROPERTY THAT BEGINS PROVIDING TRANSIENT LODGING AS
21 PRESCRIBED BY SECTION 42-5070 AFTER THE ESTABLISHMENT OF A TOURISM
22 IMPROVEMENT AREA THAT INCLUDES THE PROPERTY.

23 5. "LODGING BUSINESS ASSESSMENT" MEANS A LEVY ON ROOM RENTALS AT A
24 BUSINESS THAT IS CLASSIFIED UNDER SECTION 42-5070.

25 6. "LODGING BUSINESS OWNER" MEANS A PERSON RECOGNIZED AS THE OWNER
26 OF A LODGING BUSINESS THAT IS SUBJECT TO A LODGING BUSINESS ASSESSMENT.

27 7. "MUNICIPALITY" MEANS A CITY OR TOWN.

28 8. "OWNERS' BOARD" MEANS THE DESIGNATED INDIVIDUALS THAT GOVERN THE
29 ACTIVITIES OF THE TOURISM IMPROVEMENT AREA AND MAY BE THE BOARD OF
30 DIRECTORS OF THE DESTINATION MARKETING ORGANIZATION OR A COMMITTEE OF THE
31 DESTINATION MARKETING ORGANIZATION AS LONG AS THE OWNERS' BOARD IS
32 COMPOSED OF AT LEAST A MAJORITY OF LODGING BUSINESS OWNERS THAT ARE
33 SUBJECT TO THE ASSESSMENT.

34 9. "TOURISM IMPROVEMENT AREA" MEANS AN IMPROVEMENT AREA OF
35 CONTIGUOUS OR NONCONTIGUOUS BOUNDARIES.

36 10. "TOURISM IMPROVEMENT AREA ACTIVITY":

37 (a) MEANS ANY ADVERTISING, PROMOTION OR BUSINESS RECRUITMENT THAT
38 IS DIRECTLY RELATED TO LODGING BUSINESSES IN A TOURISM IMPROVEMENT AREA.

39 (b) DOES NOT INCLUDE ACTIVITIES THAT ARE DIRECTLY OR INDIRECTLY
40 RELATED TO CONSTRUCTION AND MAINTENANCE OF PHYSICAL INFRASTRUCTURE.

41 11. "TOURISM IMPROVEMENT AREA PLAN" MEANS A PROPOSAL FOR A TOURISM
42 IMPROVEMENT AREA THAT CONTAINS INFORMATION REQUIRED PURSUANT TO SECTION
43 48-6503.

1 48-6502. Petition; governing body approval; requirements

2 A. ON PRESENTATION OF A PETITION PURSUANT TO THIS SECTION, THE
3 GOVERNING BODY MAY APPROVE THE FORMATION OF A TOURISM IMPROVEMENT AREA AND
4 THE LODGING BUSINESS ASSESSMENT RATE. THE PETITION FOR THE FORMATION OF
5 THE TOURISM IMPROVEMENT AREA MUST INCLUDE AND IDENTIFY THE FOLLOWING:

6 1. THE SIGNATURE OF LODGING BUSINESS OWNERS OF TWO OR MORE LODGING
7 BUSINESSES WITHIN A PROPOSED TOURISM IMPROVEMENT AREA THAT AGREED TO
8 PARTICIPATE IN THE TOURISM IMPROVEMENT AREA PURSUANT TO SECTION 48-6507.

9 2. THE GEOGRAPHIC BOUNDARIES OF THE PROPOSED TOURISM IMPROVEMENT
10 AREA.

11 3. THE TYPES OR CLASSES OF LODGING BUSINESSES THAT WILL BE SUBJECT
12 TO THE PROPOSED LODGING BUSINESS ASSESSMENT.

13 4. THE PROPOSED LODGING BUSINESS ASSESSMENT RATE FOR EACH TYPE OR
14 CLASS OF LODGING BUSINESS THAT WILL BE SUBJECT TO THE LODGING BUSINESS
15 ASSESSMENT.

16 5. INFORMATION SPECIFYING WHERE THE COMPLETE TOURISM IMPROVEMENT
17 AREA PLAN MAY BE OBTAINED AND THAT THE COMPLETE TOURISM IMPROVEMENT AREA
18 PLAN IS AVAILABLE ON REQUEST.

19 B. A LODGING BUSINESS OWNER MAY APPOINT AN AUTHORIZED AGENT TO ACT
20 AS THE LODGING BUSINESS OWNER'S REPRESENTATIVE FOR THE PURPOSES OF THIS
21 CHAPTER. THE LODGING BUSINESS OWNER'S REPRESENTATIVE IS CONSIDERED THE
22 LODGING BUSINESS OWNER FOR THE PURPOSES OF ANY SIGNATURE REQUIRED FOR A
23 PETITION PRESCRIBED BY THIS SECTION, SERVING ON A BOARD OR COMMITTEE OR
24 FOR ANY OTHER PURPOSE AUTHORIZED BY THE LODGING BUSINESS OWNER. THE
25 GOVERNING BODY HAS NO OBLIGATION TO OBTAIN OTHER INFORMATION AS TO THE
26 OWNERSHIP OF THE LODGING BUSINESS, AND ITS DETERMINATION OF OWNERSHIP
27 SHALL BE FINAL AND CONCLUSIVE FOR THE PURPOSES OF THIS CHAPTER.

28 48-6503. Tourism improvement area plan; information

29 A. A TOURISM IMPROVEMENT AREA PLAN MUST BE PREPARED BEFORE THE
30 PUBLIC HEARING ON THE PROPOSED TOURISM IMPROVEMENT AREA HELD PURSUANT TO
31 SECTION 48-6504. THE TOURISM IMPROVEMENT AREA PLAN MUST INCLUDE ALL OF
32 THE FOLLOWING:

33 1. A MAP THAT IDENTIFIES THE BOUNDARIES OF THE PROPOSED TOURISM
34 IMPROVEMENT AREA IN SUFFICIENT DETAIL TO ALLOW A LODGING BUSINESS OWNER TO
35 REASONABLY DETERMINE WHETHER THE LODGING BUSINESS IS LOCATED WITHIN THE
36 PROPOSED TOURISM IMPROVEMENT AREA BOUNDARIES.

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

38 3. THE PLANNED TOURISM IMPROVEMENT AREA ACTIVITIES OF THE PROPOSED
39 TOURISM IMPROVEMENT AREA AND AN ESTIMATE OF THE ANNUAL COST OF THE PLANNED
40 TOURISM IMPROVEMENT AREA ACTIVITIES.

41 4. A DEFINITION DESCRIBING THE TYPE OR CLASS OF LODGING BUSINESSES
42 TO BE INCLUDED IN THE PROPOSED TOURISM IMPROVEMENT AREA AND THE LODGING
43 BUSINESSES THAT WILL BE SUBJECT TO THE PROPOSED LODGING BUSINESS
44 ASSESSMENT PURSUANT TO SECTION 48-6507. THE DEFINITION MAY INCLUDE THE
45 SIZE OF THE LODGING PROPERTY OR NUMBER OF ROOMS AT THE LODGING PROPERTY.

1 5. THE PROPOSED SOURCE OF FINANCING, INCLUDING THE PROPOSED METHOD
2 AND BASIS OF LEVYING THE LODGING BUSINESS ASSESSMENT IN SUFFICIENT DETAIL
3 TO ALLOW EACH LODGING BUSINESS OWNER TO ESTIMATE THE AMOUNT OF THE LODGING
4 BUSINESS ASSESSMENT TO BE LEVIED AGAINST THE LODGING BUSINESS.

5 6. THE ESTIMATED TOTAL PROPOSED LODGING BUSINESS ASSESSMENTS TO BE
6 SPENT FOR TOURISM IMPROVEMENT AREA ACTIVITIES DURING THE FIRST YEAR OF
7 OPERATION OF THE PROPOSED TOURISM IMPROVEMENT AREA AND THE FORMULA USED TO
8 DETERMINE EACH LODGING BUSINESS OWNER'S LODGING BUSINESS ASSESSMENT, WHICH
9 SHALL BE BASED ON BENEFIT.

10 7. THE TERM OF THE PROPOSED TOURISM IMPROVEMENT AREA.

11 B. LODGING BUSINESS ASSESSMENTS THAT ARE LEVIED TO CONDUCT TOURISM
12 IMPROVEMENT AREA ACTIVITIES MUST PROVIDE BENEFITS TO LODGING BUSINESSES
13 AND ASSOCIATED INDUSTRIES THAT ARE LOCATED WITHIN THE TOURISM IMPROVEMENT
14 AREA AND THAT ARE SUBJECT TO THE LODGING BUSINESS ASSESSMENT. LODGING
15 BUSINESS ASSESSMENTS MAY VARY BY TYPES OR CLASSES OF LODGING BUSINESSES AS
16 DESCRIBED IN THE TOURISM IMPROVEMENT AREA PLAN, INCLUDING THE SIZE OF THE
17 LODGING PROPERTY OR NUMBER OF ROOMS AT THE LODGING PROPERTY. A LODGING
18 BUSINESS ASSESSMENT MAY BE LEVIED BASED ON EITHER OF THE FOLLOWING:

19 1. FIXED RATE PER LODGING ROOM RENTAL OF NOT MORE THAN \$5 PER
20 NIGHT.

21 2. PERCENTAGE OF RECEIPTS FROM LODGING ROOM RENTALS OF NOT MORE
22 THAN FIVE PERCENT BY THE LODGING BUSINESS.

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

30 D. TOURISM IMPROVEMENT AREA ACTIVITIES MUST BE DESIGNED TO PROMOTE
31 TOURISM AND LODGING TO ENHANCE THE ECONOMIC DEVELOPMENT CLIMATE IN THE
32 TOURISM IMPROVEMENT AREA IN ACCORDANCE WITH ALL APPLICABLE LAWS,
33 REGULATIONS AND REQUIREMENTS OF THIS STATE AND THE UNITED STATES.

34 48-6504. Formation; public hearing

35 A. ON RECEIPT OF A VALID PETITION, THE GOVERNING BODY MAY ADOPT A
36 RESOLUTION OF INTENTION TO CONSIDER THE FORMATION OF A TOURISM IMPROVEMENT
37 AREA, IF ADOPTED BY THE GOVERNING BODY. THE RESOLUTION OF INTENTION MUST
38 STATE ALL OF THE FOLLOWING:

39 1. THE DATE, TIME AND PLACE OF A PUBLIC HEARING TO CONSIDER THE
40 PETITION FOR FORMATION OF A TOURISM IMPROVEMENT AREA.

41 2. THE PROPOSED TOURISM IMPROVEMENT AREA ACTIVITIES.

42 3. AN ESTIMATED AMOUNT OF FUNDING NECESSARY TO IMPLEMENT THE
43 TOURISM IMPROVEMENT AREA PLAN.

44 4. THE BOUNDARIES OF THE PROPOSED TOURISM IMPROVEMENT AREA.

45 5. THE AMOUNT OF THE PROPOSED LODGING BUSINESS ASSESSMENT.

1 B. IF A RESOLUTION CONSISTENT WITH SUBSECTION A OF THIS SECTION IS
2 ADOPTED BY THE GOVERNING BODY, THE NOTICE OF THE PUBLIC HEARING SHALL BE
3 SENT BY MAIL TO EACH LODGING BUSINESS OWNER SUBJECT TO ASSESSMENT IN THE
4 PROPOSED TOURISM IMPROVEMENT AREA AND PUBLISHED IN A NEWSPAPER OF GENERAL
5 CIRCULATION IN THE MUNICIPALITY OR COUNTY OR ON THE MUNICIPALITY'S OR
6 COUNTY'S PUBLIC WEBSITE AT LEAST THIRTY DAYS BEFORE THE DATE OF THE
7 HEARING. THE NOTICE MUST ALSO CONTAIN A DESCRIPTION OF THE PROPOSED
8 TOURISM IMPROVEMENT AREA AS SET FORTH IN THE RESOLUTION OF INTENTION.

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

12 D. THE GOVERNING BODY SHALL CONSIDER PUBLIC TESTIMONY REGARDING THE
13 PROPOSED TOURISM IMPROVEMENT AREA. ANY LODGING BUSINESS PROPOSED TO BE
14 SUBJECTED TO A LODGING BUSINESS ASSESSMENT MAY SUBMIT A WRITTEN OBJECTION
15 TO THE GOVERNING BODY AT ANY TIME BEFORE THE CONCLUSION OF THE PUBLIC
16 HEARING. IF WRITTEN OBJECTIONS ARE RECEIVED FROM LODGING BUSINESS OWNERS
17 THAT REPRESENT FIFTY PERCENT OR MORE OF THE TOTAL ROOMS THAT ARE SUBJECT
18 TO THE ASSESSMENT, THE GOVERNING BODY SHALL END THE HEARING AND THE
19 MUNICIPALITY OR COUNTY MAY NOT HOLD ANY FURTHER PROCEEDINGS ON THE
20 FORMATION OF THE PROPOSED TOURISM IMPROVEMENT AREA FOR A PERIOD OF ONE
21 YEAR AFTER THE DATE OF THE HEARING.

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

31 F. THE INITIAL TERM OF A FORMED TOURISM IMPROVEMENT AREA MAY NOT
32 EXCEED TEN YEARS AND SUBSEQUENT RENEWALS OF THE TOURISM IMPROVEMENT AREA
33 MAY NOT EXCEED TEN YEARS PER RENEWAL.

34 48-6505. Management; annual report

35 A. EACH TOURISM IMPROVEMENT AREA SHALL BE GOVERNED BY AN OWNERS'
36 BOARD COMPOSED OF A MAJORITY OF THE ASSESSED LODGING BUSINESS OWNERS
37 LOCATED WITHIN THE TOURISM IMPROVEMENT AREA OR THEIR AUTHORIZED
38 REPRESENTATIVES. A REPRESENTATIVE OF THE MUNICIPALITY OR COUNTY MAY HAVE
39 A NONVOTING, EX OFFICIO SEAT ON THE OWNER'S BOARD.

40 B. THE GOVERNING BODY SHALL CONTRACT WITH ITS DESTINATION MARKETING
41 ORGANIZATION TO MANAGE AND IMPLEMENT THE TOURISM IMPROVEMENT AREA
42 ACTIVITIES SPECIFIED IN THE TOURISM IMPROVEMENT AREA PLAN.

43 C. THE DESTINATION MARKETING ORGANIZATION MANAGING THE TOURISM
44 IMPROVEMENT AREA HAS ALL OF THE POWERS POSSESSED BY A NONPROFIT
45 CORPORATION ORGANIZED PURSUANT TO THE LAWS OF THIS STATE, INCLUDING THE

1 AUTHORITY TO ACCEPT DONATIONS OR GIFTS OF MONIES AND PROPERTY, TO APPLY
2 FOR AND RECEIVE GRANTS FROM PUBLIC AND PRIVATE SOURCES AND TO CARRY OVER
3 MONIES FROM ONE FISCAL YEAR TO THE NEXT.

4 D. ON GOVERNING BODY APPROVAL OF THE TOURISM IMPROVEMENT AREA AND
5 ANNUALLY THEREAFTER, THE OWNERS' BOARD SHALL SUBMIT TO THE DEPARTMENT OF
6 REVENUE THE APPROVED TOURISM IMPROVEMENT AREA MAP WITH DETAILS ON THE
7 ASSESSED PROPERTIES IN A FORM AND MANNER REQUIRED BY THE DEPARTMENT OF
8 REVENUE.

9 E. THE DESTINATION MARKETING ORGANIZATION THAT MANAGES THE TOURISM
10 IMPROVEMENT AREA SHALL FILE AN ANNUAL REPORT WITH THE GOVERNING BODY
11 WITHIN ONE HUNDRED TWENTY DAYS AFTER THE END OF THE TOURISM IMPROVEMENT
12 AREA'S FISCAL YEAR. THE REQUIREMENT FOR FILING AN ANNUAL REPORT SHALL
13 BEGIN IN THE FIRST FULL FISCAL YEAR AFTER TOURISM IMPROVEMENT AREA
14 FORMATION.

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

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

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

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

23 48-6506. Tourism improvement area plan; amendments

24 A. ON THE WRITTEN REQUEST OF THE DESTINATION MARKETING ORGANIZATION
25 MANAGING THE TOURISM IMPROVEMENT AREA AND AFTER APPROVAL BY A MAJORITY OF
26 THE OWNERS' BOARD, THE GOVERNING BODY MAY AMEND THE TOURISM IMPROVEMENT
27 AREA PLAN PURSUANT TO THIS SECTION.

28 B. IF THE TOURISM IMPROVEMENT AREA PLAN AMENDMENT INCLUDES A NEW OR
29 INCREASED LODGING BUSINESS ASSESSMENT, THE GOVERNING BODY SHALL DO ALL OF
30 THE FOLLOWING:

31 1. HOLD A PUBLIC HEARING ON THE AMENDMENT AT LEAST THIRTY DAYS
32 AFTER MAILING THE NOTICE TO THE ASSESSED LODGING BUSINESS OWNERS THAT IS
33 REQUIRED PURSUANT TO PARAGRAPH 2 OF THIS SUBSECTION.

34 2. PROVIDE NOTICE OF THIS MEETING BY MAIL TO EACH LODGING BUSINESS
35 OWNER THAT IS SUBJECT TO LODGING BUSINESS ASSESSMENT IN THE TOURISM
36 IMPROVEMENT AREA AND PUBLISH THE NOTICE IN A NEWSPAPER OF GENERAL
37 CIRCULATION IN THE MUNICIPALITY OR COUNTY OR ON THE MUNICIPALITY'S OR
38 COUNTY'S PUBLIC WEBSITE AT LEAST THIRTY DAYS BEFORE THE DATE OF THE
39 HEARING.

40 3. PROVIDE NOTICE OF ANY APPROVED TOURISM IMPROVEMENT AREA PLAN
41 AMENDMENT TO THE DEPARTMENT OF REVENUE IN THE MANNER REQUIRED BY THE
42 DEPARTMENT OF REVENUE.

43 C. IF THE AMENDMENT DOES NOT INCLUDE A NEW OR INCREASED ASSESSMENT,
44 THE GOVERNING BODY IS NOT REQUIRED TO HOLD A PUBLIC HEARING ON THE
45 AMENDMENT.

1 D. AMENDMENTS TO A TOURISM IMPROVEMENT AREA PLAN MAY NOT INCLUDE
2 ANY CHANGES TO THE TOURISM IMPROVEMENT AREA'S BOUNDARIES.

3 48-6507. Lodging business assessments; withdrawal;
4 rescission; collection; disbursement

5 A. EXCEPT AS PRESCRIBED BY SUBSECTION B OF THIS SECTION, A LODGING
6 BUSINESS OWNER WHO SIGNED THE PETITION FOR THE FORMATION OF THE TOURISM
7 IMPROVEMENT AREA PURSUANT TO SECTION 48-6502 IS DEEMED TO HAVE JOINED THE
8 TOURISM IMPROVEMENT AREA ON ITS ESTABLISHMENT. AN OWNER OF A LODGING
9 BUSINESS LOCATED WITHIN THE TOURISM IMPROVEMENT AREA WHO DID NOT SIGN THE
10 PETITION FOR THE FORMATION OF THE TOURISM IMPROVEMENT AREA IS NOT A
11 PARTICIPANT IN THE TOURISM IMPROVEMENT AREA BUT MAY JOIN THE TOURISM
12 IMPROVEMENT AREA WITHIN SIXTY DAYS AFTER THE ESTABLISHMENT OF THE TOURISM
13 IMPROVEMENT AREA BY FILING A NOTICE OF JOINDER.

14 B. ANY LODGING BUSINESS OWNER MAY JOIN OR WITHDRAW FROM THE TOURISM
15 IMPROVEMENT AREA DURING THE SAME ANNUAL SIXTY-DAY PERIOD PROVIDED FOR
16 DISSOLUTION IN SECTION 48-6508, SUBSECTION B BY FILING A WRITTEN NOTICE OF
17 JOINDER OR WITHDRAWAL WITH THE OWNERS' BOARD. A LODGING BUSINESS OWNER
18 THAT FILES A NOTICE OF WITHDRAWAL IS NOT SUBJECT TO THE LODGING BUSINESS
19 ASSESSMENT AND IS NO LONGER ELIGIBLE FOR MEMBERSHIP ON THE OWNERS' BOARD.
20 A LODGING BUSINESS OWNER THAT HAS WITHDRAWN FROM THE TOURISM IMPROVEMENT
21 AREA MAY RESCIND ITS WITHDRAWAL BY FILING A WRITTEN NOTICE OF RESCISSION
22 WITH THE OWNERS' BOARD AND, ON DOING SO, IS SUBJECT TO THE LODGING
23 BUSINESS ASSESSMENT BEGINNING ON THE FIRST DAY OF THE TOURISM IMPROVEMENT
24 AREA FISCAL YEAR AFTER THE NOTICE OF RESCISSION IS FILED.

25 C. IF A LODGING BUSINESS OWNER JOINS OR WITHDRAWS FROM THE TOURISM
26 IMPROVEMENT AREA DURING THE SIXTY-DAY PERIOD PRESCRIBED BY SUBSECTION B OF
27 THIS SECTION, THE OWNERS' BOARD SHALL NOTIFY THE DEPARTMENT OF REVENUE AND
28 THE GOVERNING BODY.

29 D. THE DESTINATION MARKETING ORGANIZATION MANAGING THE TOURISM
30 IMPROVEMENT AREA SHALL NOTIFY THE LODGING BUSINESS OWNERS THAT ARE WITHIN
31 THE TOURISM IMPROVEMENT AREA THAT ANY LODGING BUSINESS OWNER MAY JOIN OR
32 WITHDRAW FROM THE TOURISM IMPROVEMENT AREA DURING THE ANNUAL SIXTY-DAY
33 PERIOD PRESCRIBED BY SUBSECTION B OF THIS SECTION. THE DESTINATION
34 MARKETING ORGANIZATION SHALL PROVIDE THE NOTICE ANNUALLY TO THE LODGING
35 BUSINESS OWNERS SIX MONTHS BEFORE THE BEGINNING OF THE SIXTY-DAY PERIOD.

36 E. THE LODGING BUSINESS ASSESSMENT SHALL BE LEVIED BEGINNING ON THE
37 FIRST DAY OF THE FIRST MONTH NINETY DAYS AFTER THE GOVERNING BODY'S
38 APPROVAL OF THE PETITION PURSUANT TO SECTION 48-6502. THE ASSESSMENT
39 SHALL BE PAID TO THE DEPARTMENT OF REVENUE. THE DEPARTMENT OF REVENUE
40 SHALL REPORT TO THE STATE TREASURER THE AMOUNT OF LODGING BUSINESS
41 ASSESSMENTS COLLECTED PURSUANT TO THIS SECTION.

42 F. THE STATE TREASURER SHALL TRANSMIT TO THE TREASURER OR OFFICER
43 EXERCISING THE FUNCTIONS OF TREASURER OF THE MUNICIPALITY OR COUNTY WHERE
44 THE TOURISM IMPROVEMENT AREA IS LOCATED ON A MONTHLY BASIS THE AMOUNT

1 COLLECTED FROM LODGING BUSINESS ASSESSMENTS WITHIN THE TOURISM IMPROVEMENT
2 AREA.

3 G. THE TREASURER OR THE OFFICER EXERCISING THE FUNCTIONS OF
4 TREASURER OF THE MUNICIPALITY OR COUNTY IN WHICH THE TOURISM IMPROVEMENT
5 AREA IS LOCATED SHALL TRANSMIT ON A MONTHLY BASIS THE AMOUNT RECEIVED FROM
6 THE DEPARTMENT OF REVENUE TO THE DESTINATION MARKETING ORGANIZATION
7 MANAGING THE TOURISM IMPROVEMENT AREA.

8 H. THE DESTINATION MARKETING ORGANIZATION MANAGING THE TOURISM
9 IMPROVEMENT AREA AND THE GOVERNING BODY THAT IS PARTICIPATING IN THE
10 TOURISM IMPROVEMENT AREA SHALL REPORT TO THE DEPARTMENT OF REVENUE THE
11 AMOUNT OF THE LODGING BUSINESS ASSESSMENT AND SUPPLY THE DEPARTMENT OF
12 REVENUE AND THE STATE TREASURER WITH ALL REQUESTED INFORMATION NECESSARY
13 TO ADMINISTER THIS SECTION.

14 I. THE DEPARTMENT OF REVENUE AND THE GOVERNING BODY THAT IS
15 PARTICIPATING IN THE TOURISM IMPROVEMENT AREA SHALL ENTER INTO AN
16 INTERGOVERNMENTAL AGREEMENT THAT PROVIDES FOR THE DEPARTMENT OF REVENUE TO
17 RECEIVE MONIES FOR THE COSTS OF ADMINISTERING THE LODGING BUSINESS
18 ASSESSMENT FROM THE PROCEEDS OF THAT LODGING BUSINESS ASSESSMENT.

19 J. UNLESS THE CONTEXT OTHERWISE REQUIRES, TITLE 42, CHAPTER 5,
20 ARTICLE 1 GOVERNS THE ADMINISTRATION OF THE LODGING BUSINESS ASSESSMENT,
21 EXCEPT THAT:

22 1. A SEPARATE LICENSE IS NOT REQUIRED FOR THE LODGING BUSINESS
23 ASSESSMENT IMPOSED BY THIS SECTION.

24 2. A SEPARATE BOND IS NOT REQUIRED FOR EMPLOYEES OF THE DEPARTMENT
25 OF REVENUE FOR ADMINISTERING THIS SECTION.

26 48-6508. Renewal; dissolution; remaining revenue

27 A. AN ESTABLISHED TOURISM IMPROVEMENT AREA MAY BE RENEWED FOR A NEW
28 TERM. A RENEWED TOURISM IMPROVEMENT AREA MAY ENGAGE IN DIFFERENT TOURISM
29 IMPROVEMENT AREA ACTIVITIES THAN THE ORIGINAL TOURISM IMPROVEMENT AREA.
30 ON RENEWAL OF A TOURISM IMPROVEMENT AREA, THE GOVERNING BODY SHALL
31 TRANSFER ANY REMAINING MONIES HELD BY THE TOURISM IMPROVEMENT AREA TO THE
32 RENEWED TOURISM IMPROVEMENT AREA.

33 B. DURING THE TERM OF THE TOURISM IMPROVEMENT AREA, THERE SHALL BE
34 A SIXTY-DAY PERIOD EACH YEAR IN WHICH LODGING BUSINESS OWNERS THAT HAVE
35 PAID LODGING BUSINESS ASSESSMENTS MAY REQUEST DISSOLUTION OF THE TOURISM
36 IMPROVEMENT AREA. THE INITIAL SIXTY-DAY PERIOD SHALL BEGIN ONE YEAR AFTER
37 THE DATE OF ESTABLISHMENT OF THE TOURISM IMPROVEMENT AREA. ON RECEIPT OF
38 A PETITION SUBMITTED BY THE LODGING BUSINESS OWNERS THAT REPRESENT FIFTY
39 PERCENT OR MORE OF THE TOTAL NUMBER OF ASSESSED ROOMS WITHIN THE TOURISM
40 IMPROVEMENT AREA, THE GOVERNING BODY SHALL PASS A RESOLUTION OF INTENTION
41 TO DISSOLVE THE TOURISM IMPROVEMENT AREA. THE GOVERNING BODY SHALL HOLD A
42 HEARING ON THE PETITION TO DISSOLVE THE TOURISM IMPROVEMENT AREA AND SHALL
43 PROVIDE NOTICE OF THE HEARING PURSUANT TO THE NOTICE REQUIREMENTS OF
44 SECTION 48-6504.

1 C. THE GOVERNING BODY MAY ADOPT A RESOLUTION TO DISSOLVE A TOURISM
2 IMPROVEMENT AREA. THE GOVERNING BODY MAY ONLY ADOPT A RESOLUTION TO
3 DISSOLVE A TOURISM IMPROVEMENT AREA WHEN THE TOURISM IMPROVEMENT AREA HAS
4 SATISFIED ALL DEBTS OF THE TOURISM IMPROVEMENT AREA. THE GOVERNING BODY
5 MAY ALSO DISSOLVE A TOURISM IMPROVEMENT AREA IF THE GOVERNING BODY FINDS
6 THERE HAS BEEN MISAPPROPRIATION OF MONIES, MALFEASANCE OR A VIOLATION OF
7 LAW IN CONNECTION WITH THE MANAGEMENT OF THE TOURISM IMPROVEMENT AREA.

8 D. THE RESOLUTION ADOPTED BY THE GOVERNING BODY PURSUANT TO
9 SUBSECTION B OR C OF THIS SECTION SHALL STATE THE REASON FOR THE
10 DISSOLUTION AND THE TIME AND PLACE OF THE PUBLIC HEARING AND SHALL CONTAIN
11 A PROPOSAL TO DISPOSE OF ANY ASSETS ACQUIRED WITH THE MONIES OF THE
12 LODGING BUSINESS ASSESSMENTS LEVIED WITHIN THE TOURISM IMPROVEMENT AREA.
13 THE NOTICE OF THE HEARING ON DISSOLUTION REQUIRED BY THIS SECTION SHALL BE
14 GIVEN BY MAIL TO EACH LODGING BUSINESS OWNER THAT IS SUBJECT TO A LODGING
15 BUSINESS ASSESSMENT IN THE TOURISM IMPROVEMENT AREA AND PUBLISHED IN A
16 NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY OR COUNTY OR ON THE
17 MUNICIPALITY'S OR COUNTY'S PUBLIC WEBSITE AT LEAST THIRTY DAYS BEFORE THE
18 DATE OF THE HEARING. THE GOVERNING BODY SHALL CONDUCT THE PUBLIC HEARING
19 AT LEAST THIRTY DAYS AFTER MAILING THE NOTICE OF HEARING. THE PUBLIC
20 HEARING SHALL BE HELD NOT MORE THAN SIXTY DAYS AFTER THE ADOPTION OF THE
21 RESOLUTION OF INTENTION TO DISSOLVE THE TOURISM IMPROVEMENT AREA.

22 E. ON THE DISSOLUTION OR EXPIRATION WITHOUT RENEWAL OF A TOURISM
23 IMPROVEMENT AREA, ANY MONIES THAT REMAIN AFTER ALL DEBTS OF THE TOURISM
24 IMPROVEMENT AREA ARE PAID SHALL BE SPENT IN ACCORDANCE WITH THE TOURISM
25 IMPROVEMENT AREA PLAN OR SHALL BE REFUNDED TO THE LODGING BUSINESS OWNERS
26 OF THE LODGING BUSINESSES THAT ARE LOCATED AND OPERATING WITHIN THE
27 TOURISM IMPROVEMENT AREA AT THE TIME OF DISSOLUTION OF THE TOURISM
28 IMPROVEMENT AREA. REMAINING MONIES THAT ARE TO BE REFUNDED TO LODGING
29 BUSINESS OWNERS SHALL BE REFUNDED USING THE SAME METHOD AND BASIS THAT WAS
30 USED BY THE DESTINATION MARKETING ORGANIZATION TO ESTABLISH THE LODGING
31 BUSINESS ASSESSMENTS LEVIED IN THE FISCAL YEAR IN WHICH THE TOURISM
32 IMPROVEMENT AREA IS DISSOLVED OR EXPIRES.

33 Sec. 2. Legislative findings

34 The legislature finds that:

35 1. Many tourism and lodging businesses located and operating in
36 municipalities and counties in this state struggle to compete with
37 destinations in other states in attracting overnight visitation.

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

42 3. Because additional services and activities will provide direct
43 benefits to the lodging businesses that choose to participate within a
44 tourism improvement area, the most equitable method of financing tourism

1 improvement area activities is to levy a lodging business assessment on
2 lodging businesses that will benefit from a tourism improvement area.

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

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

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