HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS

BILL #:	HB 555	**FINAL HOUSE FLOOR ACTION:**	
SPONSOR(S):	Hooper; Ahern, Rogers	117 **Y's**	1 **N's**
COMPANION BILLS:	(CS/CS/SB 336)	**GOVERNOR'S ACTION:**	Approved

SUMMARY ANALYSIS

HB 555 passed the House on May 1, 2013, as CS/CS/SB 336. The bill permits counties to use the tax revenues from the existing tourist development tax for purposes related to aquariums owned by not-for-profit organizations including the acquisition, construction, maintenance, or promotion of such aquariums. The bill also clarifies that tourist development tax revenue may be used only within the boundaries of the county or special taxing district in which the tax is levied, and that the county ordinance levying the tax expires upon the retirement of all bonds associated with facilities receiving tourist development tax dollars.

The bill has no fiscal impact on state or local funds.

The bill was approved by the Governor on June 14, 2013, ch. 2013-168, L.O.F., and will become effective on July 1, 2013.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Tourist Development Tax

Section 125.0104, F.S., authorizes five separate tourist development taxes on transient rental transactions. Depending on a county's eligibility to levy, the tax rate varies from a minimum of three percent to a maximum of six percent. The levies may be authorized by vote of the county's governing authority or referendum approval. The revenues generated by the tax may be used in various ways to promote tourism, including capital construction of tourism-related facilities. The authorized uses of each local option tax vary according to the particular levy.

The tourist development tax may be levied at the rate of one or two percent. All 67 counties are eligible to levy this tax, and currently 62 levy this tax – all at two percent. Calhoun, Hardee, Lafayette, Liberty and Union counties do not levy any tourist development taxes. 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 one percent may be levied by counties who have previously levied a tourist development tax at the one or two percent rate for at least three years. Currently 45 counties levy this tax. Revenue from this tax may be bonded to finance certain facilities and projects, but may not be used to service debt or refinance facilities receiving funding from a previously levied tourist development tax 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 one percent. 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.

An additional professional sports franchise facility tax no greater than one percent may be imposed by a county that has already levied the professional sports franchise facility tax. Out of 36 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, spring training facilities of professional sports franchises, and convention centers to promote and advertise tourism.

A high tourism impact tax may be levied at an additional one percent. 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.

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, zoos, auditoriums, aquariums and museums that are publically owned and operated within the area that the tax is levied. Museums and zoos that are operated by not-for-profit organizations may also receive funding.

Florida Aquariums

Visit Florida's website[1] 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 adds aquariums owned and operated by not-for-profit organizations to the permissible uses of the tourist development tax[2], allowing counties to use revenue from that tax for purposes related to aquariums owned and operated by not-for-profit organizations, including the acquisition, construction, maintenance, or promotion of such aquariums.

The bill also allows for county or special taxing districts to enter into service contracts and leases with experienced or financially capable entities to operate, acquire, construct, extend, enlarge, remodel, repair, improve, maintain, or promote eligible convention centers, sports stadiums, sports arenas, coliseums, auditoriums, museums, or zoos.

The bill clarifies that tourist development tax revenue may be used on eligible facilities only within the boundaries of the county or special taxing district in which the tax is levied.

Finally, the bill clarifies that the county ordinance levying the tourist development tax automatically expires upon the retirement of all bonds issued to finance acquisition, construction, extension, enlargement, remodeling, repair, or improvement of publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, auditoriums, museums, or aquariums. It also applies to museums and aquariums owned and operated by non-profit organizations.

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.

[1] http://www.visitflorida.com/aquariums (last accessed 3/11/13)
[2] Section 125.104(5)(a), F.S.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will allow revenues from tourist development taxes to be used to benefit aquariums owned by not-for-profit organizations.

D. FISCAL COMMENTS:

None.