

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 121 Department of Economic Opportunity

SPONSOR(S): Combee

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee	11 Y, 1 N	Collins	West
2) Local & Federal Affairs Committee			
3) Transportation & Economic Development Appropriations Subcommittee			
4) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill directs the Department of Economic Opportunity (DEO) to create a webpage through its existing website whose sole purpose will be to disseminate information pertinent to those creating or expanding businesses within the state. The webpage will provide a comprehensive overview of the business climate of Florida's cities and counties, and will include specific business-related costs and charges imposed by local governments. Cities and counties must provide the necessary information regarding business-related costs and charges requested by DEO by October 1, 2013, and provide notice to DEO in a timely manner should there be any changes to these costs and charges.

The fiscal impact of the bill is estimated to have a negative insignificant impact on state trust funds (no more than \$10,000).

The bill has an effective date of July 1, 2013.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Currently, DEO does not collect and disseminate information related to specific business-related costs and charges imposed by cities and counties within the state. Other state agencies collect data on local government taxes and fees, but no effort has been made to consolidate this information within a single clearinghouse.

The Florida Department of Revenue (DOR) collects information regarding local government tax receipts by county including Local Option Sales Taxes, Tourist Development Taxes, Convention and Tourist Impact Taxes, One-Cent Local Option Fuel Taxes, and Additional Local Option Fuel Taxes. DOR, however, does not make this information readily available on its website.

The Florida Legislature's Office of Economic and Demographic Research (EDR) publishes the *Local Government Financial Information Handbook*¹ as a reference for most of the revenue sources available to local governments. This report is published annually with the assistance of the Office of Tax Research within DOR. In addition to descriptions of local revenue sources, the report includes estimated distributions of numerous state-shared revenues and local option taxes to counties and municipalities for the most recent fiscal year. This report is available to the public through EDR's webpage.

Proposed Changes

The bill directs DEO to request the following information from each of Florida's cities and counties:

1. Current millage rate for all relevant taxing authorities
2. The rate of any local discretionary sales surtaxes.
3. The rate of any local business taxes.
4. The rate of any local option food and beverage taxes.
5. The rate of any local option fuel taxes.
6. A complete fee schedule that includes impact fees, water and sewer connection fees, occupational license fees, stormwater fees, and other fees that would impact the establishment or expansion of a business.
7. Existing sign ordinances.
8. Existing tree and landscaping ordinances.
9. Stormwater permitting requirements that exceed water management district requirements.
10. Rate of any local public service tax.

Each city and county is responsible for submitting the requested information to DEO by October 1, 2013 and ensuring that the department is notified in a timely manner should any of that information change. In addition, each city and county has the option of submitting a summary of no more than 1500 words describing the advantages of doing business in their community including quality of life considerations.

DEO is to compile all the information gathered from Florida's cities and counties and publish it on DEO's existing website on a newly created webpage dedicated solely to information on creating or expanding businesses within the state. The site will provide a comprehensive overview of Florida's

¹ Florida Legislature's Office of Economic and Demographic Research;
<http://edr.state.fl.us/Content/local-government/reports/lgfi12.pdf>

(last visited January 29, 2013)

STORAGE NAME: h0121b.EDTS

DATE: 2/7/2013

cities and counties in terms of their conditions regarding business creation and expansion including specific business-related charges and costs. Each voluntarily submitted summary will also be included on this site.

B. SECTION DIRECTORY:

Section 1: Directs the Department of Economic Opportunity to create a webpage, accessible through its Internet website, dedicated solely to the collection and publication of data and information that are relevant and of significance to the creation of new businesses within the state or the expansion of existing businesses within the state.

Section 2: Provides an effective date of July 1, 2013.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The fiscal impact of the bill is estimated to have a negative insignificant impact on state trust funds (no more than \$10,000).

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

There may be a cost to local governments in the collection and submission of this information.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 6, 2013, the House Economic Development and Tourism Subcommittee adopted one amendment. The amendment was adopted to clarify that the utility surcharges referred to in the bill should instead refer to the rate of any local public service tax.

The analysis has been updated to reflect the amendment.