

Legislative Pre-Session – Week 3 of 5

November 10, 2017

Another pre-Session committee week concluded today and the pace is starting to pick up in Tallahassee. As you've heard substantive legislation has been filed that impacts DMO's and the Tourist Development Tax and starting next week some will be heard in Committee.

Important upcoming dates:

Legislative Committee Weeks in Tallahassee & Session Dates

- Week of November 13, 2017
- Week of December 4, 2017
- **Regular Session begins**, Tuesday, January 9, 2018
 - Tourism Day, Wednesday, January 17, 2018
- Sine Die of Regular Session, Friday, March 9, 2018

Legislation

Tourist Development Accountability

By far the most relevant legislation filed so far, and likely for the entire Session, is HB 3 relating to Economic Development and Tourism Promotion Accountability by Rep. M. Grant (R, Port Charlotte). The bill dramatically impacts the operations of tourist development and economic development entities with many of the provisions similar to what was passed for VISIT FLORIDA last Session.

The bill was introduced at a press conference by the Speaker of the House on October 26 so there's no doubt it has the support of the House Leadership. That means it will move quickly through the committee process and likely pass the House in one form or another.

It will be heard next Tuesday for its first of two committee meetings before going to the floor. An official staff analysis of the bill has not been published yet but in the interim here is **FADMO's summary of the bill**:

Section 1: Auditor General may audit accounts pertaining to use of tax from 125.0104, 125.0108, 212.0305

Section 2: Pertains to Economic Development Agencies

Section 3: Tourism Promotion Agencies:

- "tourism promotion agency" means an entity, including, but not limited to, an agency as defined in s. 119.011, that receives public funds to promote tourism development
- • Requires CVB and/or TDC board members to disclose any benefits received from the expenditure of tourism promotion funds.
- • Prohibits TDC/CVB board members from receiving compensation. Allows per diem and travel expense reimbursement pursuant to state reimbursement policies

- Prohibits DMO/TDC salaries from public funds in excess of salary and benefits authorized to be paid to state Governor. (Quick research indicates this is about \$130,000.)
- Requires county tourism promotion agencies to comply with State per diem requirements.
- Requires county tourism promotion agencies to comply with Code of Ethics for Public Officers and Employees.
- A county tourism promotion agency must mitigate potential organizational conflicts of interest before it enters into a contract.
- Lodging expenses for any county tourism promotion agency employee or board member may not exceed \$150 per day, excluding taxes, unless participating in a negotiated group rate discount or provide at least three comparable alternatives demonstrating that such lodging at the required rate is not available.
- Tourism promotion agency funds may not be expended for food, beverages, lodging, entertainment or gifts for employees or board members, unless authorized pursuant to state travel rules.
- Employees or board members may not accept or receive food, beverages, lodging, entertainment or gifts from vendors or other entities doing business with tourism promotion agency unless it is also available to members of the general public.
- A tourism promotion agency may not expend public or private funds that directly benefit only one business entity.
 - All contracts entered into by the tourism promotion agency shall include:
 - Purpose of the contract
 - Specific performance standards and responsibilities for each entity.
 - A detailed project or contract budget.
 - The value of any services provided.
 - The projected travel and entertainment expense for employees and board members, if applicable.
 - A proposed contract with an estimated total contract value of \$250,000 or more must be submitted to the governing board of the county and published on the county's website at least 14 days before the contract is executed. If the county governing board rejects the proposed contract by a majority vote held during the 14-day period, the tourism promotion agency may not execute the contract or any such similar agreement.
 - County tourism promotion agencies must submit to the governing board of the county, within 10 days after the end of its fiscal year, a complete and detailed report setting forth all public and private financial data and shall publish on its website including:
 - The total amount of revenue received from public and private sources.
 - The operating budget.
 - The total amount of salary, benefits and other compensation provided to officers, employees or agents, regardless of the funding source

- An itemized account of all expenditures, including all travel and entertainment expenditures.
 - The following information must be posted on the website of each tourism promotion agency:
 - All contracts with a total contract value of \$5,000 or more within 5 days after execution.
 - All contracts submitted to the governing board of the county within 5 days of execution. Video recordings of board meetings.
 - A detailed report of expenditures following each marketing event paid for with the public funds of the tourism promotion agency within 10 days of the event.
 - An annual itemized account of the total amount of funds spent by a third party on behalf of the tourism promotion agency.
 - An annual itemized account of the total amount of travel and entertainment expenses.
- It makes all documents of county tourism promotion agencies subject to state sunshine law.
- Requires the Department of Economic Opportunity to collect the public disclosure websites of all county tourism promotion agencies and publish them together on one website.
- Prohibits county tourism marketing agencies from receiving public funds if they fail to comply with this law.
- Requires the Florida Auditor General to conduct an audit of any county tourism promotion agencies that receive \$30 million or more from Tourist Development Taxes.
- Requires the Florida Auditor General to select two county tourism promotion agencies a year that receive less than \$30 million a year for an audit.
- Establishes the Governor and Chief Financial Officer as enforcers of these laws.
- Makes it a criminal first degree misdemeanor to make a false or misleading report or failure to provide the required information.
- Makes it clear that private entities that contract with a county tourism promotion agency are not required to disclose activities that are not related to the fulfillment of the agreement.

Section 4: TDT Procedure for levying, authorized uses; referendum; enforcement

- Requires estimated total contracts valued at \$250,000 or more must be submitted to the governing board of the county for approval.
- The governing board of a county that levies TDT under 125.0104 shall publish and make the following information available online:
 - 1. The approved tourist development plan, including the approximate cost or expense allocation for each specific project or special use.
 - 2. Any substantial amendments to the tourist development plan.
 - 3. The tax district in which the tourist development tax is levied.

- 4. A prioritized list of the proposed uses of the tax revenue by specific project or special use.
- 5. The quarterly expenditure reports from the county governing board or its designee.

Section 5: Florida Tourism Industry Marketing Corporation Transparency

- Requires an annual report to the Governor and Legislature.

Section 6: Economic Development Transparency

- Requires an annual report to the Governor and Legislature.

Section 7: Effective July 1, 2018.

The bill will be heard on **Tuesday, November 14, at 1 p.m. in the House Commerce Committee.** It is expected to pass.

The members of the **House Commerce committee** are:

- Jim Boyd, Chair (R, Bradenton)
- Bryan Avila, (R, Hialeah)
- Evan Jenne, (D, Hollywood)
- Loranne Ausley (D, Tallahassee)
- Lori Berman, (D, Boynton Beach)
- Halsey Beshears (R, Monticello)
- Danny Burgess (R, Zephyrhills)
- Chuck Clemons, (R, Jonesville)
- Nick Duran, (D, Miami)
- Dane Eagle, (R, Cape Coral)
- Katie Edwards, (D, Sunrise)
- Randy Fine, (R, Palm Bay)
- Joe Geller, (D, Dania Beach)
- Tom Goodson, (R, Merritt Island)
- Jamie Grant, (R Tampa)
- Joe Gruters, (R, Sarasota)
- Bill Hager, (R, Boca Raton)
- Blaise Ingoglia, (R, Spring Hill)
- Sam Killebrew, (R, Winter Haven)
- Mike La Rosa, (R, Saint Cloud)
- Kionne McGhee, (D, Cutler Bay)
- Mike Miller, (R, Orlando)
- Jared Moskowitz, (D, Coral Springs)
- Bobby Payne, (R Palatka)
- Ray Rodrigues, (R, Fort Myers)
- Rick Roth, (R, Palm Beach Gardens)
- Sean Shaw, (D, Tampa)
- Richard Stark, (D, Weston)

- Jackie Toledo, (R, Tampa)
- Jay Trumbull, (R, Panama City)

I will be meeting with the bill sponsor as well as the House staff prior to the meeting to express our opposition and begin a dialogue to hopefully amend the bill.

I encourage you to contact your local House delegation members immediately and discuss your position on the bill and how it will impact your area. As of today, a Senate version of the bill has not been filed.

**Puneet Kapur (PK)
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