

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Tourism (Sub)</u>	<u>5 Y, 0 N</u>	<u>McDonald</u>	<u>Whitfield</u>
2) <u>Commerce</u>	<u>15 Y, 0 N w/CS</u>	<u>McDonald</u>	<u>Whitfield</u>
3) <u>Finance and Taxation</u>	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

House Bill 533 provides that in addition to any other powers and duties provided for agencies created for the purpose of tourism promotion by a county levying the tourist development tax under s. 125.0104, F.S., these agencies are authorized and empowered to represent themselves to the public through the use of certain names or designations.

The bill also 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.

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 differences between the original bill and bill with committee substitute as passed by the Committee on Commerce.

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

STORAGE NAME: h0533b.com.doc
DATE: March 24, 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 that in addition to any other powers and duties provided for agencies created for the purpose of tourism promotion by a county levying the tourist development tax under s. 125.0104, F.S., these agencies are authorized and empowered to represent themselves to the public through the use of certain names or designations.

The bill also 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.

C. SECTION DIRECTORY:

Section 1. Amends s. 125.01, F.S., relating to the powers and duties of the governing body of a county, to provide that a county levying the tourist development tax may prohibit a business entity from using certain designations or names when representing itself to the public as an entity representing tourism interests of the county.

Section 2. Amends s. 125.0104(9), F.S., relating to county tourism promotion agencies, to authorize such agencies to represent themselves to the public through certain designations and names.

Section 3. 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:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 24, 2003, the Committee on Commerce passed the strike all amendment that had been approved by the Subcommittee on Tourism on March 17, 2003. The Committee then passed HB 533 with committee substitute. The explanation of the changes between the original bill and the bill as passed by the Commerce Committee are found in the comments related to the strike all amendment contained below.

On March 17, 2003, the Subcommittee on Tourism approved a strike all amendment that addresses concerns raised about the impact of the language of the original bill on the ability of Florida's five "official" welcome centers being able to continue to use the term "official Florida", the impact on counties 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. 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.