

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 2076

SPONSOR: Senator Kirkpatrick

SUBJECT: Office of Tourism, Trade, and Economic Development

DATE: March 28, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Joseph</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable</u>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill requires that certain contracts governing the operations of Enterprise Florida, Inc., the Florida Commission on Tourism, the Florida Tourism Industry Marketing Corporation, and the direct-support organization for sports-industry promotion shall provide for recovery of state assets in the event of termination of the contracts. This bill specifies that the direct-support organization created under s. 288.1229, F.S., is the only direct-support organization for which the Office of Tourism, Trade, and Economic Development (OTTED) serves as contract administrator.

This bill provides that upon dissolution of the party contracting with the state, the contracted party shall cease incurring debt and all assets of the contracted party held in trust shall be reverted to the state for use by OTTED for satisfaction of outstanding debt and, after such satisfaction, all assets remaining shall be used by OTTED for carrying out its statutory duties. The bill provides that these provisions for dissolution are deemed to be part of each contract for which OTTED serves as contract administrator.

This bill amends the following sections of the Florida Statutes: 14.2015 and 288.1224.

II. Present Situation:

Section 14.2015, F.S., provides that the purpose of the Office of Tourism, Trade, and Economic Development (OTTED) is to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to provide economic opportunities for all Floridians. To accomplish such purposes, OTTED serves as contract administrator for the state with respect to contracts with Enterprise Florida, Inc. (EFI), the Florida Commission on Tourism, and all direct-support organizations, except the tourism direct-support organization. To accomplish the provisions, OTTED enters into specific contracts with EFI, the Florida

Commission on Tourism, and other appropriate direct-support organizations. Such contracts may be multi-year and include specific performance measures for each year.

Section 288.1224, F.S., provides the powers and duties of the Florida Commission on Tourism, specifying that the commission shall contract no later than December 31, 1996, with a direct-support organization incorporated as a private, not-for-profit corporation, defined in section 501(c)(6) of the Internal Revenue Code, to execute the tourism and marketing promotion services of the state. Section 288.1226, F.S., identifies that direct-support organization as the Florida Tourism Industry Marketing Corporation. The corporation does business under the name "Visit Florida." The commission serves as the contract administrator for this contract. Section 288.1224, F.S., allows OTTED to review such contract in an expedient manner and to timely make any recommendations so as to allow the date of the contract to be met.

Section 288.1229, F.S., permits OTTED to authorize a direct-support organization to assist with the promotion and development of sports-related industries and amateur athletics in the state. Under this authority, OTTED currently contracts with the Florida Sports Foundation.

III. Effect of Proposed Changes:

This bill amends ss. 14.2015 and 288.1224, F.S. The first change relates to the Office of Tourism, Trade, and Economic Development (OTTED) serving as contract administrator for the state with respect to contracts with Enterprise Florida, Inc., the Florida Commission on Tourism, and the direct-support organization created under s. 288.1229, F.S. The second change relates to the contract between the Florida Commission on Tourism and the Florida Tourism Industry Marketing Corporation (Visit Florida). The bill requires that such contracts shall provide for recovery of state assets in the event of termination of the contract. The bill specifies that the direct-support organization created under s. 288.1229, F.S., is the only direct-support organization for which OTTED serves as contract administrator.

The bill provides that upon dissolution of the party contracting with OTTED, the contracted party shall cease incurring debt and all assets of the contracted party held in trust shall be reverted to the state for use by OTTED for satisfaction of outstanding debt and, after such satisfaction, all assets remaining shall be used by OTTED for carrying out its duties under s. 14.2015, F.S., and ch. 288, F.S. The bill specifies that these provisions for dissolution are deemed to be part of each contract for which OTTED serves as contract administrator.

The bill adds clarifying language to define assets held in trust to include money from public, private, or third-party sources; real property; and tangible and intangible personal property. The bill makes technical and clarifying changes in s. 288.1224, F.S., including how the direct-support organization for tourism is referenced. The bill also adds a provision to the section requiring the Florida Commission on Tourism to provide for the recovery of state assets in its contract with the Florida Tourism Industry Marketing Corporation (Visit Florida), and it adds similar provisions governing dissolution which are also required to be part of the contract between these two entities.

Section by Section Analysis

Section 1. The bill amends s. 14.2015, F.S., to:

- Specify that the direct-support organization created under s. 288.1229, F.S., is the only direct-support organization for which the Office of Tourism, Trade, and Economic Development (OTTED) serves as contract administrator. OTTED is authorized to contract with a direct-support organization to assist the office in providing for the promotion and development of sports-related industries and amateur athletics pursuant to s. 288.1229, F.S.
- Require that contracts between OTTED and the contracted party (Enterprise Florida, Inc., the Florida Commission on Tourism, or the direct-support organization created under s. 288.1229, F.S.) provide a mechanism for the recovery of state assets in the event of termination of the contract between OTTED and the contracted party.
- Provide that upon a dissolution of the party contracting with OTTED, the contracted party shall cease incurring debt and all assets of the contracted party held in trust shall be reverted to the state for use by the office for satisfaction of outstanding debt and, after such satisfaction, all assets remaining shall be used by OTTED for carrying out its duties under s. 14.2015, F.S., and ch. 288, F.S. The provisions for dissolution are deemed to be part of the contract between OTTED and the contracted party.
- Clarify assets of the contracted party held in trust as money from public, private, or third-party sources; real property; and tangible and intangible personal property.

Section 2. The bill amends s. 288.1224, F.S., to:

- Identify specifically by name the Florida Tourism Industry Marketing Corporation (FTIMC) as the direct-support organization with which the commission is to contract.
- Require the commission, in its contract with FTIMC, to address recovery of state assets in the event of termination of the contract.
- Require that upon dissolution of FTIMC, the corporation shall cease incurring debt and all assets of the corporation held in trust shall be reverted to the state for use by OTTED for satisfaction of outstanding debt, and after such satisfaction, all assets remaining shall be used to carry out the duties of OTTED under s. 14.2015, F.S., and ch. 288, F.S. These provisions for dissolution are also required to be incorporated by the Florida Commission on Tourism into the contract between the commission and the FTIMC.

Section 3. The bill provides an effective date of July 1, 2000.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill provides a mechanism for recovery of state assets held in trust by certain entities contracting with the Office of Tourism, Trade, and Economic Development, as well as by the Florida Tourism Industry Marketing Corporation contracting with the Florida Commission on Tourism.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.