

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1451 Charlotte County Tourist Development Council, Charlotte County
SPONSOR(S): Local, Federal & Veterans Affairs Subcommittee; Grant, M.
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	11 Y, 0 N, As CS	Renner	Miller
2) Government Accountability Committee	18 Y, 0 N	Renner	Williamson

SUMMARY ANALYSIS

Florida law authorizes counties to levy local option tourist development taxes as a funding mechanism for a variety of tourism-related expenditures. Each county that levies the original 1 or 2 percent tax is required to have a "tourist development council," which is a group of electors from the county appointed by the county governing authority. The tourist development council, among other duties, makes recommendations to the county governing authority for the effective operation of the special projects or for uses of the tourist development tax revenue.

The chair of the governing board of the county or any other member of the governing board, as designated by the chair, must serve on the council. Two members of the council must be elected municipal officers, at least one of whom must be from the most populous municipality in the county or subcounty special taxing district in which the tax is levied. Six members of the council must be persons who are involved in the tourist industry. Not less than three nor more than four must be owners or operators of motels, hotels, recreational vehicle parks, or other tourist accommodations in the county and subject to the tax. All members of the council must be electors of the county.

The governing board of the county must have the option of designating the chair of the council or allowing the council to elect a chair, who must be appointed or elected annually and may be reelected or reappointed. Members must serve for staggered terms of four years.

The bill provides an exception to general law by expanding the eligibility requirements for the membership of the Charlotte County Tourist Development Council (Council). The Council may include no more than two members who must meet all of the following conditions:

- Are not electors of Charlotte County;
- Reside in a county adjacent to Charlotte County; and
- Own a business related to the tourism industry, have demonstrated an interest in tourist development in Charlotte County, and have paid the local business tax in Charlotte County.

The Economic Impact Statement submitted with the bill states that it is projected to have no fiscal impact on the state or local government.

Pursuant to House Rules 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since this bill creates an exemption to general law, the provisions of House Rule 5.5(b) apply.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Local Option Tourist Development Act¹ authorizes counties to levy five separate taxes on transient rental² transactions (“tourist development taxes” or “TDT”). Depending on a county’s eligibility to levy such taxes, the maximum tax rate varies from a minimum of 3 percent to a maximum of 6 percent:

- The original TDT may be levied at the rate of 1 or 2 percent.³
- An additional 1 percent tax may be levied by counties who have previously levied a TDT at the 1 or 2 percent rate for at least three years.⁴
- A high tourism impact tax may be levied at an additional 1 percent.⁵
- A professional sports franchise facility tax may be levied up to an additional 1 percent.⁶
- 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

Each county that levies the original 1 or 2 percent tax is required to have a “tourist development council”. The tourist development council is a group of electors from the county appointed by the county governing authority. The tourist development council, among other duties, makes recommendations to the county governing authority for the effective operation of the special projects or for uses of the tourist development tax revenue. The requirement to have a tourist development council only applies to the levy of the original 1 or 2 percent tax.⁸

The chair of the governing board of the county or any other member of the governing board as designated by the chair must serve on the council. Two members of the council must be elected municipal officers, at least one of whom must be from the most populous municipality in the county or subcounty special taxing district in which the tax is levied. Six members of the council must be persons who are involved in the tourist industry. Not less than three nor more than four must be owners or operators of motels, hotels, recreational vehicle parks, or other tourist accommodations in the county and subject to the tax.⁹

All members of the council must be electors of the county. The governing board of the county must have the option of designating the chair of the council or allowing the council to elect a chair, who must be appointed or elected annually and may be reelected or reappointed. Members must serve for staggered terms of four years.¹⁰

¹ Section 125.0104, F.S.

² Section 125.0104(3)(a)(1), F.S., considers “transient rental” to be the rental or lease of any accommodation for a term of six months or less.

³ Section 125.0104(3)(c), F.S. Sixty-three counties levy this tax, all at a rate of 2 percent. Office of Economic & Demographic Research (EDR), Local Option Tourist / Food & Beverage Tax Rates, *available at* <http://edr.state.fl.us/Content/local-government/data/county-municipal/> (last accessed 1/22/2018).

⁴ Section 125.0104(3)(d), F.S. Fifty-one of the eligible 59 counties levy this tax. *Id.*

⁵ Section 125.0104(3)(m), F.S. Five of the eight eligible counties levy this tax. *Id.*

⁶ Section 125.0104(3)(l), F.S. Revenue may be used to pay debt service on bonds for the construction or renovation of professional sports franchise facilities, spring training facilities or professional sports franchises, and convention centers and to promote and advertise tourism. Forty-three of the 67 eligible counties levy this additional tax. *Id.*

⁷ Section 125.0104(3)(n) F.S. Twenty-nine of the eligible 65 counties levy the additional professional sports franchise facility tax. *Id.*

⁸ Section 125.0104(4)(e), F.S.

⁹ *Id.*

¹⁰ *Id.*

Charlotte County Tourist Development Council

The Charlotte County Tourist Development Council (Council)¹¹ is composed of eight members who are appointed by and serve at the pleasure of the Charlotte County Board of County Commissioners (Board). The ninth member is the chair of the Board or such other member of the Board as the chair may designate, and serves as the chair, ex-officio of the council.

Members are elected pursuant to the requirements in s. 125.0104(4)(e), F.S.

Effect of the Bill

The bill provides an exception to general law by expanding the eligibility requirements for the membership of the Council. The Council may include no more than two members who must meet all of the following conditions:

- Are not electors of Charlotte County;
- Reside in a county adjacent to Charlotte County; and
- Own a business related to the tourism industry, have demonstrated an interest in tourist development in Charlotte County, and have paid the local business tax in Charlotte County.

B. SECTION DIRECTORY:

Section 1: Provides an exception to general law by revising the membership of the Charlotte County Tourist Development Council.

Section 2: Provides that the act takes effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? December 6, 2017

WHERE? *Charlotte Sun*, Charlotte County, Florida

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

¹¹ Charlotte County Ordinance, Article IV, sec. 1-7-48, available at https://library.municode.com/fl/charlotte_county/codes/code_of_ordinances?nodeId=GEORSPAC_CH1-7FITA_ARTIVTODETA_S1-7-48TODECO, (last accessed 1/16/2018).

B. RULE-MAKING AUTHORITY:

The bill neither authorizes nor requires administrative rulemaking by executive branch agencies.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Pursuant to House Rules 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since this bill creates an exemption to general law, the provisions of House Rule 5.5(b) apply.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 29, 2018, the Local, Federal & Veterans Affairs Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment specifies that under the criteria to become a member of the Charlotte County Tourist Development Council, the member must pay the local business tax in Charlotte County.

This analysis is drafted to the committee substitute as approved by the Local, Federal & Veterans Affairs Subcommittee.