



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

House: COM DP 7-2-1-0

HB 2161: tourism marketing authorities.
Sponsor: Representative Kaiser, LD 15
House Engrossed

Overview

Allows for the formation of a tourism marketing authority (Authority).

History

The Arizona Office of Tourism (AOT) is responsible for promoting and developing tourism in Arizona. AOT is led by a director, appointed by the governor, along with an assistant director chosen by the director with the governor's approval. The director must have at least five years of management experience in the tourism and travel industry, understanding of the technical elements of the tourism industry, and experience in marketing or public relations. The director is responsible for promoting and developing tourism business, conducting a marketing campaign on the attractions of the state, and promoting this information through state, national and international media ([A.R.S., Title 41, Chapter 19](#)).

Provisions

Formation of the Authority (Sec. 1)

1. Enables, by a petition, the governing body of one or more municipalities or one or more municipalities and a county with a population of less than two million persons to adopt a resolution forming a tourism marketing authority.
 - a) Specifies the contents of the petition.
2. Stipulates the governing body of each participating municipality and county by affirmative vote may approve the formation of the Authority if a petition is signed by the owners of at least 67% of the transient lodging rooms within the Authority which includes two or more properties with transient lodging rooms.

Powers and Duties

3. Requires the governing body of each municipality and county participating in the Authority to contract with a recognized nonprofit (501(c)(6)) tourism promotion agency.
 - a) Stipulates if there is no recognized agency, the municipality may contract with the municipality's tourism promotion office.
 - b) Requires the municipality and any participating county, through the contract, to distribute all monies received from assessments to the recognized tourism promotion agency.

Tax Assessment

4. Directs the Authority to charge and collect assessments on transient lodging rooms and allows the Authority to levy an assessment of not more than \$5 dollars per room sold per night on the transient lodging rooms in the Authority.
 - a) Specifies the assessment rate may be tiered based on the annual average daily room rate for the affected transient lodging.

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| <input type="checkbox"/> Prop 105 (45 votes) | <input type="checkbox"/> Prop 108 (40 votes) | <input checked="" type="checkbox"/> Emergency (40 votes) | <input type="checkbox"/> Fiscal Note |
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5. Requires the transient lodging room owner to pay the assessment to the Arizona Department of Revenue (DOR) at the same time as paying the transaction privilege tax.
 - a) Specifies the assessment beginnings on the first day of the first month beginning 90 days after the Authority is established.
 - b) Specifies the assessment is delinquent and payable to DOR if not paid.
6. Directs DOR to report the amount of monies collected from the assessment to the State Treasurer.
7. Requires the State Treasurer to transmit to the participating municipality or county treasurer's the amount collected from properties within the Authority.
8. Requires the Board and any participating municipality or county to report the assessment to DOR and to supply DOR and the State Treasurer with all requested information necessary relating to the administration of the assessment.

Authority Governance

9. Requires an Authority be governed by the board of directors of the recognized tourism promotion agency and at least one member of one or more of the governing bodies must participate in the Authority.
10. Permits the Authority to:
 - a) Employ staff and consultants;
 - b) Reimburse a municipality or county for staff, services and facilities;
 - c) Enter into contracts; and
 - d) Accept Grants.
11. Prohibits the Authority from financing or facilitating the acquisition, maintenance, construction or operation of a hotel, motel, resort or other transient lodging or any sports or entertainment facility.
12. Requires the Authority and its Board to maintain the records of the Authority.
13. Directs the Authority and its Board to keep monies and operations separate from the tourism promotion agency's other monies and activities.
14. Requires the Board to comply with public meetings and public records laws.
15. Requires the Board to report, at least annually, to the governing bodies on activities and expenditures and the impacts of the expenditures and activities.

Termination

16. Outlines the criteria and process for termination of the Authority.
17. Terminates the Authority 10 years after formation unless renewed.
18. Provides criteria for renewing an Authority and modifying its boundaries.
 - a) Allows for an additional 10-year renewal.

Miscellaneous

19. Defines the following terms: *authority, board, governing body, municipality and transient lodging room.*