



April 27, 2023

THE INSIDER - SPECIAL EDITION

2023 LEGISLATIVE SESSION UPDATE - WEEK 8

Today, marks day 52 of the 60-day legislative session. The House and the Senate have now concluded their committee meetings and the focus is on finalizing and approving the FY 2023-2024 budget. With next week being the final week of 2023 legislative session, the Senate and House must have these negotiations completed by close of Friday, May 5th, "Sine Die."

Progress has been made this week with three specific CFHLA legislative priorities. First, the House proposed TDT expansion/VISIT FLORIDA overhaul (HB 7053) was not heard again this week and we continue to closely monitor and advocate in opposition of this harmful bill. Secondly, regulation relating to Vacation Home Rentals (SB 714) was passed on the Senate floor (with amendments) and has now been sent to the Florida House for considerations. Lastly, the Florida Senate has scaled back their proposed data privacy bill (SB 262) that attempts to give consumers more control over their online footprint, by narrowing it to target companies such as Amazon, Google, Apple and

Facebook.

Over the final week, we will remain 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 rentals and advertising platforms, data privacy, the clarification and modernization of the Florida Timeshare Act, Human Trafficking and several others.

CLICK HERE to download our 2023 CFHLA Legislative Agenda.

LEGISLATIVE ALERT

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, HB 7053, was not heard again this week and remains stuck in the House Ways and Means Committee. However, things can still change and we are continuing to put the pressure on Legislators to reject this detrimental bill this session.

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

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

Here are a few talking points that you could continue to 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, 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
(R, Pinellas)
Rep. Daryl Campbell
(D, Broward)
Rep. Mike Caruso
(R, Palm Beach)
Rep. Joe Casello
(D, Palm Beach)
Rep. Dan Daley
(D, Broward)
(D, Broward)
(Rep. Wyman Duggan
(R, Duval)
(R, Miami-Dade)

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.

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 - No action was taken this week.
Remains in the House Ways and Means Committee.

CFHLA STRONGLY OPPOSES THESE BILLS

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

Currently, the House and Senate are still negotiating over competing versions of the FY 2023-2024 budget, and **CFHLA** is continuing to fight for at least \$80M in funding for Visit Florida in the FY budget.

CFHLA SUPPORTS FULL FUNDING OF VISIT FLORIDA



VACATION HOME RENTALS AND ADVERTISING PLATFORMS - MAJOR UPDATE!

BREAKING NEWS!

This evening, the Florida Senate passed the Vacation Home Rental and Advertising Platform bill on the floor by a vote of 28-10. This included a late amendment that CFHLA advocated for, which focused on adding health, safety and mandatory occupancy requirements.

Below is the breakdown of the pros of **Senate Bill 714**.

- Requires advertising platforms to collect and remit taxes
- Permits a local registration system that may include or require the following:
 - Fine for failure to register
 - Increased registration fee (\$150, \$200/collective)
 - Identifying information about owner, owner agents, and the property
 - A Vacation Rental license from DBPR
 - Tax registration
 - Keep registration and home information current
 - Compliance with parking, trash and safety standards that apply to all properties
 - Requires a designated responsible party
 - Sets state maximum occupancy
 - Requires a payment of all liens
 - The ability to terminate a vacation rental registration for certain reasons
- Vacation rentals must post license number and local registration
- Requires platforms to:
 - Require units advertised to include license number and local registration numbers
 - Require owners to attest to licensure and registration status
 - Confirm licensure using DBPR website as of July 1, 2024 before posting the advertisement
 - Remove listings with invalid license numbers upon request from DBPR
 - Collect and remit all taxes
- Gives DBPR ability to issue cease and desist
- Ability to fine advertising platforms for violations

- License revocation provisions for Vacation Rentals
- Emergency Rulemaking for the Department of Revenue to facilitate remittance of taxes
- Creates 6 new positions within DBPR to handle the new regulations

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.

SB 714 by Senator DiCeglie – Passed on the Florida Senate floor by a vote of 28-10, on April 27th. The bill has NOW been sent to the House Floor for consideration.

CFHLA SUPPORTS THE AMENDED SB 714

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

HB 627 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.

Some good progress has been made this week! Faced with concerns from Florida's small businesses that rely on digital advertising, the Florida Senate has scaled back this bill that attempts to give consumers more control over their online footprint by narrowing it to target companies such as Amazon, Google, Apple and Facebook.

The amended measure, <u>SB 262</u> and its companion, <u>HB 1547</u>, will now head next to the House and Senate floors for final votes.

Both measures attempt to give consumers the right to opt out of sharing their data, which is often collected and sold by companies to advertisers to sell targeted ads to consumers online. But only the Senate bill has been modified to more tightly narrow the scope to target the nation's tech giants.

SB 262 by Senator Bradley - This bill was passed unanimously by the Senate Rules Committee on April 24th 19-0. This bill is NOW headed to the Senate Floor.

HB 1547 by Representative McFarland - This bill passed in the House Commerce Committee 16-3 on April 24th. This bill is NOW headed to the House Floor.

CFHLA SUPPORTS SB 262 AND OPPOSES HB 1547



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 timeconsuming. 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.

As we shared last week, HB 869 was amended to include language that CFHLA supports regarding the Florida Timeshare Act. We are now working with the Senate companion SB 782, to amend as well.

HB 869 by Representative McClain - Passed the House on April 25th.

The bill is NOW on the Special Order Calendar for tomorrow, April 28th.

SB 782 by Senator Hooper – Passed Senate Fiscal Policy Committee unanimously on April 26th 20-0. The bill is NOW on the Special Order Calendar for tomorrow, April 28th.

CFHLA SUPPORTS THE AMENDED HB 869

REGIONAL TOURIST DEVELOPMENT TAX UPDATE

Orange County

The Tourist Development Tax (TDT) collections received by Orange County for

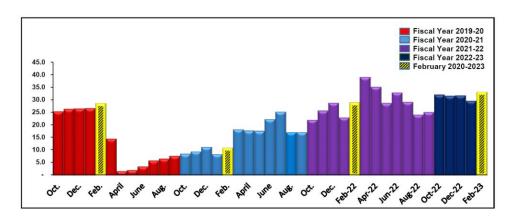
the month of **February 2023 were \$32,638,500**. That is a **14.2% increase** over February 2022.

Month-over-month, February collections were higher than January collections by \$3.6 million. They were also higher than February 2021 collections by \$22.3 million and were also the highest February collections on

record.

The chart below shows monthly TDT collections for the current fiscal year and

the previous three fiscal years.

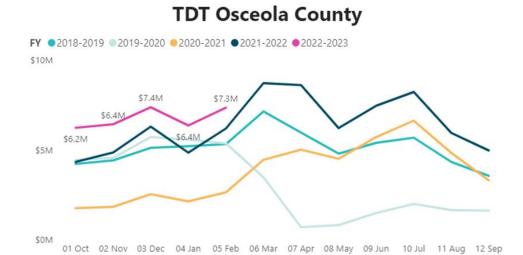


Osceola County

The Osceola County Tourist Development Tax (TDT) collection for the month of **February was \$7,300,000**, another monthly record for **TDT collection**. The amount was + 19% vs. 2022 and +37% vs. 2020.

Year to date Osceola TDT has collected \$33M, +27% vs. 2022.

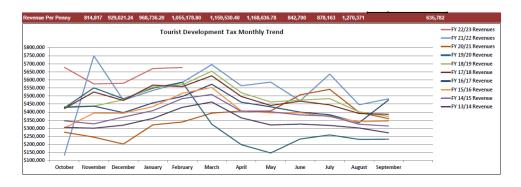
Also, vacation homes accounted for 55% of the TDT collection, with hotels/resorts at 40%.



Seminole County

Seminole County announced that the **Tourist Development Tax (TDT)** collection for the month of February was at \$676,944. This was an increase of \$93,029 over February 2022.

For the FY 2022-2023, Seminole County has now collected \$3,178,910 in TDT, an increase of \$704,810 over the same period in FY 2021-2022.



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>Session Spotlight: Not Funding VISIT FLORIDA Would Hurt Tourism</u>
<u>Promotion and Florida's Economy</u> - Florida TaxWatch

House passes \$1.4B tax cut package heavy on sales tax cuts for consumers - Florida Politics

<u>DeSantis vs. Disney: New board to raise taxes on Disney Springs</u> <u>tenants to pay for ongoing fight</u> - Orlando Business Journal

<u>The Walt Disney Co. sues Florida Gov. Ron DeSantis and new board</u> - Orlando Business Journal

<u>DeSantis ally in talks to become Disney World government's district</u> <u>administrator</u> - Florida Politics

Florida legislators advance 'digital bill of rights' so you control online data - Miami Herald

<u>Florida's Orlando Sanford International Airport drives development</u> - Orlando Business Journal

<u>Buddy Dyer announces bid for 6th term leading Orlando</u> - Florida Politics

Florida bill would give timeshare owners like Disney, Westgate and more a big tax break - Orlando Business Journal

<u>Facing criticism from DeSantis board, Disney World announces</u>
<u>progress on affordable housing complex in Central Florida</u> - Florida
Politics

Future Brightline extension, new Universal theme park amp up excitement for long-planned 36-story hotel project – GrowthSpotter

<u>Budget conference: Senate agrees to dismantle Enterprise Florida</u> - Florida Politics

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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.