

STORAGE NAME: h1609.ted

DATE: April 4, 2000

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

BILL #: HB 1609 (PCB TU 00-03)

RELATING TO: The Office of Tourism, Trade, and Economic Development

SPONSOR(S): Committee on Tourism, Representative Starks and others

TIED BILL(S):

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

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

I. SUMMARY:

The bill amends ss. 14.2015 and 288.1224, F.S. The first relates to the Office of Tourism, Trade, and Economic Development (OTTED) serving as contract administrator for the state with respect to contracts with Enterprise Florida, Inc., the Florida Commission on Tourism, and the direct-support organization created under section 288.1229, F.S. The second relates to the contract between the Florida Commission on Tourism and the Florida Tourism Industry Marketing Corporation, d.b.a. Visit Florida.

The bill specifies that the direct support organization created under section 288.1229, F.S., is the only direct-support organization for which OTTED serves as contract administrator.

Also, the bill provides that such contracts shall provide for recovery of state assets in the event of termination of the contract between one of the contracted parties, that is, Enterprise Florida, Inc., the Florida Commission on Tourism, or the direct-support organization created under s. 288.1229, F.S. and OTTED.

The bill provides that upon dissolution of the party contracted with OTTED, the contracted party shall cease incurring debt and all assets of the contracted party held in trust shall be reverted to the state for use by OTTED for satisfaction of outstanding debt and, after such satisfaction, all assets remaining shall be used by OTTED for carrying out its duties under s. 14.2015, F.S., and Chapter 288. The bill provides that these provisions for dissolution are deemed to be part of each contract for which OTTED serves as contract administrator.

The bill also adds clarifying language to define assets held in trust to include money from public, private, or third-party sources; real property; and tangible and intangible personal property.

The bill makes technical and clarifying changes in s. 288.1224, F.S., including how the direct-support organization for tourism is referenced. A provision is also added to the section requiring that the Florida Commission on Tourism provide for the recovery of state assets in its contract with the Florida Tourism Industry Marketing Corporation, d.b.a. Visit Florida, and adds similar provisions for dissolution which are also required to be part of the contract between these two entities.

There is no fiscal impact to this bill.

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II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|-----------------------------------------|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 14.2015 , F.S., provides that the purpose of the Office of Tourism, Trade, and Economic Development (OTTED) is to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to provide economic opportunities for all Floridians. To accomplish such purposes, OTTED shall serve as contract administrator for the state with respect to contracts with Enterprise Florida, Inc., the Florida Commission on Tourism, and all direct-support organizations, except the tourism direct-support organization. To accomplish the provisions, OTTED shall enter into specific contracts with Enterprise Florida, Inc., the Florida Commission on Tourism, and other appropriate direct support organizations. Such contracts may be multi-year and shall include specific performance measures for each year.

Section 288.1224, F.S., provides the powers and duties of the Florida Commission on Tourism, specifically that the Florida Commission on Tourism shall contract no later than December 31, 1996, with a direct-support organization incorporated as a private, not-for-profit corporation, defined in section 501(c)(6) of the Internal Revenue Code to execute the tourism and marketing promotion services of the state. The Commission serves as the contract administrator for this contract.

Section 288.1224, F.S., allows OTTED to review such contract in an expedient manner and to timely make any recommendations so as to allow the date of the contract to be met.

C. EFFECT OF PROPOSED CHANGES:

Section 1 Section 14.2015, F.S., is amended to specify that the direct-support organization created under s. 288.1229, F.S., is the only direct-support organization for which OTTED serves as contract administrator. OTTED is authorized to contract with a direct-support organization to assist the office in providing for the promotion and development of sports-related industries and amateur athletics pursuant to s.288.1229, F.S.

The bill amends s. 14.2015, F.S., to require that contracts between OTTED and the contracted party, that is, Enterprise Florida, Inc., the Florida Commission on Tourism, or the direct-support organization created under s. 288.1229, F.S.,

provide a mechanism for the recovery of state assets in the event of termination of the contract between OTTED and the contracted party. Also, the bill amends

s. 14.2015, F.S., to provide that upon dissolution of the party contracting with OTTED, the contracted party shall cease incurring debt and all assets of the contracted party held in trust shall be reverted to the state for use by the office for satisfaction of outstanding debt and, after such satisfaction, all assets remaining shall be used by OTTED for carrying out its duties under s. 14.2015, F.S., and Chapter 288. The provisions for dissolution are deemed to be part of the contract between OTTED and the contracted party.

Section 14.2015, F.S., is amended to clarify assets of the contracted party held in trust as money from public, private, or third-party sources, real property, and tangible and intangible personal property.

Section 2 Section 288.1224, F.S., is amended to specifically use the name of the Florida Tourism Industry Marketing Corporation (FTIMC) as the direct-support organization with which the commission is to contract. A provision is added to require the commission, in its contract with FTIMC, to address recovery of state assets in the event of termination of the contract. This bill amends section 288.1224, F.S., to add language requiring that upon dissolution of the FTIMC, the corporation shall cease incurring debt and all assets of the corporation held in trust shall be reverted to the state for use by OTTED for satisfaction of outstanding debt and after such satisfaction, all assets remaining shall be used to carry out the duties of OTTED under section 14.2015, F.S., and Chapter 288. These provisions for dissolution are also required to be incorporated by the Florida Commission on Tourism into the contract between the commission and the FTIMC.

Section 3 This bill provides an effective date of July 1, 2000.

D. SECTION-BY-SECTION ANALYSIS:

Please refer to the section-by-section analysis under "C. Effect of Proposed Changes."

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

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B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

While this bill has no immediate impact on revenues or expenditures, the bill may limit any future fiscal impacts related to the dissolution of a direct-support organization under OTTED.

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 or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

No.

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C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

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