

STORAGE NAME: h0509a.ft

DATE: April 5, 2000

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
FINANCE AND TAXATION
ANALYSIS**

BILL #: HB 509

RELATING TO: Local Option Tourist Taxes

SPONSOR(S): Representative Ogles

TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) TOURISM (EDC) YEAS 7 NAYS 0
- (2) COMMUNITY AFFAIRS (PRC) YEAS 9 NAYS 0
- (3) FINANCE AND TAXATION (FRC) YEAS 13 NAYS 0
- (4)
- (5)

I. SUMMARY:

This bill authorizes counties that elect to self-administer the local option tourist development tax, the tourist impact tax, or the local option convention development tax to use independent contractors to perform the functions associated with self-administration.

This bill has no fiscal impact on state government. The effect on local tax administration and collections is unknown.

On April 5, 2000, the Committee on Finance and Taxation adopted an amendment which made substantial changes to the bill. See Section VI. Amendments and Committee Substitutes.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

B. PRESENT SITUATION:

Subsection (10) of s. 125.0104, F.S., authorizes counties to elect to self-administer the local option tourist development tax (TDT), as well as the tourist impact tax (s. 125.018, F.S.), instead of having the Department of Revenue (DOR) administer the tax on their behalf. The county is required to adopt a local ordinance specifying the responsibility for performance of tax administration duties. The ordinance must indicate if the county elects to perform all of the duties or if the authority for those duties are delegated to DOR.

Section 212.0305, F.S., authorizes counties to elect to self-administer the local option convention development tax, instead of having DOR administer the tax on the county’s behalf. As with the TDT under s. 125.0104, F.S., the county is required to adopt a local ordinance specifying the responsibility for performance of tax administration duties. The ordinance must indicate if the county elects to perform all of the duties or if the authority for those duties are delegated to DOR.

C. EFFECT OF PROPOSED CHANGES:

House Bill 509 authorizes counties that elect to self-administer the local option tourist development tax, the tourist impact tax, or the local option convention development tax to use independent contractors to perform the functions associated with self-administration.

According to the DOR analysis, these changes do not apply to the local option food and beverage tax imposed by s. 212.0306, F.S., or to the Dade County tax imposed by Chapter 67-930, Laws of Florida.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Paragraph (c) of subsection (10) of s. 125.0104, F.S., is amended to authorize counties that elect to self-administer the local option tourist development tax or the tourist impact tax authorized in s. 125.0108, F.S., to use independent contractors to perform the functions associated with self-administration.

Section 2. Paragraph (c) of subsection (5) of s. 212.0305, F.S., is amended to authorize counties which elect to self-administer the local option convention development tax to use independent contractors to perform the functions associated with self-administration.

Section 3. An effective date of becoming a law is provided.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill has no impact on state revenues.

2. Expenditures:

This bill has no impact on state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The effect this bill will have on tax collections is unknown.

2. Expenditures:

Counties may experience possible savings through contracting out responsibilities rather than having county employees perform duties associated with self-administration of local option taxes.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Counties may contract with private sector entities to perform tax administration functions that were previously performed by the counties.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

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C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

This bill does not necessitate additional rule making authority.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 5, 2000, the Committee on Finance and Taxation adopted an amendment which:

- amends s. 125.0104, F.S., to allow counties that chose to assume responsibility to audit and enforce their local option tourist development taxes and the tourist impact tax to use certified public accountants licensed in this state, to perform these tasks. These certified public accountants are bound by the same confidentiality requirements and subject to the same penalties as the county under s. 213.053, F.S.
- amends s. 125.901, F.S., adding to the membership of the Juvenile Welfare Board, a designated alternate member of the county governing board in lieu of one member of the county government.
- amends s. 212.0305, F.S., to allow counties that chose to assume responsibility to audit and enforce their local option convention development taxes to use certified public accountants licensed in this state to perform these tasks. These certified public accountants are bound by the same confidentiality requirements and subject to the same penalties as the county under s. 213.053, F.S.
- amends s. 213.035, F.S., authorizing the Department of Revenue to share information with certified public accountants for participants in the Registration Information Sharing and Exchange Program (R.I.S.E.)
- amends s. 212.055, F.S., providing for a distribution of proceeds from the Local Government Infrastructure Surtax to be used solely for detention facilities if the governing body of a county enacts an ordinance which limits the use of the proceeds from the surtax exclusively to county detention facilities or court facilities.

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VII. SIGNATURES:

COMMITTEE ON TOURISM:

Prepared by:

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Judy C. McDonald

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AS REVISED BY THE COMMITTEE ON COMMUNITY AFFAIRS:

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AS FURTHER REVISED BY THE COMMITTEE ON FINANCE AND TAXATION:

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