

**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 Commerce and Tourism Committee

BILL: SB 1274

INTRODUCER: Senator Latvala

SUBJECT: Tourist Development Tax

DATE: January 18, 2012      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hrdlicka	Hrdlicka	CM	<b>Pre-meeting</b>
2.			BC	
3.				
4.				
5.				
6.				

**I. Summary:**

SB 1274 permits counties to use the tax revenues from the tourist development tax for purposes related to publicly owned and operated aquariums, 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.<sup>1</sup>

1. The tourist development tax may be levied at the rate of 1 or 2 percent.<sup>2</sup> Currently, 62 counties levy this tax at 2 percent; all 67 counties are eligible to levy this tax.<sup>3</sup> 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.

<sup>1</sup> Florida Revenue Estimating Conference, "2012 Florida Tax Handbook."

<sup>2</sup> Section 125.0104(3)(c), F.S.

<sup>3</sup> Information related to the number of counties levying the taxes is from the Office of Economic and Demographic Research, "2012 Local Option Tourist/Food and Beverage/Tax Rates in Florida's Counties," available at <http://edr.state.fl.us/Content/local-government/data/data-a-to-z/2012LOTTrates.pdf> (last visited 1/12/2012).

2. An additional tourist development tax of 1 percent may be levied.<sup>4</sup> Currently 45 counties levy this tax and only 56 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.
3. A professional sports franchise facility tax may be levied up to an additional 1 percent.<sup>5</sup> Currently 35 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.
4. A high tourism impact tax may be levied at an additional 1 percent.<sup>6</sup> 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.
5. 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.<sup>7</sup> Out of 35 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 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.”<sup>8</sup> 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, and museums that are 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.<sup>9</sup>

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<sup>4</sup> Section 125.0104(3)(d), F.S.

<sup>5</sup> Section 125.0104(3)(l), F.S.

<sup>6</sup> Section 125.0104(3)(m), F.S.

<sup>7</sup> Section 125.0104(3)(n), F.S.

<sup>8</sup> 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 1/12/2012).

<sup>9</sup> Also known as “self-administering.”

**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 Florida's Gulfarium in Fort Walton Beach.

**III. Effect of Proposed Changes:**

**Section 1** amends s. 125.0104, F.S., to permit counties to use the tax revenues from the tourist development tax for purposes related to publicly owned and operated aquariums, including the acquisition, construction, maintenance, or promotion of such aquariums.

**Section 2** provides an effective date of July 1, 2012.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

This bill should not give rise to any mandates restrictions because it is permitting, not mandating, the local governments to expend funds from the tourist development taxes for an additional purpose.

**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:**

Local businesses and residents may benefit from having an additional tourist attraction.

**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.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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