

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1015 Tourist Development Tax

**SPONSOR(S):** Hooper

**TIED BILLS:**           **IDEN./SIM. BILLS:** SB 1274

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	10 Y, 0 N	Fennell	Creamer
2) Finance & Tax Committee	23 Y, 0 N	Flieger	Langston
3) Economic Affairs Committee	17 Y, 0 N	Fennell	Tinker

### SUMMARY ANALYSIS

The bill amends s. 125.0104, F.S., to permit counties to use tax revenues raised from levying any tourist development tax for purposes related to publicly owned and operated aquariums, including the acquisition, construction, maintenance, or promotion of such aquariums.

The bill has not been evaluated by the Revenue Estimating Committee but appears to have no state or local government revenue or expenditure impact.

The bill has an effective date of July 1, 2012.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background**

##### Tourist Development Tax

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on the renting of transient accommodations, to be used in various ways to promote tourism within the county. The authorized uses of each local option tax vary according to the particular levy.

Section 125.0104(3)(c), F.S., permits a tourist development tax may be levied at the rate of 1 or 2 percent. All 67 counties are eligible to levy this tax, and currently 62 counties levy this tax at 2 percent.<sup>1</sup> Revenue from this tax may be bonded to finance certain facilities and projects, including financing revenue bonds. This tax may only be levied after the ordinance is approved by a majority of voters in a referendum.

An additional tourist development tax of 1 percent may be levied. Fifty-six counties are eligible; currently 45 of those eligible levy the tax.<sup>2</sup> Revenue from this tax may be bonded to finance certain facilities and projects, but may not be used for certain debt service or refinancing unless approved by an extraordinary vote of the governing board. This tax may only be levied after the ordinance is approved by a majority of voters in a referendum.

A professional sports franchise facility tax may be levied up to an additional 1 percent. Currently 35 counties levy this additional tax, though all 67 counties are eligible.<sup>3</sup> Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities of professional sports franchises, and convention centers and to promote and advertise tourism.

An additional professional sports franchise facility tax no greater than 1 percent may be imposed by a county that has already levied the professional sports franchise facility tax. Out of 35 counties that levy a professional sports facility tax, 20 levy an additional professional sports franchise facility tax.<sup>4</sup> Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities of professional sports franchises, and convention centers and to promote and advertise tourism.

A high tourism impact tax may be levied at an additional 1 percent. Five counties are eligible to levy this tax (Broward, Monroe, Orange, Osceola, and Walton). Of these five counties, three (Monroe, Orange, and Osceola) levy this additional tax.<sup>5</sup> Revenue from this tax may be bonded to finance certain facilities and projects, including financing revenue bonds.

Local option tourist taxes are significant revenue sources to Florida's county governments and represent important funding mechanisms for a variety of tourism-related expenditures such as beach and shoreline maintenance, construction of convention centers and professional sports franchise facilities, and tourism promotion. Generally, the revenues from these levies may be used for capital construction, maintenance, and promotion of tourist-related facilities, tourism promotion, and beach and shoreline maintenance. Tourist-related facilities include convention centers, sports stadiums and arenas, coliseums, auditoriums, and museums that are publically owned and operated within the area that the tax is levied. Tax revenues may also be used to promote zoos.

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<sup>1</sup> <http://edr.state.fl.us/Content/local-government/reports/lgfi11.pdf> (last viewed February 3, 2012)

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

### Florida Aquariums

Visit Florida's website<sup>6</sup> lists over 25 attractions in the category of "aquarium," including the Key West Aquarium, the Miami Seaquarium, the Mote Marine Laboratory and Aquarium in Sarasota, the Florida Aquarium in Tampa, and the Florida's Gulfarium in Fort Walton Beach.

### **Effect of Proposed Changes**

The bill permits counties to use the tax revenues from the tourist development tax for purposes related to publicly owned and operated aquariums, including the acquisition, construction, maintenance, or promotion of such aquariums.

#### B. SECTION DIRECTORY:

Section 1 amends s. 125.0104, F.S., to include aquariums as an eligible use of the tourism development tax.

Section 2 provides an effective date of July 1, 2012.

## **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:

None.

#### D. FISCAL COMMENTS:

None.

## **III. COMMENTS**

#### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that the counties or municipalities

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<sup>6</sup> <http://www.visitflorida.com/aquariums> (last viewed February 3, 2012)

have to raise revenue in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

None.