

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 213 Florida Tourism Marketing

SPONSOR(S): Ponder and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 362

FINAL HOUSE FLOOR ACTION: 114 Y's 2 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 213 passed the House on March 11, 2020, as SB 362 as amended. The Senate concurred in the House Amendment to the Senate bill and subsequently passed the bill as amended on March 12, 2020.

The Florida Tourism Industry Marketing Corporation, better known as Visit Florida, is a state-funded non-profit corporation that serves as Florida's destination marketing organization, in conjunction with the Division of Tourism Marketing within Enterprise Florida, Inc.

Visit Florida is authorized by statute and requires an annual appropriation to support its operations. The current statutory authorization is scheduled for repeal on July 1, 2020, unless reviewed and saved from repeal by the Legislature.

The bill extends the scheduled repeal date for Visit Florida and the Division of Tourism Marketing from July 1, 2020, to October 1, 2023.

The bill was approved by the Governor on April 8, 2020, ch. 2020-16, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Background

Enterprise Florida, Inc., (EFI) is a non-profit corporation created to act as the state's economic development organization, using expertise from both the private and public sectors. EFI is not a unit of state government.¹

EFI is statutorily required to maintain at least five divisions related to the following areas:

- International trade and business development;
- Business retention and recruitment;
- Tourism marketing;
- Minority business development; and
- Sports industry development.²

EFI's Division of Tourism Marketing is the mechanism created in statute through which EFI interacts and contracts with its direct support organization, Visit Florida. Visit Florida is the operating name for the Florida Tourism Industry Marketing Corporation, a non-profit corporation that serves as Florida's statewide destination marketing organization.³

Visit Florida's primary responsibilities include:

- Administering domestic and international advertising campaigns;
- Conducting research on tourism and travel trends;
- Coordinating domestic and international marketing activities; and
- Managing the state's four welcome centers.⁴

Visit Florida is required to develop a four-year marketing plan for the state that addresses issues such as continuation of tourism growth in Florida, expansion to new or underrepresented markets, coordination with local and private sector partners on tourism advertising, and addressing emergency responses to disasters from a marketing standpoint.⁵

Visit Florida also administers a number of small grant programs that provide organizations and state agencies funding for certain tourism-related activities. Grant funds average less than \$700,000 per year.⁶

In conjunction with the Department of Economic Opportunity (DEO), EFI appoints Visit Florida's 31-member board of directors. The board "provides guidance, input, and insight into the evolution and development of Visit Florida programs, processes, and messages; acts as a steering council for various committees; and works directly with Visit Florida executive staff to guide strategy."⁷ Visit Florida's board

¹ Sections 288.901(1) and (2), F.S.

² Section 288.92, F.S.

³ Section 288.1226, F.S. The fictitious name is registered with the Department of State, registration no. G18000088414.

⁴ Office of Program Policy Analysis and Government Accountability, *Florida Economic Development Program Evaluations – Year 5*, 21 (December 2017), available at <http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/1713rpt.pdf> (last visited Jan. 18, 2020). Pursuant to s. 288.12265, F.S., Visit Florida contracts with the Department of Transportation through EFI to employ staff and operate the welcome centers. See also Visit Florida, *Florida Welcome Centers*, available at <https://www.visitflorida.com/en-us/visitor-services/florida-welcome-centers.html> (last visited Jan. 18, 2020).

⁵ Section 288.923(4)(c), F.S.

⁶ *Florida Economic Development Program Evaluations – Year 5* at 23 and 35.

⁷ *Id.* at 21.

of directors is composed of 16 regional members, with at least two representing each of the six statutorily designated geographic areas of the state, and 15 additional tourism industry related members, including:

- One from the statewide rental car industry;
- Seven from tourist-related statewide associations;
- Three from county destination marketing organizations;
- One from the cruise industry;
- One from an automobile and travel services membership organization;
- One from the airline industry; and
- One from the space tourism industry.⁸

As a public-private partnership, Visit Florida is required to obtain private sector contributions to match public contributions. Eligible matching contributions come from four categories:

- Direct cash contributions;
- Fees for services;
- Cooperative advertising, which is limited to partner expenditures for paid media placement and actual market value of contributed products, air time, and print space; and
- In-kind contributions, which is limited to the actual market value of promotional contributions of partner-supplied benefits or of nonpartner-supplied airtime or print space.

On average, Visit Florida spends 64 percent of its annual budget on media and industry cooperative advertising efforts; most of the remaining expenditures are comprised of fees and services and salaries and benefits. Certain contracts are subject to several reporting and transparency requirements.

For the 2019-2020 fiscal year, Visit Florida received an appropriation of \$50 million.⁹ Payments are made to Visit Florida through EFI from DEO. Visit Florida enters into a funding agreement with EFI and DEO and an operating agreement with EFI.¹⁰

The statutory authorization for both Visit Florida and the Division of Tourism Marketing will sunset on July 1, 2020, unless reviewed and saved from repeal by the Legislature.¹¹

Effect of Proposed Changes

The bill extends the scheduled repeal date for Visit Florida and the Division of Tourism Marketing from July 1, 2020, to October 1, 2023.

The bill takes effect upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

⁸ Section 288.1226(4), F.S.

⁹ Specific Appropriation 2328, s. 6, ch. 2019-115, L.O.F.

¹⁰ See *Funding Agreement SB20-003 – Agreement between the Department of Economic Opportunity, Enterprise Florida, Inc., and the Florida Tourism Industry Marketing Corporation*, executed September 13, 2019, available at <https://facts.fldfs.com/Search/ContractDetail.aspx?AgencyId=400000&ContractId=S0118&Tab=1> (last visited Jan. 18, 2020).

¹¹ Sections 288.1226(14) and 288.923(6), F.S. The 2019-2020 fiscal year implementing bill extended the repeal date from October 1, 2019, to July 1, 2020. See s. 99, ch. 2019-116, L.O.F.

1. Revenues:

See fiscal comments.

2. Expenditures:

See fiscal comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The five-year average of appropriations to Visit Florida is \$70.8 million.¹² If Visit Florida's authorization is repealed on July 1, 2020, the dissolved entity's assets, after all legal liabilities and obligations have been paid or adequate provisions have been made, will revert to the state.

¹² Specific Appropriation 2328, s. 6, ch. 2019-115, L.O.F.; SA 2239, s. 6, ch. 2019-8, L.O.F.; s. 26, ch. 2017-233, L.O.F.; SA 2240, s. 6, ch. 2016-66, L.O.F.; and SA 2254, s. 6, ch. 2015-232, L.O.F.