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LANDFORM OF CENTRAL FLORIDA INC.

April 13, 2023

THE INSIDER - SPECIAL EDITION

2023 LEGISLATIVE SESSION UPDATE - WEEK 6

Today, marks day **38 of the 60-day** legislative session. After the first half of the 2023 Legislative Session, two major initiatives were signed into law by the Governor which included a **\$711 million affordable housing bill (SB 102)** that was a priority for Senate President Passidomo and the passage of **HB 1**, the **expansion of the state's school voucher program**, which was a top priority for House Speaker Renner. Additionally, the House approved **HB 733**, by a vote of 92-20, which **would prevent middle schools from starting before 8 a.m. and high schools from starting earlier than 8:30 a.m. HB 733** has now been received by the Senate and is referred to the Fiscal Policy Committee for consideration.

Furthermore, on April 12th SPB 7046, the Licensing Fee Relief was passed unanimously by the Senate Regulated Industries Committee and will now await a hearing in the Senate Appropriations Committee. This bill will require the Department of Business and Professional Regulations (DBPR) to waive a portion of the initial license application fee

and the renewal fee for certain licenses.

Lastly, the Senate unanimously passed a bill (SB 306) on April 4th, which is aimed at reducing catalytic converter thefts. These converters are often targeted by thieves at our hotels and resorts who cut them off the exhaust systems of cars to extract valuable metals like palladium, platinum, and rhodium. This bill is being sponsored by Senator Jim Boyd, and it restricts who can buy detached catalytic converters and imposes new record-keeping requirements on auto parts dealers. It also makes it a third-degree felony to knowingly possess, purchase, sell, or install a stolen catalytic converter, one that is missing certain information, or one without proof of ownership. Additionally, it would be a second-degree felony to knowingly import, manufacture, or purchase counterfeit, fake, or nonfunctional catalytic converters for resale. The bill now heads to the House for consideration.

As we begin the second half of the 2023 Legislative Session, the legislature will begin to shift more towards floor sessions, as the work of House and Senate committees begin to wind down. Committees and subcommittees will continue to hold regular meetings through April 25th, but the number of bills still awaiting hearings in committee is dropping. In addition, the two chambers now will work on allocating how much of the available money will go toward each section of the state budget for the coming year and work in conference committees to finalize an agreement.

Over the next few weeks, we will continue to proactively monitor the progression of the remaining bills that are important to our industry including: TDT expansion, the statewide regulation of vacation homes and advertising platforms, data privacy, the clarification and modernization of the Florida Timeshare Act, Human Trafficking and many others.

CLICK HERE to download the complete 2023 CFHLA Legislative Agenda.

LEGISLATIVE ALERT - TDT EXPANSION

As we have shared previously, legislation pertaining to **TDT expansion** remains a matter of great concern to CFHLA and our partners. **The good news is that** <u>HB 7053</u> **was not heard this week and remains in the House Ways and Means Committee.** However, things can change quickly and we are closely monitoring this bill and will continue to urge the Florida Legislature to reject this detrimental bill.

As we've previously stated, this bill that would be the biggest attack on the tourism industry ever proposed.

HB 7053 bill would severely harm Florida's tourism industry by stripping away Visit Florida's ability (and our local communities) from effectively promoting our tourist destination and hampers our ability to seek new opportunities to remain competitive as a region.

As a reminder, <u>HB 7053</u> would:

- 1. Rural counties are required to pay 2% of Tourist Development Tax (TDT) collections and non-rural counties (this means all three counties Orange, Osceola and Seminole) would be required to pay 5% of TDT to fund Visit Florida, approximately \$70 million for 2023-26, then becomes voluntary via vote of governing body. This would equate to more than \$21 Million (or more) in lost TDT for our tri-county area combined (30% of total collected from all counties and completely disproportionate).
- 2. Requires all Tourist Development Tax levied to be reauthorized by referendum every 6-years exempting TDT collected to cover county bond obligations.
- 3. Eliminates proceeds from rental car surcharge to Visit Florida.
- 4. Prohibits any state appropriations to Visit Florida.
- 5. Requires Visit Florida to ensure that 75 percent of all expenditures go towards activities, services, functions and programs that directly assist state parks, state forests and rural counties.

- 6. Require VF to match monies from each county on a one-to-one basis while prohibiting any proceeds from TDT to be counted towards the match. Any co-op marketing or local DMO program participation cannot count.
- 7. Expands the ability for counties to use TDT for tourism infrastructure for transportation, sanitary sewer, solid waste, drainage, potable water, and pedestrian facilities by removing the requirements to use at least 40% of TDT for marketing as well as removing the independent professional analysis demonstrating the positive impact to tourist-related businesses in the county. This effectively allows TDT to be spent on anything locally, which we adamantly oppose.
- 8. Based on our calculations, the definition of rural counties within this bill includes: Baker, Bradford, Calhoun, Columbia, DeSoto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Suwannee, Taylor, Union, Wakulla, Walton and Washington.



CALL TO ACTION

HB 7053 can still be added to the House Ways & Means Committee agenda, at any time.

Therefore, we continue to encourage our members to please reach out to the House members in your area, especially if they serve on the House Ways & Means Committee (a list of those committee members is below). Share with them the negative impacts HB 7053 will have on your community and its residents.

Here are a few talking points that you could share with each member:

- Tourism is the lifeblood of Florida's economy and has been key to revitalization of the free State of Florida's economy following the pandemic bringing in a surplus of revenue to the state.
- Visit Florida generates a return on investment of \$3.27 in taxes for each dollar invested by the State of Florida.
- Under this proposed bill, all non-rural counties including Orange,
 Osceola and Seminole Counties would be required to pay 5% of
 our annual Tourist Development Taxes (TDT) to fund Visit
 Florida. This would equate to at least \$21 Million in lost TDT for
 our tri-county area combined, which would be detrimental to the
 economic viability of our local youth and amateur sports complexes,
 the arts community, and to our local Direct Marketing Organizations.
- Additionally, this \$21 Million would be roughly 30% of all TDT that would be collected from across the state, and we would be disproportionately paying the highest amount to Visit Florida with little return.
- This proposed bill limits Visit Florida's ability to market the entire state
 and internationally, as Visit Florida would now be required to spend
 at least seventy-five percent of all funds directly to assist rural
 counties and Florida's state parks and forests.
- With fifty-one percent of our local sales tax being paid by out-of-town visitors, any decline in visitation due to reduced tourism marketing and promotion could result in job loses for small businesses and a reduction of the state sales tax revenue that is used to pay for our critical services, such as public safety, education, health care and infrastructure. For example, if tourists no longer traveled to the Central Florida region, each household in Orlando would need to be taxed an additional \$6,412 to replace the taxes generated by visitor activity.
- Under this proposed bill, the potential window for TDT to exist is only 6 years. This means the ability to issue long-term debt becomes non-existent. As a result, using these funds to invest in major projects and enhancements that have a high economic return for our community - such as the Orange County Convention Center and

Camping World Stadium - becomes extremely difficult to achieve in the future. Plus, it imperils the smaller, but just as impactful arts, sporting and cultural events that we also do with TDT throughout Orange, Osceola and Seminole Counties.

If the TDT goes away entirely, all of the things we currently do
with it today either go away or become the responsibility of our
general taxpayers to pay for.

Click on each of the House Members names to email them and let them know you oppose HB 7053.

Ways & Means Committee:

Rep. Wyman Duggan

Rep. Stan McClain (R, Lake, Marion, Volusia)

Rep. James Buchanan(R, Sarasota)Rep. Chip LaMarca(R, Broward)Rep. Anna Eskamani(D, Orange)

Rep. Doug Bankson (R, Orange, Seminole)

Rep. Webster Barnaby

Rep. Kimberly Berfield

Rep. Daryl Campbell

Rep. Mike Caruso

Rep. Joe Casello

Rep. Dan Daley

(R, Volusia)

(R, Pinellas)

(D, Broward)

(R, Palm Beach)

(D, Palm Beach)

(D, Broward)

Rep. Tom Fabricio(R, Miami-Dade)Rep. Juan Fernandez-Barquin(R, Miami-Dade)Rep. Dianne Hart(D, Hillsborough)

Rep. Sam Killebrew (R, Polk)

Rep. Michele Rayner-Goolsby (D, Hillsborough, Pinellas) **Rep. Spencer Roach** (R, Charlotte, DeSoto, Lee)

(R, Duval)

Rep. Will Robinson(R, Manatee)Rep. Rick Roth(R, Palm Beach)Rep. Tyler Sirois(R, Brevard)Rep. David Smith(R, Seminole)

Rep. Alison Tant (D, Jefferson, Leon, Madison)

Rep. Susan Valdes (D, Hillsborough)

CFHLA STRONGLY OPPOSES THIS BILL



TOURIST DEVELOPMENT TAX (TDT)

A bill in each chamber that proposes changes to the Tourist Development Tax (TDT) statute and authorizes certain fiscally constrained counties to use a designated percentage of tourist development tax revenues received to reimburse expenses incurred for certain purposes.

HB 309 by Representative Shoaf – **No action was taken in the House this week**.

SB 640 by Senator Simon – No action was taken in the Senate this week.

HB 7053 by Representative Yeager - Referred to The Appropriations Committee, **NOW in the House Ways and Means Committee**.

CFHLA STRONGLY OPPOSES

VISIT FLORIDA FUNDING

CFHLA supports increased funding for VISIT FLORIDA in the amount of \$100 million. Following Hurricane Ian and Tropical Storm Nicole, funding will be especially important to ensure Florida continues to be top of mind as a leading vacation destination.

The House has passed their budget with \$0 funding for Visit Florida FY 2023-2024 year. Additionally, the Senate has passed their budget allotting \$80 million in funding for Visit Florida, with \$30 million recurring.

The House and Senate are set to start negotiations over competing versions of the FY 2023-2024 budget, over the next few weeks.

CFHLA SUPPORTS FULL FUNDING OF VISIT FLORIDA



VACATION HOME RENTALS AND ADVERTISING PLATFORMS

A bill in each chamber that would require advertising platforms to collect and remit specified taxes for certain vacation rental transactions. It also defines the term "advertising platform," revises the regulated activities of public lodging establishments and public food service establishments preempted to the state to include licensing, requires advertising platforms to require that persons placing advertisements for vacation rentals include certain information in the advertisements and attest to certain information and authorizes DBPR to revoke, refuse to issue or renew, or suspend vacation rental licenses under certain circumstances.

HB 833 by Representative Duggan – Passed the House Ways and Means Committee, by a vote of 13-10, on April 12th. The bill has NOW been placed on the House Commerce Committee's agenda for April 17th.

SB 714 by Senator DiCeglie – No action was taken this week. The bill has NOW been placed on the Senate Appropriations Committee on Agriculture, Environment and General Government's agenda for April 18th.

CFHLA SUPPORTS

WORKFORCE HOUSING

We applaud the Governor for signing SB 102 into law effective July 1, 2023. SB 102 is also known as the "Live Local Act," which is a comprehensive affordable housing package sponsored by Senator Calatayud.

The bill, a priority for Senate President Passidomo, allocates \$252 million in non-recurring funds towards the State Housing Initiatives Partnership (SHIP) and \$259 million (recurring and non-recurring) towards the State Apartment Incentive Loan (SAIL) programs. The bill includes various provisions such as eliminating limited statutory authority for local governments to impose rent control measures and authorizing counties to approve "mixed-use residential" development that includes affordable housing within commercial or industrial zones. Additionally, the bill provides ad valorem tax exemptions for land owned by a non-profit entity leased for 99+ years for the purpose of affordable housing and newly constructed or substantially rehabilitated developments with 70+ units dedicated to providing affordable low- to moderate-income housing.

The bill also authorizes local governments to offer an additional local option ad valorem tax exemption to property owners who dedicate units to extremely low-income or very-low-income residents. Furthermore, the bill provides for a new distribution of the lesser of 8 percent of Documentary Stamp Tax revenues or \$150 million to be deposited into the State Housing Trust Fund, and codifies the Hometown Heroes program, which provides down payment assistance and zero-interest loans to eligible frontline community workforce members.

SB 102 by Senator Calatayud – Signed by Governor DeSantis on March 29, 2023

<u>HB 627</u> by Representative Busatta-Cabrera and Representative Lopez – **No action** was taken this week.

CFHLA SUPPORTS

DATA PRIVACY

CFHLA believes that customers deserve to have control over their personal information. However, any regulations upon individual companies should not be unreasonable, as the cost of compliance could be significant for small and medium-sized businesses. Additionally, businesses must be given an adequate opportunity to correct any errors and respond to complaints without the threat of costly litigation.

SB 262 by Senator Bradley - This bill was passed unanimously by the Senate Commerce and Tourism Committee on April 5th.

HB 1547 by Representative McFarland - This bill is **NOW** awaiting a hearing in the House Commerce Committee.

CFHLA OPPOSES



FLORIDA TIMESHARE ACT

CFHLA supports ARDA's legislative proposal, which seeks the clarification and modernization of several provisions in the Florida Timeshare Act. Beneficial revisions for owners' associations include the option for meetings to be held virtually, an exemption from current requirements to deliver notices to an owner's unit rather than the address of record, clearer authority to act in an emergency, and streamlining the trustee foreclosure process to make it less time-consuming. The proposal would also allow developers to deliver certain documents to purchasers electronically and clarify provisions regarding the delivery and filing of other required documents. These proposed changes would help bring the statute up to date relative to the current business model and available technology.

CFHLA SUPPORTS

DONATE

CFHLA MEMBERS - Please consider making a donation of \$50 via the link below to the CFHLA PAC/PC. All contributions help CFHLA expand its efforts to support and endorse Hospitality-Friendly candidates for local and state offices. In the 2022 General election, all 16 CFHLA endorsed candidates were successfully elected into office.

DONATE NOW

As a reminder, all CFHLA Board Members, PAC/PC Board Members, and ARC Board Members have committed to contributing \$150 to the CFHLA PAC/PC in 2023. If you are a part of one or more of these groups, please consider fulfilling your commitment today.

IN THE NEWS

Florida Reedy Creek Improvement District resolution aims for 'superior authority' of land planning powers - Orlando Business Journal

Orlando Magic to move NBA G League team to Osceola County - Orlando Business Journal

Florida indoor sports complex planned in Seminole County near Orlando - Orlando Business Journal

What's passed during Florida's legislative session - and what's ahead - Tampa Bay Times

Economic development, health care spending among sticking points in Florida state budget - Orlando Business Journal

Florida tax collections top forecast - Orlando Business Journal

Florida Gov. Ron DeSantis said state may look at taxes on hotels, tolls on road against Disney - Orlando Business Journal

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About CFHLA

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The mission of the Central Florida Hotel and Lodging Association is to represent the Central Florida Hospitality Industry, by setting the standard of excellence through advocacy, collaboration, education, recognition, and service.