The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/CS/SB 336

INTRODUCER: Community Affairs Committee, Commerce and Tourism Committee, and Senator Latvala

SUBJECT: Tourist Development Tax

DATE: February 21, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hrdlicka	Hrdlicka	CM	**Fav/CS**
2.	Anderson	Yeatman	CA	**Fav/CS**
3.				
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... [X] Statement of Substantial Changes

B. AMENDMENTS........................ [ ] Technical amendments were recommended

[ ] Amendments were recommended

[ ] Significant amendments were recommended

I. Summary:

CS/CS/SB 336 permits counties to use the tax revenues from the tourist development tax for purposes related to aquariums that are owned and operated by not-for-profit organizations, including the acquisition, construction, maintenance, or promotion of such aquariums.

This bill amends s. 125.0104, F.S.

II. Present Situation:

Tourist Development Tax

Section 125.0104, F.S., authorizes the levy of five separate local option taxes on rental charges subject to the transient rentals tax under s. 212.03, F.S., 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.[1]

[1] Florida Revenue Estimating Conference, "2012 Florida Tax Handbook."

- The tourist development tax may be levied at the rate of 1 or 2 percent.[2] Currently, 62 counties levy this tax at 2 percent; all 67 counties are eligible to levy this tax.[3] 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.[4] Currently 45 counties levy this tax and only 57 counties are currently eligible to levy this tax. 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.[5] Currently 36 counties levy this additional tax and all 67 counties are eligible to levy this tax. 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.[6] Five counties are eligible to levy this tax (Broward, Monroe, Orange, Osceola, and Walton). Of these five counties, Monroe, Orange, and Osceola levy this additional tax. Revenue from this tax may be bonded to finance certain facilities and projects, including financing revenue bonds.
- 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.[7] Out of 65 counties that levy a professional sports facility tax, 20 levy an additional professional sports franchise facility tax. Revenue can be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities and spring training facilities of professional sports franchises and to promote and advertise tourism.

"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."[8] 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, aquariums, and museums that are

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[2] Section 125.0104(3)(c), F.S.
[3] Information related to the number of counties levying the taxes is from the Office of Economic and Demographic Research, "2013 Local Option Tourist/Food and Beverage/Tax Rates in Florida's Counties," http://edr.state.fl.us/Content/local-government/data/county-municipal/2013LOTTrates.pdf (last visited 1/24/2013).
[4] Section 125.0104(3)(d), F.S.
[5] Section 125.0104(3)(l), F.S.
[6] Section 125.0104(3)(m), F.S.
[7] Section 125.0104(3)(n), F.S.
[8] Florida Legislative Committee on Intergovernmental Relations, Issue Brief: Utilization of Local Option Tourist Taxes by Florida Counties in Fiscal Year 2009-10 (December 2009), available at http://edr.state.fl.us/Content/local-government/reports/localopttourist09.pdf (last visited 1/24/2013).

publically owned and operated within the area that the tax is levied. Tax revenues may also be used to promote zoos.

The local taxes on rental charges are required to be remitted to the Department of Revenue, unless a county has adopted an ordinance providing for local collection and administration of the tax.[9]

In counties that have plans for tourist development that include the acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, or aquarium, or a museum that is publicly owned and operated or owned and operated by a not-for-profit organization, the ordinance levying the tourist development tax automatically expires upon the later of two circumstances:

- The retirement of all bonds issued by the county for financing the acquisition, construction, extension, enlargement, remodeling, repair, or improvement of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, or aquarium, or a museum that is publicly owned and operated or owned and operated by a not-for-profit organization; or
- The expiration of any agreement by the county for the operation or maintenance, or both, of a publicly owned and operated convention center, sports stadium, sports arena, coliseum, auditorium, or museum.

Florida Aquariums

Visit Florida's website 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 Gulfarium Marine Adventure Park in Fort Walton Beach. Some of these aquariums, such as the Florida Aquarium, are owned and operated by not-for-profit organizations.

III. Effect of Proposed Changes:

Section 1 amends s. 125.0104, F.S., related to tourist development taxes.

Use of Tourist Development Taxes

The bill permits counties to use the tax revenues from the tourist development tax for purposes related to aquariums owned and operated by not-for-profit organizations, including the acquisition, construction, maintenance, or promotion of such aquariums. This authorization does not apply to the tax levied for sports franchise facilities.

Automatic Expiration of Ordinances Levying Tourist Development Taxes

The bill clarifies when a county's tourist development tax automatically expires. Under the bill, a county's tourist development tax would automatically expire after the later of:

[9] Also known as "self-administering."

- The expiration of any agreement for the operation or maintenance, or both, of a publicly owned and operated facility (current law); and
- The retirement of all bonds issued by the county for financing the acquisition, construction, extension, enlargement, remodeling, repair, or improvement of publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, auditoriums, or museums or aquariums that are publicly owned and operated or owned and operated by a not-for-profit organization.

Section 2 provides an effective date of July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs on February 21, 2013:
Made technical and clarifying changes.

CS by Commerce and Tourism on February 5, 2013:
The committee substitute clarifies when a county's tourist development tax automatically expires. Under the original bill as filed, if a county had bonds for financing museums or aquariums that were owned and operated by not-for-profit organizations when the bonds for the other facilities expired, the tourist development tax would have expired despite the existence of those bonds.

B. Amendments:

None.