



April 20, 2023

THE INSIDER - SPECIAL EDITION

2023 LEGISLATIVE SESSION UPDATE - WEEK 7

Today, marks day 45 of the 60-day legislative session. With two weeks remaining, the House and Senate committees will begin concluding their work and start to focus on floor sessions for the final two weeks.

Additionally, the Budget Conference Committees will be convening soon to reconcile the differences between the two proposed budgets, <u>SB 2500</u> and <u>HB 5001</u>, before the session ends "Sine Die" on May 5th.

The House proposed TDT expansion/VISIT FLORIDA overhaul was not heard again this week and we continue to closely monitor and advocate in opposition of this harmful bill. Furthermore, regulation relating to Vacation Home Rentals was passed in both the House and Senate committees this week, with amendments. These amendments included restricting the maximum occupancy, allowing local governments to charge a fee for inspections, increasing the processing fee to \$150 for an individual registration application and \$250 for a collective registration application, and

providing DBPR with resources to hire six additional inspectors throughout the state to conduct the inspections as needed.

Moreover, the Governor has signed <u>SB 106</u> the **SUN Trail Expansion** bill by Senator Brodeur and Representative Botana effective July 1, 2023. This bill expands the shared-use nonmotarized (SUN) Trail Network and adds a seat to the VISIT FLORIDA Board for a representative from the "nature-based tourism industry." The bill also enhances coordination of the state's trail system with the Florida Wildlife Corridor.

In addition, the House revealed this week they are pushing forward with another **significant reduction in the Business Rent Tax** for the 2023 Legislative Session.

Lastly, the House passed a bill (SB 306) by a vote of 105-2 on April 19th, which is aimed at reducing catalytic converter thefts. This bill has now been sent to the Governor for approval. 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 was sponsored by Senator Jim Boyd and Representative Fred Hawkins, 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.

Over the final two weeks, we will be extremely proactive as we continue to 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.

LEGISLATIVE ALERT - TDT EXPANSION

As we continue to share, legislation pertaining to **TDT expansion** remains a matter of great concern to CFHLA and our partners. As we've previously stated, **this bill that would be the biggest attack on the tourism industry ever proposed.**

Thanks to each of you, <u>HB 7053</u> was not heard again this week and remains in the House Ways and Means Committee. However, things can change quickly and we are continuing to put the pressure on Legislators to reject this detrimental bill.

Please review the below information regarding the TDT Expansion bill. Your continued engagement with the legislative members that represent you, is critical over the next two weeks.

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 also:

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 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. Stan McClain (R, Lake, Marion, Vol	usia)
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Rep. James Buchanan(R, Sarasota)Rep. Chip LaMarca(R, Broward)Rep. Anna Eskamani(D, Orange)

Rep. Doug Bankson (R, Orange, Seminole)

Rep. Webster Barnaby(R, Volusia)Rep. Kimberly Berfield(R, Pinellas)Rep. Daryl Campbell(D, Broward)Rep. Mike Caruso(R, Palm Beach)Rep. Joe Casello(D, Palm Beach)Rep. Dan Daley(D, Broward)Rep. Wyman Duggan(R, Duval)

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)

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.

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

<u>SB 640</u> by Senator Simon – **No action was taken in the Senate this** week.

<u>HB 7053</u> 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 will begin 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 in the House Commerce Committee, by a vote of 10-7, on April 17th. The bill is NOW ready for a vote on the House Floor.

<u>SB 714</u> by Senator DiCeglie – Passed in the Senate Appropriations

Committee on Agriculture, Environment and General Government by a

vote of 9 - 5, on April 18th. The bill is NOW at its last committee stop, the

Senate Fiscal Policy Committee.

CFHLA SUPPORTS

WORKFORCE HOUSING

We applaud the Governor for signing <u>SB 102</u> into law effective July 1, 2023. <u>SB 102</u> 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.

<u>SB 102</u> 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. The bill is NOW on the Senate Rules agenda for next Monday, April 24th.

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

CFHLA OPPOSES



FLORIDA TIMESHARE ACT

CFHLA supports American Resort Development Association's (ARDA) 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.

Great news! This week, HB 869 was amended to include language that CFHLA supports regarding the Florida Timeshare Act. We will now be working with the Senate companion SB 782, to amend as well.

HB 869 by Representative McClain - Passed the House Commerce

Committee unanimously on April 17th. The bill is **NOW** ready for a vote on the House Floor.

<u>SB 782</u> by Senator Hooper – Passed Senate Appropriations Committee on Agriculture, Environment and General Government unanimously on April 18th. The bill is **NOW** at its last committee stop, the Senate Fiscal Policy.

CFHLA SUPPORTS THE AMENDED HB 869

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

<u>Vacation rental regulation bill books final Senate stop</u> - Orlando Business Journal

Facing criticism from DeSantis board, Disney World announces

progress on affordable housing complex in Central Florida - Florida

Politics

<u>Lawmakers approve catalytic converter antitheft measure</u> - Florida Politics

Florida Senate Bill change targets Disney agreement - Orlando **Business Journal**

<u>DeSantis leans on GOP-controlled Legislature to thwart Disney</u> -**Politico**

Governor Ron DeSantis signs Live Local Act for affordable housing -**Orlando Business Journal**

Orlando leaders ponder push to finish Camping World Stadium -**Orlando Sentinel**

Brightline prepares for summer launch of Orlando train service as new airport station debuts - Orlando Business Journal

Orlando Determining How To Spend Record Hotel Tax - costar.com





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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.