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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 583 Session of  
2017

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INTRODUCED BY VULAKOVICH AND RESCHENTHALER, APRIL 17, 2017

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REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,  
APRIL 17, 2017

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AN ACT

1 Authorizing a tourism promotion fee for counties of the second  
2 class; providing for Second Class County Tourism Promotion  
3 Fund and for distribution of money from the Second Class  
4 County Tourism Promotion Fund; and establishing the Sports  
5 Commission in a county of the second class.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Second Class  
10 County Tourism Promotion Fee Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall  
13 have the meanings given to them in this section unless the  
14 context clearly indicates otherwise:

15 "Commission." The Sports Commission established under  
16 section 6(a).

17 "Consideration." A receipt, fee, charge, rental, lease,  
18 cash, credit, property of any kind or nature or other payment  
19 received by an operator in exchange for or in consideration of

1 the use or occupancy by a transient of a room in a hotel for any  
2 temporary period.

3 "Convention center or exhibition hall." A building that:

4 (1) is not used for the retail sale of merchandise or  
5 part of a shopping center, mall or other retail center,  
6 including any land appurtenant to a part of the shopping  
7 center, mall or other retail center;

8 (2) has a major function of housing meetings,  
9 exhibitions, shows, conventions, assemblies, convocations or  
10 other similar gatherings; and

11 (3) contains no less than 300,000 gross square feet of  
12 exhibition space for shows and conventions.

13 "Fund." The Second Class County Tourism Promotion Fund  
14 established under section 4(a).

15 "Hotel."

16 (1) As follows:

17 (i) a hotel, motel, inn, guest house or other  
18 building located within the taxing jurisdiction which  
19 holds itself out by any means, including advertising,  
20 license, registration with an innkeeper's group,  
21 convention listing association, travel publication or  
22 similar association or with a government agency as being  
23 available to provide overnight lodging or use of facility  
24 space for consideration to persons seeking temporary  
25 accommodation;

26 (ii) a place which advertises to the public at large  
27 that it will provide beds, sanitary facilities or other  
28 space for a temporary period to members of the public at  
29 large; or

30 (iii) a place recognized as a hostelry.

1           (2) The term does not include portions of a facility  
2           which are devoted to persons who have established permanent  
3           residence at the facility.

4           "Occupancy." The use or possession or the right to the use  
5           or possession by a person other than a permanent resident of a  
6           room in a hotel for any purpose or the right to the use or  
7           possession of the furnishings or to the services accompanying  
8           the use and possession of the room.

9           "Operator." An individual, partnership, nonprofit or profit-  
10          making association or corporation or other person or group of  
11          persons who maintains, operates, manages, owns, has custody of  
12          or otherwise possesses the right to rent or lease overnight  
13          accommodations in a hotel to the public for consideration.

14          "Patron." A person who pays the consideration for the  
15          occupancy of a room in a hotel.

16          "Permanent resident." A person who has occupied or has the  
17          right to occupancy of a room in a hotel as a patron or otherwise  
18          for a period of more than 30 consecutive days.

19          "Regional tourism promotion agency." As defined under the  
20          act of July 4, 2008 (P.L.621, No.50), known as the Tourism  
21          Promotion Act.

22          "Regional tourist promotion activities." Services,  
23          activities, facilities and events which result in a significant  
24          number of nonresidents visiting a county of the second class for  
25          recreational, cultural or educational purposes.

26          "Room." A space in a hotel set aside for use and occupancy  
27          by patrons or otherwise for consideration which has at least one  
28          bed or other sleeping accommodation.

29          "Temporary." A period of time of no more than 30 consecutive  
30          days.

1 "Tournament." An organized amateur sporting event consisting  
2 of participants who are engaged without remuneration in  
3 national, regional and State sporting activities, which  
4 encourage travel for overnight lodging in a county of the second  
5 class.

6 "Transaction." An activity involving the obtaining by a  
7 transient or patron of the use or occupancy of a hotel room from  
8 which consideration emanates to the operator under an express or  
9 an implied contract.

10 "Transient." An individual who obtains accommodation in a  
11 hotel by means of registering at the facility for the temporary  
12 occupancy of a room for the personal use of the individual by  
13 paying to the operator of the facility a fee in consideration  
14 for the accommodation.

15 Section 3. Second class county tourism promotion fee.

16 A county of the second class may impose a tourism promotion  
17 fee of no more than 2% on the consideration received by an  
18 operator of a hotel within the county from a transaction of  
19 renting a room to accommodate a transient. The operator shall  
20 collect the fee authorized under this section from the patron of  
21 the room and transmit the fee to the county.

22 Section 4. Second Class County Tourism Promotion Fund.

23 (a) Tourism promotion fund.--A county of the second class  
24 opting to impose the fee under section 3 shall establish a  
25 Second Class County Tourism Promotion Fund as a special fund in  
26 the county treasury.

27 (b) Deposits.--The treasurer of a county of the second class  
28 opting to impose the fee under section 3 shall collect the fee  
29 and deposit the money in the fund.

30 (c) Reports.--Recipients of funds generated by the second

1 class county tourism promotion fee shall make annual audited  
2 reports of the receipts and expenditures of the funds to the  
3 President pro tempore of the Senate, Speaker of the House of  
4 Representatives, Minority Leader of the Senate, Minority Leader  
5 of the House of Representatives, county executive, president of  
6 county council, county controller and county treasurer.

7 (d) Audits.--The county controller of a county of the second  
8 class may conduct audits of the use of funds generated by the  
9 second class county tourism promotion fee.

10 Section 5. Distribution of money.

11 (a) Reserve fund deposit.--

12 (1) Prior to any distribution under subsection (b), 10%  
13 of the money in the fund shall be deposited in a reserve fund  
14 established by the commission.

15 (2) The amount deposited under paragraph (1) shall not  
16 exceed the following:

17 (i) Three million dollars.

18 (ii) The amount specified under subparagraph (i) as  
19 adjusted for inflation annually according to the Consumer  
20 Price Index for All Urban Consumers.

21 (b) Distribution.--The money in the fund shall be  
22 distributed by the treasurer of a county of the second class as  
23 follows:

24 (1) Two percent to a home rule charter municipality  
25 where a regional tourism promotion agency is established by  
26 the home rule charter municipality in a county of the second  
27 class, at the request of that municipality, be returned to  
28 that municipality for deposit in that municipality's special  
29 fund, which is separate from all other municipal revenue,  
30 established solely for purposes of paying for promotional

1 programs implemented by a nonprofit organization which are  
2 designed to stimulate and increase the volume of conventions,  
3 meetings and visitors within the municipality shall be used  
4 for, but not limited to, the following purposes:

5 (i) Capital improvements and advertising the area  
6 served by the regional tourism promotion agency as a  
7 convention and business travel destination.

8 (ii) Marketing and advertising the area served by  
9 the regional tourism promotion agency as a convention and  
10 business travel destination.

11 (iii) Marketing and advertising the area served by  
12 the regional tourism promotion agency to the public as a  
13 whole for use of its tourist and convention facilities.

14 (iv) Marketing and advertising the area served by  
15 the regional tourism promotion agency as a leisure travel  
16 destination.

17 (v) Using all appropriate marketing and advertising  
18 tools to accomplish the purposes designated under  
19 subparagraphs (i), (ii), (iii) and (iv), including, but  
20 not limited to, advertising, publicity, publications,  
21 direct marketing, direct sales and participating in  
22 travel trade shows.

23 (2) Ten percent to the film office that is recognized by  
24 the Association of Film Commissioners International which is  
25 located in a county of the second class to grow the regional  
26 film industry for the purpose of attracting movie, television  
27 and commercial productions through marketing initiatives.

28 (3) Eighteen percent to the Sports and Exhibition  
29 Authority established under Article XXV-A of the act of July  
30 28, 1953 (P.L.723, No.230), known as the Second Class County

1 Code, for capital improvements to a convention center or  
2 exhibition hall located in a city of the second class,  
3 including all of the following:

4 (i) Capital cosmetic improvements to enhance the  
5 convention and sports experience for clients.

6 (ii) The purchase and maintenance of physical  
7 improvements, including, but not limited to, permanent  
8 marquees, integrated electronic informational boards and  
9 signage, event signage, stadium-style seating, multiuse  
10 sports courts and related assets to include quality,  
11 tournament-ready equipment as identified by the National  
12 Collegiate Athletic Association (NCAA) for various  
13 sports, including, but not limited to, basketball,  
14 volleyball, soccer, lacrosse and other sports assets and  
15 equipment that would attract additional events.

16 (iii) Upgrades to programmable space that enhance  
17 the customer experience through improved functionality,  
18 aesthetics and upgraded technology.

19 (4) Twenty-two percent to a regional tourism promotion  
20 agency in a city of the second class for the purpose of  
21 establishing the commission.

22 (5) Twenty-five percent to a regional tourism promotion  
23 agency in a city of the second class for the purpose of  
24 establishing a convention promotion and marketing fund. The  
25 regional tourism promotion agency shall use the money in the  
26 convention promotion and marketing fund for, but not limited  
27 to, any of the following purposes:

28 (i) Securing future meetings and conventions for a  
29 convention center or exhibition hall in a city of the  
30 second class that provides for the use of multiple

1 hotels.

2 (ii) Transportation associated with the production  
3 of meetings and conventions held within a county of the  
4 second class.

5 (iii) Operating costs associated with the production  
6 of meetings and conventions held within a county of the  
7 second class.

8 (6) Five percent to the treasurer of a county of the  
9 second class for costs of collecting the tourism promotion  
10 fee under section 3.

11 (7) Eighteen percent to the commission for regional  
12 tourist promotion activities. The revenue shall be used by  
13 the commission for any of the following purposes:

14 (i) Construction, upgrades and maintenance of  
15 amateur sports-related tournament locations in parks  
16 throughout a county of the second class to a standard  
17 which would attract hosting of national, regional and  
18 State sporting tournaments.

19 (ii) Swimming pool upgrades for competitive  
20 tournament-level events in parks owned by a county of the  
21 second class.

22 (iii) Enhancing the marketability of sports-related  
23 events in parks owned by a county of the second class to  
24 a standard which would attract hosting of national,  
25 regional and State sporting tournaments.

26 (c) Reserve account.--

27 (1) An entity that receives money under subsection (b)  
28 may deposit any unused money in a fiscal year into a reserve  
29 account in the county treasury of a county of the second  
30 class.



1           (2) Money in the reserve account under paragraph (1) may  
2       be withdrawn by the entity that deposited the money for the  
3       purposes specified under subsection (b) for subsequent fiscal  
4       years.

5 Section 6. Sports Commission.

6       (a) Establishment.--The Sports Commission is established in  
7       a county of the second class.

8       (b) Members.--The commission shall consist of, but not be  
9       limited to, the following members:

10           (1) One member appointed by the President pro tempore of  
11       the Senate, who resides in a county of the second class.

12           (2) One member appointed by the Speaker of the House of  
13       Representatives, who resides in a county of the second class.

14           (3) One member appointed by the Minority Leader of the  
15       Senate, who resides in a county of the second class.

16           (4) One member appointed by the Minority Leader of the  
17       House of Representatives, who resides in a county of the  
18       second class.

19           (5) The county executive or the county executive's  
20       designee, who resides in a county of the second class.

21           (6) The mayor of a city of the second class, or the  
22       mayor's designee, who resides in a county of the second  
23       class.

24           (7) Five members appointed by the recognized regional  
25       tourism promotion agency of a county of the second class.

26           (8) Five members representing tourism and economic  
27       development.

28           (9) Four members representing hotels and lodging  
29       appointed by the recognized hotel association located in a  
30       county of the second class.

1           (10) Three members representing professional sports  
2 franchise teams located in a county of the second class,  
3 which shall include the following:

4           (i) One member from the National Football League.

5           (ii) One member from the National Hockey League.

6           (iii) One member from Major League Baseball.

7           (11) Three members representing Division I sports  
8 programs, as identified by the NCAA, from colleges or  
9 universities located in a county of the second class.

10          (c) Bylaws.--The commission shall adopt bylaws necessary to  
11 conduct business.

12          (d) Executive committee.--The commission shall establish an  
13 executive committee not to exceed 11 members.

14          (e) Meetings.--The commission shall meet at least annually  
15 and from time to time as it determines necessary.

16          (f) Powers and duties.--The commission shall appropriate  
17 revenue provided to a county of the second class under section  
18 5(b)(7).

19 Section 7. Effective date.

20          This act shall take effect in 90 days.