

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 533 Convention and Visitors Bureaus  
**SPONSOR(S):** D. Davis  
**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 724

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Tourism (Sub)	5 Y, 0 N	McDonald	Whitfield
2) Commerce			
3) Finance and Taxation			
4)			
5)			

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### SUMMARY ANALYSIS

House Bill 533 provides eligibility requirements that must be met before an organization can represent itself to the general public as an official Florida convention and visitors bureau, visitors bureau, tourist development council, or welcome center. The bill also states that an organization meeting the criteria is eligible for receipt of local tax revenues under s. 125.0104, F.S., the local option tourist development tax.

The eligibility for consideration as a tourism promotion agency that is eligible for receipt of local tax dollars under s. 125.0104, F.S., is dictated by provisions of s. 125.0104(9), F.S., and other provisions relating to uses of those tax revenues contained in s. 125.0104, F.S. Organizations meeting the criteria described in the bill fall under the criteria of that section of law and s. 125.0104(9), F.S., in particular.

Florida's five "official" welcome centers operated by Visit Florida for the State of Florida would not meet the criteria of this bill for designation as "official". These welcome centers, however, have operated as the state's official welcome centers for over 50 years.

The bill does not provide any penalties for organizations not meeting the criteria but holding themselves out to the public as "official".

According to the Florida Association of Convention and Visitors Bureaus (FACVB), there is growing concern with private, for-profit entities holding themselves out to the public as being government sanctioned, official visitor information centers, visitor bureaus, and tourist information centers in order to sell products. The FACVB is concerned about the negative impact such private entities have on tourism and the inability of tourists to distinguish between governmental and business entities. The government sanctioned organizations provide information to tourists about the local area and encourage tourists to stay longer in an area by telling them about varied activities and amenities. These organizations sell an area of the state, not products. The concerns expressed by the FACVB and others were the basis of the sponsor's filing of the legislation.

The bill does not appear to have any impact on state revenues or expenditures.

See "Amendments/Committee Substitute Changes" section for explanation of the strike all amendment approved by the Subcommittee on Tourism.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** H0533a.com.doc  
**DATE:** March 26, 2003

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | 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. EFFECT OF PROPOSED CHANGES:

##### *Official Florida Welcome Centers*

Since the privatization of tourism promotion functions in 1996, Visit Florida has been managing and funding the five Official Florida Welcome Centers located on I-10, I-75, I-95, Hwy 231, and the State Capitol. In addition to orange juice, these centers provide brochures and information on attractions, accommodations, historical and cultural sites and events, golf courses, sporting events, shopping, and other items of interest to families who stop at the various centers.

Studies have shown that these centers influenced visitors to go to an average of 2.3 more attractions and to stay an additional 2.79 nights more than they were planning on when they arrived in Florida. The return on investment of these centers is \$2.88 returned for every \$1.00 of General Revenue invested.

##### *County Tourism Promotion Agencies*

The local option tourist development tax, generally referred to as a "bed tax", is found in s. 125.0104, F.S. The allowable uses of the money collected are delineated in s. 125.0104(5), F.S. Among those uses are the funding of convention centers provided in s. 125.0104(5)(a)1., F.S., and the funding of 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 regarding promotion, provided in s. 125.0104(5)(a)3., F.S.

Additionally, the tourist development council is created in s. 125.0104, F.S., to make recommendation to the county governing body regarding the effective operation of special projects or for uses of the tourist development tax revenue and to perform other functions assigned to it by ordinance.

Additional powers and duties of agencies created for the purpose of tourism promotion by a county levying the tourist development tax are provided in s. 125.0104(9), F.S.

##### *Concerns of Florida Association of Convention and Visitors Bureaus*

According to the Florida Association of Convention and Visitors Bureaus (FACVB), there is growing concern with private, for-profit entities holding themselves out to the public as being government sanctioned, official visitor information centers, visitor bureaus, and tourist information centers in order to sell products. The FACVB is concerned about the negative impact such private entities have on tourism and the inability of tourists to distinguish between governmental and business entities. The government sanctioned organizations provide information to tourists about the local area and

encourage tourists to stay longer in an area by telling them about varied activities and amenities. These organizations sell an area of the state, not products. The concerns expressed by the FACVB and others were the basis of the sponsor's filing of the legislation.

### *Effect of Proposed Changes*

House Bill 533 provides eligibility requirements that must be met before an organization can represent itself to the general public as an official Florida convention and visitors bureau, visitors bureau, tourist development council, or welcome center. The bill also states that an organization meeting the criteria is eligible to receive tax revenues under s. 125.0104, F.S., the local option tourist development tax.

The eligibility for consideration as a tourism promotion agency that is eligible for receipt of local tax dollars is dictated by provisions of s. 125.0104(9), F.S., and other provisions relating to uses of those tax revenues contained in s. 125.0104, F.S. Organizations meeting the criteria described in the bill fall under the criteria of that section of law and s. 125.0104(9), F.S., in particular.

Florida's five "official" welcome centers operated by Visit Florida for the State of Florida would not meet the criteria of this bill for designation as "official." These welcome centers, however, have operated as the state's official welcome centers for over 50 years.

The bill does not provide any penalties for organizations not meeting the criteria but holding themselves out to the public as "official."

As written, there are some concerns about how this would impact Florida's five "official" welcome centers being able to continue to use the term "official Florida", the 14 counties in the state that do not levy the tourist development tax and might not have organizations that solicit and service conventions, the enforceability of the language, and the ability of the language to achieve the results expected by the proponents of the bill.

#### C. SECTION DIRECTORY:

**Section 1.** Creates a section of law specifying eligibility criteria for organization to hold itself out to the public as an official welcome center, convention and visitors bureau, tourist development council, or visitors bureau..

**Section 2.** Provides an effective date of upon becoming a law.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Unknown. There is no way to determine what, if any, impact the legislation would have on private sector companies currently operating as visitor information centers or under some similar designation.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The legislation does not require expenditure of funds by local governments, does not reduce the authority to raise revenue, nor reduce the percentage of state tax shared with local governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

As written, there are some concerns about how this would impact Florida's five "official" welcome centers being able to continue to use the term "official Florida", the 14 counties in the state that do not levy the tourist development tax and might not have organizations that solicit and service conventions, the enforceability of the language, and the ability of the language to achieve the results expected by the proponents of the bill.

With no indication as to the placement of the language in law, statutory revision could place the language in Chapter 15, F.S., where such things as the official railroad, official bird, and other official designations are recorded. These designations are ceremonial in nature.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 17, 2003, the Subcommittee on Tourism approved a strike all amendment that would respond to all concerns raised with the legislation. The amendment does the following:

- Amends s. 125.01, F.S., to provide that a county can prohibit a business entity from the use of certain designations or names when representing itself to the public as an entity representing tourism interests of the county.
- Amend s. 125.0104(9), F.S., to further define the role of tourism promotion organizations designated by counties under the local option tourist development tax.