

STORAGE NAME: h0579a.ted

DATE: April 10, 1999

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 579 (PCB TU 99-02)

RELATING TO: Tourism

SPONSOR(S): Committee on Tourism and Rep. Starks and others

COMPANION BILL(S): SB 1578 (i), HB 591 (c), SB 886 (c) & SB 1314 (c)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) TOURISM YEAS 10 NAYS 0
 - (2) TRANSPORTATION YEAS 10 NAYS 0
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS YEAS 7 NAYS 0
 - (4)
 - (5)
-

I. SUMMARY:

A majority of the changes in HB 579 are technical and/or conforming as to the duties, responsibilities and make up of the Florida Commission on Tourism and the Florida Tourism Industry marketing Corporation, d.b.a. Visit Florida.

The primary substantive change in the bill transfers administrative and fiscal responsibilities for the Welcome Center Office's from the Department of Transportation to the Commission on Tourism and its direct support organization-Visit Florida.

The bill has minimal fiscal impact to the state by privatizing the administrative and fiscal functions of the Welcome Centers. Since 1996, although DOT has been responsible for administrative and fiscal costs, the Commission on Tourism has reimbursed the DOT for the Welcome Centers' operational costs. For those state employees that elect to become employees of Visit Florida, there will be some cost associated with purchasing both accumulated annual and sick leave.

[Note: See part VI. Amendment or Committee Substitute Changes for effects of amendments adopted by the Committee on Transportation.]

[Note: See part VI. Amendment or Committee Substitute Changes for effects on amendment adopted by the Committee on Transportation & Economic Development Appropriations.]

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Section 288.1221, F.S., provides the legislative intent for the creation of the public-private partnership charged with promoting Florida tourism. In this section, the Legislature authorizes the partnership to recommend a 5-year industry-standard marketing plan and a comparable organization to carry out such a plan. Further intent is given by the Legislature in this section to consider the recommendations made in a 1992 report to the Legislature by the Florida Tourism Commission. This report contained a 5-year strategic plan for marketing tourism. During the 1992 Regular Session, the Legislature created the currently existing Florida Commission on Tourism and required this permanent commission to develop and recommend a 4-year marketing plan based on the original 5-year plan (due to passage of the year it took to pass the legislation). Consequently, the other references in the statutes relating to the Commission and the marketing plan speak of a 4-year plan.

Section 288.1222, F.S., provides definitions for the body of law which relates to the State's tourism promotion efforts. Part of the Commission on Tourism's strategic plan initiatives is to promote in-state tourism to Florida's residents in an effort to keep that market share within the State. To describe such "tourists" the definition was intended to encompass Florida's resident tourists who cross county, not country lines.

Section 288.1223, F.S., provides for the creation and activities of the Florida Commission on Tourism. This section requires the Commission to hold its first meeting by no later than September 1992. Additionally, this section provides that the Commission is to elect a vice-chair on a biennial basis. This provision was originally intended to provide leadership continuity for the Commission in an election year since the Governor is required to serve as the Commission chair. The original Commission has been in existence since 1992 and feels that its stability warrants the election of a vice-chair on an annual basis.

Section 288.1223, F.S., also provides limits to the number of consecutive terms the 17 general-tourism-industry members may be eligible to serve. Prior to 1996, the Commission was an advisory body and when the public/private partnership became such, the original 17 general-tourism-industry members continued on as members of the revised Commission. Consequently, a number of those carry-over members will not be eligible to continue to serve the Commission in its new status as a public/private partnership.

Section 288.1224, F.S., provides for the powers and duties of the Florida Commission on Tourism. One of those duties relates to the development of the 4-year marketing plan and its component parts. The plan is required to include provisions for the direct support organization, d.b.a. Visit Florida, to reach the targeted one-to-one match of private to public contributions within a period of 4 calendar years after the implementation of the plan. The law is silent regarding what constitutes acceptable categories of private sector match. The decision of match category acceptability has been the subject of negotiation between the Office of the Governor, the Legislature, and Visit Florida since its inception.

Section 288.1224, F.S., also provided for the creation and membership of an advisory committee of the Commission charged with developing a regionally based plan to protect and promote all of the natural, coastal, historical, cultural, and commercial tourism assets of Florida. A report was required by December 1, 1997 with recommendations presented to the Legislature for implementation of the plan by January 1, 1998. The plan and presentation to the Legislature were accomplished. Currently, efforts are underway in Visit Florida to assist in plan implementation.

Nothing is provided in the sections of law governing the Commission nor Visit Florida on the responsibility for staffing of the Commission. In practice, Visit Florida has served as staff for the Commission; however, there have been questions raised about the ability of the president and chief executive officer of Visit Florida to serve as the executive director of the Commission. Industry is seeking clarification of the law to ensure the staffing arrangements and to provide clarification of the role of the president of Visit Florida.

When the Department of Commerce was abolished in 1996, the personnel and functions of Florida's Welcome Centers were transferred to the Department of Transportation (DOT) for

administrative and fiscal accountability purposes only. The Commission on Tourism was given the responsibility for administering and funding the programs and activities of the centers since all of the other functions related to promoting and marketing Florida tourism were assigned to the Commission and its direct-support organization, Visit Florida. This was done primarily to retain the career service positions in the Welcome Centers as state positions for approximately three years so that some of the long-term employees could reach the 30 year benchmark for retirement.

Since the privatization of tourism promotion functions in 1996, Visit Florida has been managing and funding the four Welcome Centers located on I-10, I-75, I-95, and U.S. 231. The Welcome Centers have 38 positions budgeted for FY 1998-99 with a total salary of \$968,465 invoiced to Visit Florida for the personnel. Visit Florida also provides additional resources for travel of Welcome Center staff and Visit Florida staff working with the Welcome Centers (\$23,348) and for operating expenses incurred such as Visit Florida administrative costs, maintenance, and utilities for the Welcome Centers (\$470,978). The majority of the employees needing retirement protection in 1996 have since retired reducing the need for the Welcome Centers to remain a state function.

B. EFFECT OF PROPOSED CHANGES:

HB 579 amends s. 288.1221, F.S., to correct one of the references to the commission's strategic plan by changing the time frame from 5-years to 4-years, thereby making it the same as the other references.

Section 288.1222, F.S., is amended to correct the definition of "tourist" to reflect that a person who participates in trade or recreation activities outside of his or her home county and not country is considered a tourist.

The bill also amends s. 288.1223, F.S., to remove an obsolete reference to when the Commission's first meeting must take place and to provide that the Commission will elect its vice-chair annually instead of biennially. The bill adds a provision relating to the term lengths of the 17 general-tourism-industry members to make the 2, four-year consecutive term limit apply only after June 30, 1996. The extension of term eligibility for the original 17 general-tourism-industry members will allow those members who served during the time the Commission was an advisory body to be eligible to continue to serve now that the Commission has administrative authority over the state's tourism promotion programs.

Section 288.1224, F.S., is amended to delete obsolete provisions, to specify what is to be allowed in the required private portion of the one-to-one match of private to public contributions for tourism, to provide for staffing of the Commission on Tourism by Visit Florida, and to provide authority for the executive director of the Commission. The law governing powers and duties of Visit Florida are amended to reflect staffing requirements for the Commission.

The bill renumbers s. 335.166, F.S., relating to the Welcome Centers Office, to s. 288.12265, F.S., and amends it to put the responsibility for the Welcome Centers staffing, administration, and operation under the Florida Commission on Tourism and its direct support organization, Visit Florida.

Section 335.165, F.S., relating to welcome stations and the payment for improvements by the Department of Commerce, is obsolete and repealed by the bill.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

- a. Does the bill create, increase or reduce, either directly or indirectly:

- (1) any authority to make rules or adjudicate disputes?

No.

- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The bill reduces the responsibility for the Department of Transportation by removing its statutory responsibilities for the Welcome Centers Office that was placed there for administrative and fiscal accountability purposes only. Concurrently, the responsibility for the Office is transferred to the Commission on Tourism and its direct support organization thereby privatizing the operation.

- (3) any entitlement to a government service or benefit?

No.

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

The bill reduces the responsibility for the Department of Transportation by removing its statutory responsibilities for the Welcome Centers Office that was placed there for administrative and fiscal accountability purposes only. Concurrently, the responsibility for the Office is transferred to the Commission on Tourism and its direct support organization thereby privatizing the operation.

- (2) what is the cost of such responsibility at the new level/agency?

The Commission on Tourism has been paying for the operation of the Office, including all staffing costs, since its placement in the Department of Transportation in 1996. The costs, therefore, will not be significant to the private entity. There will, however, some costs involved for buying out the sick and annual leave of the state employees who will now become private sector employees of the Florida Tourism Industry Marketing Corporation, d.b.a. Visit Florida.

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends ss. 288.1221, 288.1222, 288.1223, 288.1224, and 288.1226, F.S.

Renumbers s. 335.166, F.S., as s. 288.12265, F.S., and amends the section

Repeals s. 335.165, F.S.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 288.1221, F.S., to correct one of the references to the Commission on Tourism strategic plan by changing the time frame from 5-years to 4-years, thereby making it the same as the other references. Also deletes obsolete reference.

Section 2. Amends s. 288.1222, F.S., to correct the definition of "tourist" to reflect that a person who participates in trade or recreation activities outside of his or her home county and not country is considered a tourist.

Section 3. Amends s. 288.1223, F.S., to remove an obsolete reference to when the Commission's first meeting must take place and to provide that the Commission will elect its vice-chair annually instead of biennially. The bill adds a provision relating to the term lengths of the 17 general-tourism-industry members to make the 2, four-year consecutive term limit apply only after June 30, 1996.

Section 4. Amends s. 288.1224, F.S., to delete obsolete provisions, to specify what is to be allowed in the required private portion of the one-to-one match of private to public contributions for tourism, to provide for staffing of the Commission on Tourism by Visit Florida, and to provide authority for the executive director of the Commission.

Section 5. Amends s. 288.1226, F.S., to require Visit Florida to provide staff support to the Commission on Tourism, to have the president and chief executive officer serve as the executive director for the Commission, and to outline the duties of the executive director. Staff support is provided to the Commission without compensation.

Section 6. Renumbers s. 335.166, F.S., as s. 228.12265, F.S., and amends the section to put the responsibility for the Welcome Centers staffing, administration, and operation under the Florida Commission on Tourism and its direct support organization, Visit Florida.

Section 7. Repeals s. 335.165, F.S., relating to welcome stations and the payment improvements by the Department of Commerce.

Section 8. Provides for effective dates.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

See D. Fiscal Comments.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

See D. Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

See D. Fiscal Comments.

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

The bill transfer administrative and fiscal responsibilities for the Welcome Centers Office from the Department of Transportation to the Commission on Tourism and its direct support organization.

The Welcome Centers have 38 positions budgeted for FY 1998-99 with a total salary of \$968,465 invoiced to Visit Florida for the personnel. Visit Florida also provides additional resources for travel of Welcome Center staff and Visit Florida staff working with the Welcome Centers (\$23,348) and for operating expenses incurred such as Visit Florida administrative costs, maintenance, and utilities for the Welcome Centers (\$470,978).

The Commission on Tourism has been paying for the operation of the Office, including all staffing costs, since its placement in the Department of Transportation in 1996. The costs, therefore, will not be significant to the private entity. However, there will be some costs involved for buying out the sick and annual leave of the state employees who will now become private sector employees of the Florida Tourism Industry Marketing Corporation, d.b.a. Visit Florida.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The House Committee on Transportation considered this bill on March 3, 1999, and adopted two amendments which made the following changes:

Amendment 1: Clarifies that Welcome Centers will be operated and administered by the Commission on Tourism through Visit Florida; provides that the Commission, through a contract with DOT, is responsible for routine maintenance and day-to-day management of interior areas of the centers; and, provides that DOT is responsible for all other repairs and improvements to the centers.

Amendment 2: Provides for the transfer of welcome center personal property from DOT to the Commission on Tourism.

The bill as amended has no additional fiscal impact to state and local revenues. The bill was reported favorably with two amendments.

On April 9, 1999, the Transportation & Economic Development Appropriations Committee added one amendment. It provides a transition period for the transfer of staff from the Department of Transportation to VISIT FLORIDA and clarifies the terms of the transfer.

VII. SIGNATURES:

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Staff Director:

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