



## Four Reasons to Vote NO on HB371 (D. Clark)

HB371 would allow counties to impose a 1.25% transient room tax (TRT) in addition to the 3.0% TRT that all counties currently impose. Salt Lake County is the only county that is currently allowed to impose the additional 1.25%, which is being used to fund the Salt Palace Convention Center expansion. HB371 would repeal the sunset date on the Salt Lake County 1.25% TRT tax.

### **Reason #1: Subsidizing a soccer stadium complex is not an appropriate use of tourism tax dollars**

Imposing selective sales taxes on out-of-state tourists makes sense, but these revenues should be used to promote additional tourism from out of state. Using TRT dollars for tourism promotion reduces the need to spend general tax revenues on tourism promotion. Promoting tourism from out-of-state benefits the economy because tourists generate jobs, general sales taxes, property taxes, and income taxes. In rural areas using TRT to cover search and rescue costs imposed by tourists is appropriate.

*If spending general local tax dollars on Real's stadium is inappropriate, why would spending tourism dollars be appropriate? Tax revenues generated by tourists belong to Utah taxpayers, just like general sales, property, and income tax dollars.*

### **Reason #2: Soccer stadiums do not create economic growth**

Economists agree that subsidies for sports venues do not create economic development. Subsidizing entertainment, retail, and recreation businesses that serve a largely local clientele will not create additional jobs.

Real is asking for \$45 million in taxpayer subsidies. These subsidies are excessive compared to the 150 studio jobs and the handful of tourists that attend Real home games.

World Cup matches attract thousands of out-of-state tourists, but these games can be held at Rice Eccles Stadium, as was the case last summer.

To see why spending tax dollars of any kind on a soccer stadium doesn't make sense, please read the association's position found at [www.utahtaxpayers.org](http://www.utahtaxpayers.org) under Taxing Times.

### **Reason #3: Subsidies for Real stadium are unfair to Real's competitors**

Real's stadium will host concerts and will compete directly against the privately-funded USANA amphitheatre. Contrary to rumors, USANA was not subsidized by West Valley City, certainly not to the tune of \$45 million. Utah does not have a shortage of concert venues.

### **Reason #4: \$45 million for Real Salt Lake is too risky for taxpayers.**

Questions remain as to the long-term financial viability of Real Salt Lake and MLS.

**Please vote NO on HB371**

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