

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1566

SPONSOR: Finance and Taxation Committee and Senator Jones

SUBJECT: Tourist Development Taxes

DATE: April 10, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CP</u>	<u>Favorable</u>
2.	<u>Branning</u>	<u>Kiger</u>	<u>NR</u>	<u>Favorable</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable/CS</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill limits the use of tourist development tax monies which are specifically designated by a county for beach improvement, maintenance, re-nourishment, restoration, or erosion control. Specifically, the bill provides that any funds identified by a county as the local matching source for beach re-nourishment, restoration, or erosion control projects included in the state’s Beach Management Plan’s long-range budget plan, or funds contractually obligated by a county in the financial plan for a federally-authorized shore protection project may not be used or loaned for any other purpose.

This bill amends s. 125.0104 of the Florida Statutes.

II. Present Situation:

Pursuant to s. 125.0104, F.S., counties are authorized to levy five separate tourist development taxes on transient rental transactions. Depending on the particular tax; the levy may be authorized by vote of the governing body or referendum approval. Tax rates vary by county depending on a county’s eligibility to levy particular taxes. The maximum tax rate for most counties is 3 or 4 percent; however, the maximum rate is 6 percent for several counties.

Subsection (5) of s. 125.0104, F.S., limits the use of tourist development tax proceeds to the following:

- To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more publicly owned and operated convention centers, sports stadiums and arenas, coliseums, or auditoriums or museums that are publicly owned and operated or owned and operated by nonprofit organizations and open to the public, within the

boundaries of the county or sub-county special taxing district in which the tax is levied. The tax revenues may also be used for promotion of zoological parks that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, with some limitations.

- To promote and advertise tourism in the state of Florida and nationally and internationally, with some limitations.
- To fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies or by contract with the chambers of commerce or similar associations in the county.
- To finance beach park facilities or **beach improvement, maintenance, re-nourishment, restoration, and erosion control**, including shoreline protection, enhancement, cleanup, or restoration of inland lakes and rivers to which there is public access as those uses relate to the physical preservation of the beach, shorelines, or inland lake or river. In counties having a total population less than 100,000, no more than 10 percent of tourist development tax revenues may be used for beach park facilities.

However, a county with a total population less than 600,000, may also use the revenues to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more zoological parks, fishing piers or nature centers which are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public.

Also, the tax revenues may be pledged to secure and liquidate revenue bonds issued by the county for limit purposes, or to refund bonds previously issued for such purposes or both, with some limitations.

III. Effect of Proposed Changes:

Section 1 amends s. 125.0104(5)(a)4., F.S, to specifically limit the use of funds designated by a county for beach improvement, maintenance, re-nourishment, restoration, or erosion control. Specifically, the bill provides that any funds identified by a county as the local matching source for beach re-nourishment, restoration, or erosion control projects included in the state's Beach Management Plan's long-range budget plan, or funds contractually obligated by a county in the financial plan for a federally-authorized shore protection project may not be used or loaned for any other purpose

Section 2 provides that this act will take effect July 1, 2003.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

This bill provides that any funds identified by a county as the local matching source for beach re-nourishment, restoration, or erosion control projects included in the state's Beach Management Plan's long-range budget plan, or funds contractually obligated by a county in the financial plan for a federally-authorized shore protection project may not be used or loaned for any other purpose

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.