

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 1451	FINAL HOUSE FLOOR ACTION:		
SUBJECT/SHORT TITLE	Charlotte County Tourist Development Council, Charlotte County	111	Y's 0	N's
SPONSOR(S):	Local, Federal & Veterans Affairs Subcommittee; Grant, M.	GOVERNOR'S ACTION:		Approved
COMPANION BILLS:	N/A			

SUMMARY ANALYSIS

CS/HB 1451 passed the House on March 1, 2018, and subsequently passed the Senate on March 8, 2018.

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.

Currently, 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.

According to the Economic Impact Statement, the bill is projected to have no fiscal impact on the state or local government.

The bill was approved by the Governor on March 23, 2018, ch. 2018-189, L.O.F., and became effective on that date.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1451z1.LFV.docx

DATE: April 10, 2018

I. SUBSTANTIVE INFORMATION

A. EFFECT OF 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.

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.

C. ECONOMIC IMPACT STATEMENT FILED? Yes [X] No []

D. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? December 6, 2017

WHERE? *Charlotte Sun*, Charlotte County, Florida

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).

E. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?