

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

House Bill 3387

By Delegates Hardy, Storch, Westfall and Espinosa

[Introduced February 13, 2023; Referred to the
Committee on Economic Development and Tourism]

1 A BILL to amend and reenact §7-18-13a of the Code of West Virginia, 1931, as amended, relating
2 to extending the moratorium on the authorization of new convention and visitors bureaus
3 for an additional two years and clarifying when and how a new convention and visitors
4 bureau can qualify for a distribution of the hotel occupancy tax proceeds.

Be it enacted by the Legislature of West Virginia:

ARTICLE 18. HOTEL OCCUPANCY TAX.

**§7-18-13a. Annual reports by convention and visitor's bureaus; eligibility for hotel
occupancy tax proceeds.**

1 (a) On or before 90 days after the end of its fiscal year, every convention and visitor's
2 bureau which receives any appropriation of hotel occupancy tax from one or more counties or
3 municipalities shall file with each such county or municipality, the State Auditor, the Joint
4 Committee on Government and Finance, and the West Virginia Association of Convention and
5 Visitors Bureaus a report, including an income statement and balance sheet, showing all amounts
6 of hotel occupancy tax appropriated to the convention and visitor's bureau and all expenditures of
7 hotel occupancy tax made by the convention and visitor's bureau for the prior fiscal year, as well as
8 any such information required by subsection (b) of this section. A convention and visitor's bureau
9 that has not filed a report in accordance with the provisions of this section shall be ineligible to
10 receive additional appropriations of hotel occupancy tax proceeds until such report has been filed.

11 (b) In order to qualify for a distribution of net proceeds pursuant to §7-18-14 of this code, a
12 convention and visitor's bureau shall satisfy the following requirements:

13 (1) The convention and visitor's bureau shall have a minimum annual budget;

14 (2) The convention and visitor's bureau shall establish a marketing plan targeting markets
15 outside of a 50-mile radius of the bureau's municipality or county of operation;

16 (3) The annual operating budget for the convention and visitor's bureau allocates
17 approximately 40 percent of annual revenues to advertising and marketing, approximately 40
18 percent to salaries and personnel, and approximately 20 percent to other operating expenses:

19 *Provided*, That a convention and visitor's bureau that allocates less than 40 percent of annual
20 revenues to salaries and personnel shall be considered to have satisfied the budget allocation
21 requirement;

22 (4) The convention and visitor's bureau has a full-time executive director that maintains the
23 minimum number of continuing education hours recommended annually by industry standards;

24 (5) The convention and visitor's bureau has a physical office and/or visitor center that is
25 accessible at least 40 hours per week and has a dedicated phone line;

26 (6) The convention and visitor's bureau maintains a website and appropriate marketing
27 materials;

28 (7) The convention and visitor's bureau has received accreditation from an accrediting
29 body; and

30 (8) The convention and visitor's bureau submits an annual report to all of its funding
31 entities, which shall include, but not be limited to, the information provided for in this subsection.

32 Nothing in this section may be construed as to interfere with the ability of a county or
33 municipality to enter into any agreements or partnerships with convention and visitor's bureaus in
34 neighboring counties or municipalities for the purposes of distributing net tax proceeds pursuant to
35 §7-18-14 of this code, so long as all other requirements of this section are met.

36 (c) At least once every three years, any bureau that receives any appropriation of hotel
37 occupancy tax from one or more counties or municipalities shall cause an audit or financial review,
38 in a form as is appropriate to the particular bureau, to be made by an independent certified public
39 accountant of all its books, accounts, and records relating to all receipts and expenditures of any
40 hotel occupancy tax appropriations for the three prior fiscal years of the bureau. A copy of the
41 audit or financial review shall be filed with each county or municipality from which the bureau
42 received an appropriation of hotel occupancy tax, the State Auditor, the Joint Committee on
43 Government and Finance, and the West Virginia Association of Convention and Visitors Bureaus.
44 After July 1, 2024, a bureau that has not caused such an audit or financial review to be made is

45 ineligible to receive an appropriation of hotel occupancy tax proceeds pursuant to §7-18-14 of this
46 code.

47 (d) In order to encourage counties and municipalities to work within the existing framework
48 of convention and visitor's bureaus, there shall be a moratorium on the authorization of new
49 convention and visitors bureaus until ~~June 30, 2024~~ June 30, 2026. A county or municipality may
50 not appropriate any net proceeds of hotel occupancy taxes, pursuant to §7-18-14 of this code, to
51 any convention or visitor's bureau created on or after the amendments to this section enacted
52 during the regular session of the Legislature, 2021, and prior to the end of the moratorium imposed
53 by this subsection. On or after ~~July 1, 2024~~ June 30, 2026, ~~a county or municipality may authorize~~
54 ~~the creation of a new convention and visitor's bureau so long as the bureau meets all of the~~
55 ~~requirements of subsection (b) of this section~~ any new convention and visitor's bureau which
56 meets all of the requirements of subsection (b) of this section shall qualify for a distribution of net
57 proceeds pursuant to §7-18-14 of this code.

58 (e) Nothing in this section may prohibit either the State Auditor or the Legislative Auditor
59 from conducting regular reviews or audits of the operations or finances of a convention and
60 visitor's bureau to ensure compliance with this code.

NOTE: The purpose of this bill is to extend the moratorium on the authorization of new convention and visitors bureaus for an additional two years and to clarify when and how a new convention and visitors bureau can qualify for a distribution of the hotel occupancy tax proceeds.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.